

PRELIMINARY OFFICIAL STATEMENT DATED JULY 12, 2021

NEW ISSUE

**S&P GLOBAL RATINGS: AA
(see “Rating” herein)**

In the opinion of Bond Counsel, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the “Code”), based on existing law, interest on the Bonds and Notes is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax. Interest on the Bonds and Notes may be includable in the calculation of certain taxes under the Code, as described under Appendix B-1 “Form of Legal Opinion of Bond Counsel and Tax Exemption – The Bonds” and Appendix B-2 “Form of Legal Opinion of Bond Counsel and Tax Exemption – The Notes”, herein. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds and Notes is excluded from taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

TOWN OF ENFIELD, CONNECTICUT

\$10,000,000* GENERAL OBLIGATION BONDS, ISSUE OF 2021

Dated: Date of Delivery

Due: August 1, as shown herein

Electronic proposals via PARITY® for the Bonds will be received until 12:00 Noon (Eastern Time) on Tuesday, July 20, 2021 at Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 as described in the Notice of Sale for the Bonds (see Appendix D herein).

Interest on the Bonds will be payable on February 1, 2022 and semiannually thereafter on August 1 and February 1 in each year until maturity at the rates set forth on the inside cover page.

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

\$27,500,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

Dated: August 5, 2021

**S&P GLOBAL RATINGS: SP-1+
Due: August 4, 2022**

Sealed proposals and electronic proposals via PARITY® for the Notes will be received until 11:30 A.M. (Eastern Time) on Tuesday, July 20, 2021 at Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 as described in the Notice of Sale for the Notes (see Appendix E herein). It is recommended that bidding information for sealed proposals be received by Munistat Services, Inc., the Town’s municipal advisor, acting as agent for the bidders, by telephone at 860-372-1887 until 11:25 A.M. (Eastern Time) in order to ensure compliance with the 11:30 A.M. (Eastern Time) bid deadline.

The Notes are not subject to redemption prior to maturity.

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

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

U.S. Bank National Association, Global Corporate Trust, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut will certify the Bonds and Notes and act as Registrar, Transfer Agent, and Paying Agent with respect to the Bonds and Notes.

The Bonds and Notes are offered for delivery when, as and if issued, subject to the final approving opinions of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds and Notes will be made in book-entry-only form to DTC in New York, New York on or about August 5, 2021.

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

*Preliminary, subject to change.

TOWN OF ENFIELD, CONNECTICUT

\$10,000,000* GENERAL OBLIGATION BONDS, ISSUE OF 2021

Dated: Date of Delivery

Due: August 1, as shown herein

MATURITY SCHEDULE

Maturity	Amount	Coupon	Yield	CUSIP ¹	Maturity	Amount	Coupon	Yield	CUSIP ¹
2022	\$500,000 *			292749---	2032	\$500,000 *			292749---
2023	500,000 *			292749---	2033	500,000 *			292749---
2024	500,000 *			292749---	2034	500,000 *			292749---
2025	500,000 *			292749---	2035	500,000 *			292749---
2026	500,000 *			292749---	2036	500,000 *			292749---
2027	500,000 *			292749---	2037	500,000 *			292749---
2028	500,000 *			292749---	2038	500,000 *			292749---
2029	500,000 *			292749---	2039	500,000 *			292749---
2030	500,000 *			292749---	2040	500,000 *			292749---
2031	500,000 *			292749---	2041	500,000 *			292749---

The Bonds are subject to optional redemption as described more fully herein. See “Optional Redemption” herein.

\$27,500,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

Dated: August 5, 2021

Due: August 4, 2022

Amount	Coupon	Yield	CUSIP ¹
\$27,500,000			292749---

The Notes are not subject to optional redemption.

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

*Preliminary, subject to change.

No dealer, broker, salesman or other person has been authorized by the Town of Enfield, Connecticut (the “Town”) or the Municipal Advisor (as defined herein) to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Town or the Municipal Advisor. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds and Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

The Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and Notes, and may not be reproduced or used in whole or in part for any other purpose.

The information and expressions of opinion herein are subject to change without notice and 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 of this Official Statement.

Other than as to matters expressly set forth in Appendix A – “Audited Financial Statements” herein, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

Other than matters expressly set forth in Appendices B-1 and B-2, herein, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

The Town deems this Official Statement to be “final” as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1).

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

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

BOND ISSUE SUMMARY

The information in this Bond Issue Summary, the front cover, and the inside 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:	<u>Tuesday, July 20, 2021, 12:00 Noon (Eastern Time).</u>
Location of Sale:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443.
Issuer:	Town of Enfield, Connecticut (the "Town").
Issue:	\$10,000,000* General Obligation Bonds, Issue of 2021 (the "Bonds").
Dated Date:	Date of Delivery.
Interest Due:	Semiannually on February 1 and August 1 in each year until maturity, commencing February 1, 2022.
Principal Due:	Annually on August 1 as shown on the inside cover page of this Official Statement.
Purpose and Authority:	The proceeds of the Bonds will be used to permanently finance a portion of the \$25,000,000 Bond Anticipation Notes maturing August 5, 2021 which were used to finance the Water Pollution Control Facility Upgrades project and the JFK Middle School Renovations project as authorized by the voters of the Town, as described in "Use of Bond and Note Proceeds" herein. See "Authorization and Purpose" herein also.
Redemption:	The Bonds are subject to optional redemption prior to maturity as more fully described herein. See "Optional Redemption" herein.
Security:	The Bonds will be general obligations of the Town of Enfield, Connecticut and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Town received a credit rating of "AA" with a stable outlook from S&P Global Ratings ("S&P") on the Bonds. See "Rating" herein.
Bond Insurance:	The Town does not expect to direct purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost ("TIC"), as of dated date.
Tax Exemption:	Refer to Appendix B-1, "Form of Legal Opinion of Bond Counsel and Tax Exemption – The Bonds" herein.
Bank Qualification:	The Bonds shall not be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense incurred to carry the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided (i) annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notices of the occurrence of certain events and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form of Appendix C-1 to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, Global Corporate Trust, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06013.
Legal Opinion:	Shipman & Goodwin LLP of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about August 5, 2021 against payment in Federal Funds .
Issuer Official:	Questions concerning the Official Statement should be directed to John Wilcox, Director of Finance, Town of Enfield, 820 Enfield Street, Enfield, Connecticut 06082. Telephone: 860-253-6326.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Susan Caron, Vice President, Telephone: 860-290-3000.

The Preliminary Official Statement is available in electronic form only at www.i-dealpropectus.com and munistat.com. For additional information please contact the Municipal advisor at susan.caron@munistat.com or mark.chapman@munistat.com.

*Preliminary, subject to change.

NOTE ISSUE SUMMARY

The information in this Note Issue Summary, the front cover and inside 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:	<u>Tuesday, July 20, 2021, 11:30 A.M. (Eastern Time).</u>
Location of Sale:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443.
Issuer:	Town of Enfield, Connecticut (the “Town”).
Issue:	\$27,500,000 General Obligation Bond Anticipation Notes (the “Notes”).
Dated Date:	August 5, 2021.
Interest Due:	At maturity, August 4, 2022.
Principal Due:	At maturity, August 4, 2022.
Purpose and Authority:	The proceeds of the Notes will be used to refund a portion of the \$25,000,000 Bond Anticipation Notes maturing August 5, 2021 which were used to finance the Enfield High School Expansion and Renovation project and the JFK Middle School Renovations project as authorized by the voters of the Town, as described in “Use of Bond and Note Proceeds” herein. See “Authorization and Purpose” herein also.
Redemption:	The Notes are not subject to optional redemption prior to maturity.
Security:	The Notes will be general obligations of the Town of Enfield, Connecticut and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
Credit Rating:	The Town received a credit rating of “SP-1+” from S&P Global Ratings (“S&P”) on the Notes. See “Rating” herein.
Basis of Award:	Lowest Net Interest Cost (“NIC”), as of dated date.
Tax Exemption:	Refer to Appendix B-2, “Form of Legal Opinion of Bond Counsel and Tax Exemption – The Notes” herein.
Bank Qualification:	The Notes shall not be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense incurred to carry the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided timely, but not in excess of ten (10) business days after the occurrence of the event, notices of the occurrence of certain events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form of Appendix C-2 to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, Global Corporate Trust, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06013.
Legal Opinion:	Shipman & Goodwin 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 to The Depository Trust Company on or about August 5, 2021 against payment in Federal Funds .
Issuer Official:	Questions concerning the Official Statement should be directed to John Wilcox, Director of Finance, Town of Enfield, 820 Enfield Street, Enfield, Connecticut 06082. Telephone: 860-253-6326
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Susan Caron, Vice President, Telephone: 860-290-3000.

The Preliminary Official Statement is available in electronic form only at www.i-dealpropectus.com and munistat.com. For additional information please contact the Municipal advisor at susan.caron@munistat.com or mark.chapman@munistat.com

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Enfield, Connecticut (the “Town”) in connection with the sale and issuance of \$10,000,000* General Obligation Bonds, Issue of 2021 (the “Bonds”) and \$27,500,000 General Obligation Bond Anticipation Notes (the “Notes”) of the Town.

The Bonds and Notes are being offered for sale at public bidding. Notices of Sale dated July 12, 2021 have been furnished to prospective bidders. Reference is made to the Notices of Sale (see Appendices D and E herein) for the terms and conditions of the bidding on the Bonds and Notes.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds and Notes. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents, and all references to the Bonds and Notes, and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and Notes, and such proceedings.

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

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

Set forth in Appendix A “Basic Financial Statements” hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

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

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

DESCRIPTION OF THE BONDS

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

*Preliminary, subject to change.

August 1 in each year until maturity, commencing on February 1, 2022 and will be payable to the registered owners of the Bonds as of the close of business on the fifteenth day of January and July in each year, or the preceding business day if the fifteenth is not a business day. Interest will be calculated on the basis of 360-day year, consisting of twelve 30-day months. A book-entry transfer system will be employed evidencing ownership of the Bonds with transfers of ownership on the records of the Depository Trust Company, New York, New York (“DTC”), and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein. The certifying bank, registrar, transfer agent and paying agent for the Bonds will be U.S. Bank National Association, Global Corporate Trust, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut (email: bhcorporatetrust@usbank.com). The legal opinion for the Bonds will be rendered by Shipman & Goodwin LLP, in substantially the form set forth in Appendix B-1 to this Official Statement.

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

OPTIONAL REDEMPTION

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

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
August 1, 2029 and thereafter	100.00%

NOTICE OF REDEMPTION

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than twenty (20) days prior to the redemption date to the registered owner of such Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds, or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee for Depository Trust Company (“DTC”) is the registered owner of the Bonds, notice of redemption will be sent only to DTC (or its successor securities depository) or its successor nominee.

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

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. (See “Book-Entry-Only Transfer System”, herein for discussion of DTC and definitions of “Direct Participants”, “Indirect Participants” and “Beneficial Owners”.)

Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interest in the Bonds to be redeemed will not be governed by the

determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, or be the responsibility of, the Town, the Registrar or Paying Agent, for the Bonds.

ADJUSTMENT OF MATURITY SCHEDULE

The Town reserves the right to change the maturity schedule of the Bonds after the determination of the winning bidder by decreasing the principal amount of each maturity by such amount as may be necessary and in \$5,000 increments. In such event, the final aggregate principal amount of the Bonds will be decreased by the net amount of such change or changes in the principal amount of one or more maturities, which net change in aggregate principal amount of the Bonds will not exceed 20 percent of the original aggregate par amount. The Town anticipates that the final maturity schedule will be communicated to the successful bidder by 1:30 p.m. local time on the day provided the Town has received the reoffering prices and yield for the Bonds from the successful bidder by 12:30 p.m. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per-bond underwriter's discount as calculated from the bid and reoffering prices required to be delivered to the Town as stated herein. The successful bidder may not withdraw its bid or change the interest rates bid or initial reoffering prices as a result of any changes made to the principal amounts within these limits.

DESCRIPTION OF THE NOTES

The Notes will be dated August 5, 2021 and will be due and payable as to both principal and interest at maturity, on August 4, 2022. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. The Notes will be issued as fully-registered notes in denominations of \$5,000 or any integral multiples thereof. A book-entry-only transfer system will be employed evidencing ownership of the Notes with transfers of ownership on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry-Only Transfer System" herein.

The certifying bank, registrar, transfer and paying agent for the Notes will be U.S. Bank National Association, Global Corporate Trust, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103 (email: bhcorporatetrust@usbank.com). The legal opinion for the Notes will be rendered by Shipman & Goodwin LLP, in substantially the form set forth in Appendix B-2 to this Official Statement.

The Notes are not subject to redemption prior to maturity.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

The Bonds and Notes will be issued by means of a book-entry system and registered in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC"), New York, New York. This section describes how ownership of the Bonds and Notes is to be transferred and how the principal of, premium, if any, and interest on the Bonds and Notes are to be paid to and accredited by DTC while the Bonds and Notes are registered in its nominee name. The information in this section concerning DTC and the Book-Entry Transfer System has been provided by DTC for use in disclosure documents such as this Official Statement. The Town believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

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

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

maturity and interest rate, and will be deposited with DTC. One fully registered Note certificate will be issued for each interest rate of the Notes and will be deposited with DTC.

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

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

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

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

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

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

& Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds and Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds and Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds and Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond and note certificates will be printed and delivered to DTC.

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

REPLACEMENT BONDS AND NOTES

The determination of the Town officials authorizing the issuance of the Bonds and Notes provides for issuance of fully-registered Bond and Note certificates directly to beneficial Owners of the Bonds and Notes, and or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Bonds and Notes, and the Town fails to identify another qualified securities depository for the Bonds and Notes to replace DTC; or (b) the Town determines to discontinue the book-entry-only system of evidence and transfer of ownership of the Bonds and Notes. A Beneficial Owner of the Bonds and Notes, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds and Notes.

DTC PRACTICES

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds and Notes will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

SECURITY AND REMEDIES

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

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

Payment of the Bonds and Notes is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds and Notes.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds and Notes, or judgments thereon, in priority to other claims.

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

Enforcement of a claim for payment of principal of or interest on such bonds and note would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted by the Congress or the Connecticut General Assembly and to the exercise of judicial discretion. Under the Federal bankruptcy code, the Town may seek relief only, among other requirements, if it is specifically authorized in its capacity as a municipality or by name, to be a debtor under Chapter 9 of Title 11 of the United States Code, or by State law or 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 provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds, notes or other obligations.

CONSIDERATION FOR BONDHOLDERS AND NOTEHOLDERS

In making an investment decision with respect to the Bonds and Notes, investors should consider carefully the information in this Official Statement and, in addition to those investment characteristics of fixed-rate municipal debt obligations, consider the following factors.

The COVID-19 Outbreak

The outbreak of COVID-19, a respiratory virus caused by a new strain of coronavirus, has been declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency. The outbreak of the virus has affected travel, commerce and financial markets globally, and economic growth worldwide.

The ongoing impact of COVID-19 has materially affected local, State, national, and global activity and increased public health emergency response costs. Many states and municipalities have taken measures that are having negative effects on global and local economies. In addition, businesses and people have altered behaviors in manners that are negatively affecting the economy. The financial, stock and bond markets in the United States and globally have seen significant volatility attributed to COVID-19.

Although COVID-19 has not had a material adverse effect on the Town's financial condition to date, there can be no assurances that COVID-19 will not materially adversely impact the financial condition of the Town including the Town's credit ratings and ability to pay debt service on the Bonds in the future.

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

On March 10, 2020, Governor Lamont declared public health and civil preparedness emergencies in the State of Connecticut (the "State") as a result of the COVID-19 outbreak. State agencies were directed to use all resources necessary to prepare for and respond to the outbreak. Immediately after the outbreak, the Governor restricted social and recreational gatherings to no more than 5 people, limited restaurants to take-out and delivery only, required all businesses and not-for-profit entities in the State to employ, to the maximum extent possible, any telecommuting or work from home procedures that they can safely employ, required closure of all non-essential businesses and not-for-profit entities and instituted a 60-day residential rent moratorium. The Governor also cancelled all public-school

classes through the 2019/2020 school year. Additionally, the General Assembly suspended activity at the State Capitol and Legislative Office building and the judicial branch suspended non-exigent operations.

On March 16, 2020, the Town declared a local state of emergency. This step allowed the Town Manager to exercise emergency powers as needed to help the community, and to better position the Town to access emergency federal aid.

On April 30, 2020, Governor Lamont announced a multi-stage plan to reopen the State's economy (the "Reopening Plan"). Phase one of the Reopening Plan began on May 20, 2020 and allowed retailers, offices, outdoor restaurants and outdoor recreation facilities to open. Phase two of the Reopening Plan commenced on June 17, 2020 and permitted (but did not require) certain businesses to open under sector-specific rules. Those businesses included but were not limited to hotels, indoor dining, libraries, nail salons and tattoo parlors, and the sector-specific rules include detailed information and requirements about physical distancing, facility capacity, hygiene, sanitizing, signage, personal protective equipment, scheduling, and training. Additionally, at varying dates within phase two, educational and community services, such as selected youth sports, public libraries, day camps and summer schools, were permitted to open.

During phase two of the Reopening Plan and to assist municipalities in addressing the 2020-2021 school year, the State of Connecticut Department of Education released a comprehensive plan that served as a roadmap for school districts as they planned to reopen schools. This plan included in person schooling for all ages with a structure in place that ensured safety protocols, provided for students' social-emotional well-being and mitigated any barriers to accessing equitable opportunities that increased during the COVID-19 pandemic. While school districts retained discretion in implementing approaches to reopening, the six guiding principles of the plan required school districts to develop their reopening plans with a certain amount of regional consistency. Understanding that health developments may influence decisions to transition to different instructional models, school districts are encouraged to be flexible in their planning with contingency plans in place for blended or remote learning for all grades. Enfield Public Schools began the 2020-21 school year on September 8, 2020 while operating under a hybrid model that combines in-person and remote learning to reduce school density by 50%. Enfield Public Schools ended the school year operating as in-person learning four days a week and one day remotely. However, the Town cannot predict how or when this plan may change or the potential economic impact any such change will have on the Town.

On April 20, 2021, Governor Lamont declared a continuation of the public health and civil preparedness emergencies in the State until July 20, 2021. The State has a dedicated website providing up-to-date information concerning the State's actions in response to the COVID-19 virus, including the executive orders issued to date, at <https://portal.ct.gov/Coronavirus/Pages/Emergency-Orders-issued-by-the-Governor-and-State-Agencies>. Neither the Town, nor the parties involved with the issuance of the Bonds and Notes, has reviewed the information provided by the State on this website and such parties take no responsibility for the accuracy thereof.

The continued spread of the virus and any prolonged effects on the national and State economy could have a materially adverse effect on the Town's finances and economy in Fiscal Year 2020-21. However, the outbreak did not have a materially adverse effect on the Town's financial condition for Fiscal Year 2019-20. The Town's finances and financial plans remained stable and the Town collected approximately 98.85% of revised budgeted revenues in Fiscal Year 2019-20, including the collection of approximately 99.43% of budgeted property taxes. For Fiscal Year 2019-20, the Town ended the year with a \$2.439 million surplus on a budgetary basis of accounting and a \$5.988 million surplus on a GAAP basis of accounting. The Town ended Fiscal Year 2019-20 with \$26.431 million in cash and cash equivalents in the general fund.

COVID-19 Outbreak - Municipal Tax Relief Programs

On April 1, 2020 and April 9, 2020, Governor Ned Lamont issued Executive Order Nos. 7S and 7W, respectively (together, the "Orders") which creates two short-term tax relief programs and requires all towns, cities, and boroughs as well as their water pollution control authorities to adopt either or both of them by a vote of the legislative body, or, in any town in which the legislative body is a town meeting, by a vote of the board of selectmen. One program defers tax payments for three months for taxpayers based on a showing of need, while the other reduces the interest chargeable for all taxpayers in the municipality for three months.

The "Deferment Program" delays payments due on any tax, utility, or other assessment by 3 months if taxpayers, businesses, nonprofits, and residents demonstrate significant economic impact caused by COVID-19 and/or

demonstrate that they are assisting people who are experiencing significant economic impact caused by COVID-19. This program originally applied to charges which would otherwise be due from April 1, 2020 to July 1, 2020. Municipalities had the option to expand eligibility for the program to other categories of taxpayers, businesses, nonprofits, and residents.

The “Low Interest Rate Program” lowers the interest rate to 3% per annum (0.25% monthly) on any tax, utility, or other assessment that was due between April 1, 2020 and July 1, 2020 and is not paid on time and also those which were already delinquent before April 1, 2020. After the 3 months period which begins on the original due date, the regular rate of interest is restored on all remaining balances.

The Orders also suspend all non-judicial tax sales effective immediately and postpone them until a date the tax collector selects that is at least 30 days after the Governor declares the COVID-19 emergency to have ended. In addition, the Orders extend all redemption periods for tax sales conducted in the prior six months by the duration of the emergency and reduce the interest rate for doing so to 3% per annum (0.25% monthly).

On December 16, 2020, the Governor issued Executive Order 9R (“Order 9R”), which applies both the Deferment Program and the Low Interest Rate Program to tax deadlines for tax bills that become due and payable on January 1, 2021. As of December 30, 2020, the Town was deemed to have adopted the Low Interest Rate Program for taxes due and payable on January 1, 2021 in accordance with Order 9R. The Low Interest Rate Program lowers the interest rate to 3% per annum (0.25% monthly) on any unescrowed taxes on real estate, motor vehicles, and personal property as well as unescrowed municipal utility charges that are due between January 1, 2021 and March 31, 2021 and are not paid on time and also those which were already delinquent before January 1, 2021.

Election by the Town of the Low Interest Rate Program had little effect on the Town’s tax collections for the fiscal year ending June 30, 2020. For the fiscal year ending June 30, 2020, the Town collected 97.49% of the current tax levy, approximately the same percentage as the prior fiscal year.

For Fiscal Year 2021, the Town is not experiencing a material negative impact as a result of the Low Interest Rate Program. By the end of May 2021, the Town estimates that it has collected \$921,645 in penalty and interest. That compares to collections of \$914,275 over the same period in the prior fiscal year. The Town believes that it has sufficient liquidity to maintain operations without interruption, including making all debt service payments.

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

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Stabilization Act (the “CARES Act”) that provided in excess \$2 trillion of relief to industries and entities throughout the country, including state and local governments. Under the CARES Act, \$150 billion will be appropriated to states and other units of government for activities that are directly related to COVID-19; the amount paid to each state will be based on population with a minimum payment of \$1.25 billion. In addition, the CARES Act will provide \$454 billion to the Federal Reserve to purchase business, state or municipal securities in order to provide a level of liquidity to the municipal market. Other financial relief affecting states and local governments includes \$30.9 billion for education, \$10 billion for airports, \$25 billion for transit providers, and \$17 billion for housing, including \$5 billion for Community Development Block Grants for COVID-19 related services.

On March 28, 2020, President Trump approved Governor Lamont’s request for a disaster declaration for the State of Connecticut. Under the declaration, it is expected that federal funding will be made available to state, tribal and eligible local governments and certain private nonprofit organizations for emergency protective measures, including direct federal assistance, for all areas of Connecticut impacted by COVID-19.

On June 4, 2020, Governor Lamont established the Connecticut Municipal Coronavirus Relief Fund Program which details a process by which Connecticut municipalities can receive funds from the State using the Coronavirus Relief Fund to offset non-budgeted COVID-19 related expenditures that were incurred on or after March 1, 2020 through December 30, 2020. For the period ending December 30, 2020, the Town has received \$507,000 and the Board of Education received \$995,687 from the State of Connecticut Relief Fund and the Town received an additional \$500,000 from FEMA.

On December 21, 2020, Congress passed a \$900 billion stimulus bill that includes funding for stimulus checks, enhanced unemployment benefits, vaccine distribution and development, small businesses and education. To date, the Board of Education reports that it has received federally funding administered through the State of Connecticut Department of Education in the amounts of \$729,380 from the CARES Act ESSER Fund; \$3.234 million from the CARES Act ESSER II Fund.

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

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

The Rescue Plan relief package includes another \$160 billion dedicated to COVID-19 vaccination development and distribution. The Town is anticipated to receive \$12.9 million of Rescue Plan funds with an additional \$7.22 million anticipated for the Board of Education.

Under the State’s biennium budget for fiscal years 2022 and 2023, which was adopted by the General Assembly on June 9, 2021, the Town does not anticipate any decrease in State aid. However, current projections show the State running a deficit of approximately \$1.178 billion in fiscal year 2024 and \$1.171 billion in fiscal year 2025. If the State were forced to reduce aid to the Town as the result of future deficits, the Town would employ efforts to mitigate the revenue loss including: 1) the reduction of discretionary expenditures; 2) use of reserves both inside and outside the General fund; and 3) incremental tax increases, as necessary. Positively, as of April 30, 2021, the State Consensus Revenue Report projected an approximately \$950.0 million surplus for the State for Fiscal Year 2020-2021. The State Consensus Revenue Report announced that the State’s Budget Reserve Fund is expected to exceed \$4.0 billion at the end of fiscal year 2020-2021.

QUALIFICATIONS FOR FINANCIAL INSTITUTIONS

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

AVAILABILITY OF CONTINUING DISCLOSURE

The Town of Enfield prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management (“OPM”) within six months of the end of its fiscal year. The Town provides, and will continue to provide, to the rating agency ongoing disclosure in the form of annual audited financial statements, adopted budgets and other materials relating to its management and financial condition as may be necessary or requested.

The Town will enter into Continuing Disclosure Agreements with respect to the Bonds and Notes, substantially in the forms attached as Appendices C-1 and C-2 to this Official Statement (the “Continuing Disclosure Agreements”), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, with respect to the Bonds, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Bonds and Notes, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement with respect to the Bonds.

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

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

AUTHORIZATION AND PURPOSE

The Bonds and Notes are issued pursuant to the General Statutes of Connecticut, as amended, the Charter of the Town, and resolutions approved by the voters of the Town for those projects described in “Use of Bond and Note Proceeds” herein.

USE OF BOND AND NOTE PROCEEDS

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

Project	Amount	Previously	Loans/	Notes	The	The	Authorized
	Authorized	Bonded	Grants/ Paydowns	Maturing 8/5/2021	Bonds (this issue)	Note (this issue)	Unissued
Enfield High School Expansion & Renovation...	\$35,000,000	\$25,000,000	\$200,000	\$8,000,000	\$0	\$7,500,000	\$2,300,000 ¹
Water Pollution Control Facility Upgrades.....	36,000,000	-	26,896,765	3,000,000	3,000,000	-	6,103,235 ²
JFK Middle School Renovations.....	27,000,000	-	-	14,000,000	7,000,000	20,000,000	- ³
Total.....	\$98,000,000	\$25,000,000	\$27,096,765	\$25,000,000	\$10,000,000	\$27,500,000	\$8,403,235

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

² The Town has entered into an Interim Funding Obligation (“IFO”) with the State of Connecticut for \$23,169,234.94 through the Clean Water Fund Program. As of June 30, 2021, \$21,250,011.27 will be outstanding on the IFO and the Town will have received \$5,646,754 in grants. See “Clean Water Fund Program” herein. The Town anticipates that the debt service on the financing for this project (net State grants) will be supported by user charges against the sewer system users.

³ The overall project costs are projected at \$84 million. The voters of the Town approved a \$27 million borrowing resolution which is the estimated net local share of the project after receipt of the State of Connecticut School Construction Grants.

RATING

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

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The rating reflects only the view of the rating agency and an explanation of the significance of such rating may be obtained from S&P Global Ratings, 55 Water Street, 45th Floor, New York, New York 10041. There is no assurance that the rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by such rating agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability or market price of the Town’s bonds or notes, including the Bonds and Notes.

II. THE ISSUER



DESCRIPTION OF THE TOWN

Enfield was incorporated in 1683 as part of Massachusetts and was annexed to Connecticut in May, 1749. The Town of Enfield is a suburb consisting of 33.8 square miles and located east of the Connecticut River along the Interstate 91 corridor 18 miles north of Hartford, Connecticut, and 8 miles south of Springfield, Massachusetts. Centrally located between Boston and New York City, and just 15 miles from Bradley International Airport, Enfield is a short commute between major northeast economic markets. U.S. Route 5 and State Routes 190, 191, 192, and 220 also traverse the Town. Passenger transportation is provided by Amtrak and interstate and intrastate buses. Conrail currently furnishes freight service. The Town has a local public bus service called the Magic Carpet which provides connections to the Hartford Express Bus and eventually to the Enfield Intermodal Transit Center which will be located along the New Haven – Hartford – Springfield rail line which will have enhanced commuter rail service starting in 2023 as part of a Connecticut Department of Transportation transit initiative. Full service may be delayed due to the lack of funding for installation of double tracking. In order to avoid this delay, the Town has been working with the State Department of Transportation to seek funding and approval for a new train platform to be installed which would establish a train stop in Enfield and put feet on the street in the downtown area sooner than the long anticipated assembly of the double tracking.

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

Empowered Retirement, LLC purchased Mass Mutual's retirement plan business in 2021. They are currently leasing the Enfield facility from Mass Mutual which has over 400,000 square feet of office space with approximately 1,500 employees.

LEGO, Inc., the world-wide maker of children’s plastic blocks and related toy lines, employs over 600 persons at its current location on 99 Print Hop Road in Enfield.

Eppendorf Manufacturing Company, a manufacturer of plastic pipettes used in medical research and an assembler of medical centrifuges, maintains a 300,000 square foot facility in Enfield which employs about 323 people.

Enfield Memorial Industrial Park

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

Some of the better known companies which occupy the Park include the northeast regional distribution center for Eli Lilly Company, a leading manufacturer of pharmaceuticals; Banneker Holdings; Phoenix Manufacturing, a leading producer of aerospace components; Eppendorf Corp; Control Module, a global provider of innovative systems for workforce data collection, North Eastern Sheet Metal; Marvin Windows; and High Tech Conversion/Blue Thunder Tech, a global manufacturer of clean room supplies for controlled environments.

Commercial and Retail Growth

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

Enfield Shopping Centers

<u>Development</u>	<u>Year Built</u>	<u>Square Feet</u>	<u>Major Retailers</u>
Brookside Plaza.....	1984	226,643	Shop Rite, Burlington, Bed Bath & Beyond, TJ Maxx, Staples, Petsmart
Big Y Plaza.....	1997	97,990	Big Y Market, Rite Aid, Tractor Supply
Enfield Commons....	1968	300,000	Petco, Old Navy, Ultra, Home Sense, Marshalls, Aldi
Enfield Square.....	1971	777,775	Target, Party City, Cinemark, Hannoush Jewelers
Elm Plaza.....	1966	211,500	Kohl's, Famous Footwear, Sally Beauty, Chicago Sam's
Stateline Plaza.....	1972	300,000	Costco, Dick's Sports, JoAnne Fabrics, P.C. Richard & Sons
Stop & Shop Plaza...	1987	125,000	Stop & Shop, Advance Auto, Hartford Health Urgent Care

Job Market

The job market in Enfield had been stable prior to COVID-19. While there have been some losses in service occupations, sales and office occupations in the past two years, there have been gains in other areas including management, business, and arts occupations as well as computer, engineering and science. The largest business sectors in Enfield include “Educational Services, and Health Care and Social Assistance” and “Retail Trade”.

With the world currently experiencing setbacks from COVID-19, it is difficult to quantify or predict these numbers, with many businesses just starting to re-open, and commerce returning with a new normal. However, businesses located in the Town have modified their processes to stay open during the pandemic, and with re-opening, the near future looks favorable.

FORM OF GOVERNMENT

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

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

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

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

PRINCIPAL TOWN OFFICIALS

Office	Name	Manner of Selection	Years of Service
Mayor.....	Michael Ludwick.....	Elected	3 Years
Town Manager.....	Christopher Bromson.....	Appointed	3 Years ¹
Director of Finance.....	John Wilcox.....	Appointed	6 Years ²
Deputy Director of Finance/Treasurer.....	Gregory Simmons.....	Appointed	1 Year
Director, Development Services.....	Lauren Whitten.....	Appointed	3 Years
Supervisor of Assessment & Revenue Collection..	Todd Helems.....	Appointed	1 Month
Town Clerk.....	Shelia M. Bailey.....	Appointed	4 Months
Superintendent of Schools.....	Christopher Drezek....	Appointed	3 Years ³

¹ Appointed by Town Council, on September 4, 2018. Previously served as Town Attorney from 1/12/1990 to 12/31/2007 and again from 1/1/2016 to 9/4/2018. Previously served as Acting Town Manger from 11/24/2005 to 5/15/2006 and again from 5/7/2018 to 9/4/2018.

² Previously served as Assistant Director of Finance for 5 years.

³ Previously served as Deputy Superintendent for 5 years.

Source: Town Officials.

SUMMARY OF MUNICIPAL SERVICES

Development Services: The Department of Development Services is comprised of divisions and offices whose primary functions are to foster growth and a desirable built environment within Enfield. Services include: Building Inspections and Permitting, Code and Blight Enforcement, Community and Economic Development, and Planning and Zoning. During the COVID-19 crisis, all of these departments have maintained a working status, inclusive of accepting and approving new permit and land use applications, keeping commerce flowing.

Police: The Police Department consists of 102 full-time personnel including 95 sworn officers. Department personnel are highly trained, well-educated, and highly motivated to provide exceptional public service and law enforcement. The Police Department has been awarded National Accreditation status by CALEA since 1996. The department has also enjoyed State Accreditation status since 2005.

Fire: There are five independent Fire Departments each located within a Fire District. The Fire Districts have the power to make appropriations and levy taxes. The Fire Districts employ 47 full-time personnel and approximately 92 volunteers. The Fire Districts use modern vehicles at six locations throughout the Town for fast and comprehensive responses.

Ambulance: The Enfield Ambulance Service provides 24-hour service that is funded through billing for services and Town funds. The Department uses ten emergency vehicles and is staffed by 30 full-time EMTs and paramedics.

Public Works: The Department of Public Works is responsible for the maintenance of all Town-owned structures, highways, bridges, sidewalks, and disposal facilities. The Town has 184.14 miles (183.65 paved and 0.94 unpaved) of road which are maintained through a pavement management program and a modern fleet of vehicles.

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

Social Services: Social Services provides a comprehensive array of services available to all resident age groups through the five Divisions: Adult & Community Services, Early Childhood Care and Education, Family Resource Centers, Transportation, and Youth & Family Services. These services are available to all, with a concentration on seniors, the disabled, low- and moderate-income families and those challenged by housing instability/homelessness.

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

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

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

Sewers: The Town of Enfield owns and operates a secondary wastewater treatment plant which consists of 16 pumping stations and approximately 250 miles of sewer line and a 15 million gallon per day treatment plant. The plant serves approximately ninety percent of the Town's population.

The cost of the operation and maintenance of the treatment plant and infrastructure is provided through a Sewer Use Fee based on a fixed access fee and usage of water.

An upgrade to the Wastewater Treatment plant began in the fall of 2018 and was completed in October of 2020. The Town has approved \$36.0 million for this project. The project qualifies for a loan and grant under the State of Connecticut Clean Water Fund Program. Under this program, the Town is eligible for a 20% grant and a 2% interest rate loan on the balance. The Town has executed a Project Loan and Project Grant Agreement with the State of Connecticut. For more information, see "Clean Water Fund Program" herein. The adopted Sewer Use Fee includes funds to cover the projected principal and interest payments on this financing.

Solid Waste: The Town has executed a contract with F&G Recycling, a Connecticut Limited Liability Company, for disposal of its municipal solid waste. The contract is effective for three years starting on July 1, 2020 and ending on June 30, 2023. The tipping fee is \$80.50 per ton in the first year, \$81.50 per ton in the second year, and \$83.00 per ton in the final year. The contract calls for the Town to deliver all acceptable solid waste to the vendor's facility in Suffield, Connecticut, with an alternate facility in East Windsor, Connecticut.

HOUSING

According to the U.S. Census Bureau, 2015-2019 American Community Survey, Enfield has a population of 44,143 and a total of 17,639 housing units. The vast majority of the Town's housing units, just under 13,500, are single family structures, followed by 2 family homes; roughly 4,000 units make up the Town's multifamily housing stock. The median home sales price for Enfield is \$190,400 according to the 2015-2019 American Community Survey.

Enfield has approximately 4,300 housing units that are classified as rentals with 4,108 active renters. While the majority of these rental units are located in 2 and 3 family homes, the Town does have several large apartment complexes including the former Bigelow-Sanford Carpet Mill, located in the Thompsonville section of Town. This historic structure was the largest historic rehabilitation tax-credit project in the State's history when it was built in

1988. The site has 471 units of high-end apartments and on-site recreational facilities with an average annual occupancy rate of 98%.

Enfield has a long history of providing publicly supported housing beginning in 1948 with the formation of the Enfield Housing Authority. The Enfield Housing Authority’s programs include 174 units of State of Connecticut sponsored Moderate Rental housing, 200 units of Elderly/disabled housing and 82 units of congregate living apartments. The Enfield Housing Authority also administers 146 HUD Housing Choice Vouchers (A.K.A. Section 8) and is a HUD contract administrator for a 75 unit privately owned project based Section 8 development.

TOWN EMPLOYEES

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

<u>Fiscal Year</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board of Education.....	985	929	946	937	932
General Government.....	523	529	541	536	477
Total.....	1,508	1,458	1,487	1,473	1,409

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

<u>Department</u>	<u>Paid Positions</u>
Town Hall.....	63
Information Technology.	16
Public Works.....	125
Water Pollution Control.	13
Public Safety.....	141
EMS.....	40
Library.....	37
Parks and Recreation.....	2
Social Services.....	86
Board of Education.....	985
	<u>1,508</u>

Source: Town Officials.

MUNICIPAL EMPLOYEES' BARGAINING UNITS

Organization	Number of Employee	Current Contract Expiration
<u>General Government</u>		
Public Works, Library, Police Dispatchers, Custodians - AFSCME Local 1029, Council...	147	June 30, 2021 ¹
Police - Enfield Police Union, AFSME CT Local 798, Council 15.....	91	June 30, 2022
Supervisors, Professional and Technical - Service Employees Intl., AFL-CIO Local 53.....	49	June 30, 2022
Clerical - AFSCME Local 133-359, Council 4.....	34	June 30, 2022
EMS - IAEP Local R1-717, NAGE, SEIU.....	18	June 30, 2021 ¹
Bus Drivers - Teamsters Local 671.....	8	June 30, 2021 ¹
General Government sub-total.....	<u>347</u>	
<u>Board of Education</u>		
School Administration - Enfield School Administrators Association.....	38	June 30, 2024
Teachers - Enfield Teachers Association	483	June 30, 2023
Clerical - AFSCME AFL-CIO Local 1303, Council 4.....	41	June 30, 2020 ¹
Nurses - Enfield School Nurses Association.....	11	June 30, 2024
Instructional Assistants - Enfield Instructional Assistant Association.....	108	June 30, 2024
Cafeteria Workers - AFSCME AFL-CIO 133, Council 3.....	23	June 30, 2020 ¹
Board of Education sub-total.....	<u>704</u>	
Total General Government and Board of Education.....	<u>1,051</u>	

¹ In negotiations.
Source: Town of Enfield.

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either 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 contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of (i) 5% or less with respect to teachers' contracts, and (ii) 15% or less with respect to municipal employees, 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.

SCHOOL FACILITIES

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

School	Grades	Construction/Addition/ Renovation	Number of Classrooms	Enrollment 10/01/20 ¹	Capacity
Enfield Street Elementary.....	K-2	1954, 1963, 1994, 2001	17	258	391
Eli Whitney Elementary.....	3-5	1967, 1994, 2001	22	356	477
Prudence Crandall Elementary.....	3-5	1966, 2001	24	382	456
Henry Barnard Elementary.....	K-2	1969, 1994, 2001	23	358	488
Edgar H. Parkmn Elementary.....	3-5	1964, 1994, 2001	21	323	477
Hazardville Memorial Elementary.	PreK-2	1951, 1956, 1994, 2001	19	330	435
John F. Kennedy Middle School....	6-8	1969, 1994, 2001	48	1,133	1,150
Enfield High School.....	9-12	1963, 1994, 2006, 2016	113	1,561	1,840
Head Start.....	PreK	2004	6	90	108
Stower Early Learning Center.....	PreK	2016-remodel	7	105	140
Totals.....			300	4,896	5,962

¹ Enrollment figures include 104 Headstart students.
Source: Town of Enfield, Superintendent’s Office.

SCHOOL ENROLLMENT

School Year	Pre-K	K-5	6-8	9-12	Total
<i>Historical</i>					
2016-17	230	2299	1126	1,530	5,185
2017-18	246	2211	1108	1,568	5,133
2018-19	246	2151	1155	1,518	5,070
2019-20	249	2099	1078	1,510	4,936
2020-21	195	2007	1133	1,561	4,896
<i>Projected</i>					
2021-22	249	2015	1113	1,527	4,904
2022-23	249	1981	1062	1,553	4,845
2023-24	249	1987	1019	1,524	4,779
2022-24	249	1984	964	1,517	4,714
2023-25	249	1911	947	1,508	4,615

Source: Town of Enfield, Superintendent’s Office.

III. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

<u>Year</u>	<u>Population¹</u>	<u>% Increase</u>	<u>Density²</u>
1970	46,189	46.8	1,367
1980	42,695	(7.6)	1,263
1990	45,532	6.6	1,347
2000	45,212	(0.7)	1,338
2010	44,654	(1.2)	1,321
2019	43,659	(2.2)	1,292

¹ 1970-2010 – U.S. Census Bureau; Connecticut Department of Public Health, Population Estimate 2019.

² Per square mile: 33.8 square miles.

AGE DISTRIBUTION OF THE POPULATION

<u>Age</u>	<u>Town of Enfield</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5.....	2,232	5.1	47,803	5.3	183,808	5.1
5 - 9.....	1,958	4.4	49,892	5.6	198,000	5.5
10 - 14.....	2,314	5.2	56,391	6.3	221,325	6.2
15 - 19.....	2,678	6.1	58,438	6.5	244,249	6.8
20 - 24.....	2,846	6.4	57,815	6.5	244,597	6.8
25 - 34.....	6,650	15.1	117,499	13.1	441,742	12.4
35 - 44.....	5,589	12.7	109,578	12.3	424,739	11.9
45 - 54.....	6,192	14.0	123,282	13.8	508,428	14.2
55 - 59.....	3,568	8.1	63,804	7.1	264,804	7.4
60 - 64.....	2,870	6.5	59,170	6.6	242,329	6.8
65 - 74.....	3,609	8.2	82,599	9.2	336,422	9.4
75 - 84.....	2,397	5.4	43,894	4.9	174,887	4.9
85 and over..	1,240	2.8	23,396	2.6	89,744	2.5
Total	<u>44,143</u>	<u>100.0</u>	<u>893,561</u>	<u>100.0</u>	<u>3,575,074</u>	<u>100.0</u>
Median Age (years)		41.0		40.4		41.0

Source: U.S. Census Bureau, 2015-2019 American Community Survey.

INCOME DISTRIBUTION

	<u>Town of Enfield</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
Less than \$10,000	320	3.0	7,121	3.2	24,799	2.8
\$ 10,000 to 14,999	78	0.7	4,388	2.0	16,037	1.8
\$ 15,000 to 24,999	371	3.5	10,683	4.8	38,364	4.3
\$ 25,000 to 34,999	419	3.9	12,570	5.6	48,110	5.4
\$ 35,000 to 49,999	909	8.5	20,429	9.1	77,010	8.6
\$ 50,000 to 74,999	1,780	16.6	30,811	13.7	123,980	13.9
\$ 75,000 to 99,999	1,871	17.5	31,161	13.9	116,676	13.1
\$100,000 to 149,999 ..	2,589	24.2	48,569	21.6	186,246	20.8
\$150,000 to 199,999 ..	1,369	12.8	26,504	11.8	109,258	12.2
\$200,000 or more	1,005	9.4	32,128	14.3	152,958	17.1
Total	<u>10,711</u>	<u>100.0</u>	<u>224,364</u>	<u>100.0</u>	<u>893,438</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2015-2019 American Community Survey.

INCOME LEVELS¹

	<u>Town of Enfield</u>	<u>Hartford County</u>	<u>State of Connecticut</u>
Per Capita Income, 2019.....	\$36,665	\$40,540	\$44,496
Per Capita Income, 2010.....	\$29,340	\$35,078	\$36,775
Per Capita Income, 2000.....	\$21,967	\$26,047	\$28,766
Median Family Income, 2019.....	\$95,587	\$95,628	\$100,418
Median Family Income, 2010.....	\$77,554	\$81,246	\$84,170
Median Family Income, 2000.....	\$60,528	\$62,144	\$65,521
Percent Below Poverty Level 2019.....	5.2%	7.5%	6.8%

Source: ¹ U.S. Department of Commerce, Bureau of Census, 2010, 2000, 1990; U.S. Census Bureau, 2015-2019 American Community Survey.

EDUCATIONAL ATTAINMENT

Years of School Completed Age 25 and Over

<u>Educational Attainment Group</u>	<u>Town of Enfield</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade.....	737	2.3	27,154	4.4	99,837	4.0
9th to 12th grade.....	1,792	5.6	37,132	6.0	132,826	5.3
High School graduate.....	11,276	35.1	165,917	26.6	666,828	26.9
Some college - no degree.....	6,368	19.8	104,376	16.7	416,175	16.8
Associates degree.....	3,260	10.2	51,150	8.2	191,964	7.7
Bachelor's degree.....	5,554	17.3	132,952	21.3	541,380	21.8
Graduate or professional degree.....	3,128	9.7	104,541	16.8	434,085	17.5
Total.....	<u>32,115</u>	<u>100.0</u>	<u>623,222</u>	<u>100.0</u>	<u>2,483,095</u>	<u>100.0</u>
Percent High School Graduate or Higher.....		92.1%		89.6%		90.7%
Percent Bachelor's Degree or Higher.....		27.0%		38.1%		39.3%

Source: U.S. Census Bureau, 2015-2019 American Community Survey.

MAJOR EMPLOYERS ¹

As of July 2021

<u>Employer</u>	<u>Nature of Business</u>	<u>Estimated Number of Employees</u>
Empower Retirement LLC.....	Insurance.....	1,500
Town of Enfield.....	Municipality.....	1,508
Lego Building Corp.....	Plastic Games & Toys.....	600
Advance Auto Parts Distribution Center.....	Auto Parts.....	415
Eppendorf Manufacturing.....	Life science.....	323
Martin Brower.....	Transportation.....	265
Target.....	Retail.....	142
Super Stop & Shop.....	Grocery Chain.....	138
Kohl's.....	Retail.....	100

¹ Numbers may be effected due to COVID-19.
Source: Town Officials.

EMPLOYMENT BY INDUSTRY

	<u>Town of Enfield</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Agriculture, forestry, fisheries.....	47	0.2	1,144	0.3	7,057	0.4
Construction.....	966	4.3	22,862	5.1	109,467	6.0
Manufacturing.....	2,649	11.9	48,822	10.8	189,162	10.4
Wholesale trade.....	679	3.1	10,899	2.4	44,344	2.4
Retail trade.....	3,073	13.8	46,487	10.3	191,756	10.6
Transportation & warehousing & utilities...	1,377	6.2	21,113	4.7	76,439	4.2
Information.....	230	1.0	9,769	2.2	39,585	2.2
Finance, insurance, real estate.....	2,463	11.1	48,419	10.7	162,153	8.9
Professional, scientific & management.....	2,018	9.1	48,793	10.8	208,379	11.5
Educational, health & social services.....	5,265	23.7	120,563	26.7	484,166	26.7
Arts, entertainment & recreation.....	1,530	6.9	32,551	7.2	152,041	8.4
Other professional services.....	1,054	4.7	20,664	4.6	84,915	4.7
Public administration.....	890	4.0	19,034	4.2	66,172	3.6
Total.....	<u>22,241</u>	<u>100.0</u>	<u>451,120</u>	<u>100.0</u>	<u>1,815,636</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2015-2019 American Community Survey.

EMPLOYMENT DATA

Yearly Average	Percentage Unemployed			
	Town of Enfield %	Enfield Labor Market ¹ %	State of Connecticut %	United States %
2010	9.6	9.2	9.6	9.6
2011	9.0	8.6	9.0	9.0
2012	8.0	7.9	8.4	8.1
2013	7.8	7.5	8.0	7.4
2014	6.3	6.2	6.6	6.2
2015	5.4	5.3	5.6	5.3
2016	5.2	4.9	4.8	4.9
2017	4.4	4.3	4.4	4.4
2018	3.8	3.8	3.9	3.9
2019	3.5	3.4	3.6	3.7
2020	7.6	7.4	7.9	8.1
2021 Monthly²				
January	8.1	7.9	8.5	6.8
February	7.8	7.7	8.3	6.6
March	7.7	7.7	8.2	6.2
April	7.2	6.9	7.6	5.7

¹ Not seasonally adjusted.

² Estimated

Source: Department of Labor, State of Connecticut.

AGE DISTRIBUTION OF HOUSING

Year Built	Town of Enfield		Hartford County		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	2,419	13.7	76,539	20.2	334,845	22.1
1940 - 1949.....	1,033	5.9	29,317	7.7	103,008	6.8
1950 - 1959.....	4,914	27.9	65,436	17.2	224,393	14.8
1960 - 1969.....	4,004	22.7	56,261	14.8	204,879	13.5
1970 - 1979.....	1,485	8.4	50,599	13.3	203,700	13.4
1980 - 1989.....	2,351	13.3	46,428	12.2	188,655	12.4
1990 - 1999.....	952	5.4	25,389	6.7	116,028	7.7
2000 - 2009.....	424	2.4	22,433	5.9	103,075	6.8
2010 - 2013.....	10	0.1	3,747	1.0	21,126	1.4
2014 or later.....	47	0.3	3,453	0.9	16,920	1.1
Total.....	<u>17,639</u>	<u>100.0</u>	<u>379,602</u>	<u>100.0</u>	<u>1,516,629</u>	<u>100.0</u>
Percent Owner Occupied.....	75.5%		64.1%		66.1%	

Source: U.S. Census Bureau, 2015-2019 American Community Survey.

HOUSING INVENTORY

Type	Town of Enfield		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1-unit, detached.....	12,739	72.2	210,665	55.5	893,531	58.9
1-unit, attached.....	767	4.3	21,892	5.8	81,832	5.4
2 units.....	1,088	6.2	29,450	7.8	124,082	8.2
3 or 4 units.....	1,203	6.8	36,302	9.6	130,863	8.6
5 to 9 units.....	691	3.9	23,719	6.2	82,695	5.5
10 to 19 units.....	371	2.1	16,718	4.4	57,281	3.8
20 or more units.....	770	4.4	38,674	10.2	134,093	8.8
Mobile home, boat, other.....	10	0.1	2,182	0.6	12,252	0.8
Total	<u>17,639</u>	<u>100.0</u>	<u>379,602</u>	<u>100.0</u>	<u>1,516,629</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2015-2019 American Community Survey.

OWNER-OCCUPIED HOUSING VALUES

Sales Price Category	Town of Enfield		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	206	1.6	3,810	1.7	17,522	1.9
\$ 50,000 to \$ 99,999 ...	206	1.6	6,706	3.0	28,440	3.1
\$ 100,000 to \$149,999 ...	2,097	16.6	25,232	11.2	78,467	8.7
\$ 150,000 to \$199,999 ...	4,787	37.9	45,413	20.2	137,944	15.2
\$ 200,000 to \$299,999 ...	4,464	35.3	71,806	32.0	248,431	27.4
\$ 300,000 to \$499,999 ...	686	5.4	54,495	24.3	244,855	27.0
\$ 500,000 to \$999,999 ...	100	0.8	15,411	6.9	107,504	11.9
\$1,000,000 and over	90	0.7	1,767	0.8	42,518	4.7
Total	<u>12,636</u>	<u>100.0</u>	<u>224,640</u>	<u>100.0</u>	<u>905,681</u>	<u>100.0</u>
Median Value ¹	\$144,300		\$142,200		\$166,900	
Median Value ²	\$190,400		\$240,600		\$275,400	

¹ U.S. Department of Commerce, Bureau of Census, 2000.

² U.S. Census Bureau, 2015-2019 American Community Survey.

Source: U.S. Census Bureau, 2015-2019 American Community Survey.

BUILDING PERMITS

Fiscal Year Ending 6/30	Residential		Commercial/Industrial		Other		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
2021	1094	\$20,606,737	166	\$ 81,399,955	1566	\$62,574,398	2,826	\$164,581,090
2020	805	19,406,724	106	19,524,123	1283	15,437,316	2,194	54,368,162
2019	823	16,279,490	125	23,781,702	1177	14,754,040	2,125	54,815,232
2018	928	17,083,344	140	9,903,820	1240	11,476,169	2,308	38,463,333
2017	935	17,233,522	148	22,449,924	1318	23,906,228	2,401	63,589,674
2016	987	15,145,433	129	16,045,770	1222	11,943,803	2,338	43,135,006
2015	604	7,018,982	94	58,299,812	883	36,415,110	1,581	101,733,904
2014	799	9,516,744	201	22,162,477	1288	31,003,033	2,288	62,682,254
2013	776	9,506,345	220	48,354,424	1178	28,487,505	2,174	86,348,274
2012	799	7,280,982	169	10,085,594	1175	7,588,356	2,143	24,954,932

Source: Building Department, Town of Enfield.

LAND USE SUMMARY

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

Source: Town of Enfield, Assessor's Office.

IV. TAX BASE DATA

ASSESSMENTS

The Town of Enfield had a general property revaluation by physical inspection of all real estate, effective on the Grand List of October 1, 2016. The next revaluation is scheduled for October 1, 2021. Under Section 12-62 of the Connecticut General Statutes the Town must do a revaluation every five years and the assessor must fully inspect each parcel, including measuring or verifying the exterior dimensions of a building once every ten years. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Town of Enfield for inclusion onto the Grand List are the responsibilities of the Town's Assessor's Office. The Grand List represents the total of assessed values for all taxable real and personal property and motor vehicles located within the Town on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at seventy percent (70%) of the estimated market value at the time of the last general revaluation.

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

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

Connecticut General Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. For the fiscal year 2021-2022 the Town issued motor vehicle tax bills based on a mill rate of 34.23.

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

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

PROPERTY TAX COLLECTION PROCEDURE

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

COVID-19

On April 1, 2020 and April 9, 2020, Governor Ned Lamont issued Executive Order Nos. 7S and 7W, respectively (together, the “Orders”), which, among other things, calls for Connecticut municipalities, including the Town of Enfield, to offer to eligible taxpayers impacted by COVID-19 one or both of the following tax relief programs: a 90 day Deferment Program or a 90 day Low Interest Rate Program. The Town implemented the Low Interest Rate Program. Please see the discussion on page 7 of this Official Statement under the caption “COVID-19 Outbreak - Municipal Tax Relief Programs” under “Consideration for Bondholders and Noteholders” herein.

COMPARATIVE ASSESSED VALUATIONS

Grand List Dated	Real Property (%)	Personal Property (%)	Motor Vehicle Property (%)	Gross Taxable Grand List	Less Exemptions ¹	Net Taxable Grand List	% Growth
2020	81.6	8.7	9.7	\$3,075,706,530	61,923,030	3,013,783,500	2.5%
2019	81.5	9.2	9.3	3,001,923,360	60,263,603	2,941,659,757	0.4%
2018	82.0	8.8	9.2	2,988,054,690	56,820,940	2,931,233,750	0.9%
2017	82.4	8.5	9.1	2,962,770,554	57,913,156	2,904,857,398	0.0%
2016 ²	82.3	8.4	9.2	2,953,880,392	48,951,751	2,904,928,641	0.0%
2015	82.5	8.5	9.1	2,952,087,637	45,842,492	2,906,245,145	0.8%
2014	83.1	7.9	9.0	2,924,870,811	42,101,837	2,882,768,974	1.1%
2013	83.9	7.1	9.0	2,889,334,910	38,239,820	2,851,095,090	0.2%
2012	84.3	6.9	8.8	2,884,022,287	38,698,640	2,845,323,647	0.1%
2011 ²	84.5	6.7	8.9	2,882,938,000	41,356,000	2,841,582,000	-11.5%

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

² Revaluation year.

Source: Assessor's Office, Town of Enfield.

PROPERTY TAX LEVIES AND COLLECTIONS

Grand List 1-Oct	FY Ending 30-Jun	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Collected End of Each Fiscal Year	Percent Uncollected End of Each Fiscal Year	Percent Annual Levy Uncollected 6/30/2020	Amount Uncollected as of 6/30/2020
2020	2022	\$3,013,783,500	34.23	\$103,161,809	Collections 7/1/2021 and 1/1/22			N/A
2019	2021	2,941,659,757	34.23	100,693,013	Unaudited			N/A
2018	2020	2,931,233,750	34.23	100,186,000	97.5%	2.5%	2.5%	2,512,000
2017	2019	2,904,857,398	33.40	97,393,000	98.0%	2.0%	1.0%	960,000
2016	2018	2,904,928,641	31.43/28.80 ²	89,206,850	97.9%	2.1%	0.5%	462,000
2015	2017	2,906,245,145	30.86/28.80 ¹	87,700,848	98.2%	1.8%	0.3%	265,000
2014	2016	2,882,768,974	29.89	86,125,000	98.1%	1.9%	0.3%	218,000
2013	2015	2,851,095,090	29.13	83,183,000	98.0%	2.0%	0.3%	210,000
2012	2014	2,845,323,647	29.26	83,132,000	98.0%	2.0%	0.3%	234,000
2011	2013	2,841,582,000	27.84	78,936,000	97.7%	2.3%	0.2%	186,000

¹ Mill rate for Real Estate and personal Property was levied at 30.86 mills; mill rate for Motor Vehicles was levied at 28.80 mills.

² Mill rate for Real Estate and personal Property was levied at 31.43 mills; mill rate for Motor Vehicles was levied at 28.80 mills.
Source: Tax Collector's Office, Town of Enfield.

TEN LARGEST TAXPAYERS¹

Business-Name	Nature Of Business	Estimated Assessment 10/1/2020	Rank	Percent of Total¹
Eversource Energy.....	Utility.....	\$ 59,873,370	1	1.99%
Mass Mutual ²	Insurance.....	45,500,040	2	1.51%
Mayfield Place LLC.....	Apartments.....	37,766,300	3	1.25%
Enfield Square Realty LLC + ETAL.....	Retail.....	28,233,790	4	0.94%
PPF WE 25 Bacon Road LLC.....	Development Firm.....	24,325,300	5	0.81%
Paramount Commons at Enfield LLC.....	Retail.....	22,770,520	6	0.76%
Eppendorf Holding Inc.....	Manufacturing.....	20,694,300	7	0.69%
Advance Stores Company Inc.....	Distribution.....	20,040,660	8	0.66%
Equity One (Northeast Portfolio) Inc.....	Retail.....	18,084,000	9	0.60%
Connecticut Water.....	Utility.....	17,907,240	10	0.59%
Total		\$295,195,520		9.80%

¹ Based on a 10/1/20 Net Taxable Grand List of \$3,013,783,500.

² Mass Mutual has consolidated their facilities to Springfield, MA as of March 2021.
Source: Assessor's Office, Town of Enfield.

EQUALIZED NET GRAND LIST

Grand List of 10/1	Equalized Net Grand List	% Growth
2018	\$4,422,084,043	0.34%
2017	4,406,984,332	6.60%
2016	4,134,220,641	1.77%
2015	4,062,151,475	-2.44%
2014	4,163,607,597	1.85%
2013	4,087,836,445	0.16%
2012	4,081,383,174	0.47%
2011	4,062,183,096	-2.32%
2010	4,158,566,581	-11.83%
2009	4,716,736,849	10.08%

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

V. FINANCIAL INFORMATION

FISCAL YEAR

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

ACCOUNTING POLICIES

The financial statements of the Town of Enfield, Connecticut have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Please refer to Appendix A "Basic Financial Statements" herein for compliance and implementation details.

The reporting model includes the following segments:

Management's Discussion and Analysis (MD&A) – provides introductory information on basic financial statements and an analytical overview of the Town's financial activities.

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

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

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

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

BUDGETARY PROCEDURES

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

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

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

Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% of the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded. The 2019-2021 biennium budget legislation did not provide funding for the municipal revenue sharing grant in the fiscal years ending June 30, 2020 and June 30, 2021, and accordingly, the Town will not receive a municipal revenue sharing grant in fiscal year 2020-2021.

ANNUAL AUDIT

Pursuant to Connecticut law, the Town is required to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management and a copy of the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended June 30, 2020, the examination was conducted by the firm of CliftonLarsonAllen,LLP, formerly Blum, Shapiro & Company, P.C., certified public accountants, of West Hartford, Connecticut.

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

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

PENSION PLANS

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

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

Town Plan

The Town of Enfield Pension Plan covers all employees working more than nineteen (19) hours a week and for more than five (5) months per calendar year except teachers covered under the State of Connecticut Teachers' Retirement System and police covered under the Town's Police Pension Plan. All employees are 100% vested after five (5) years of continuous service. Employees who retire at normal retirement at age 65 receive a retirement benefit.

Police Plan

The Town of Enfield Police Pension Plan covers employees in the Police Department working more than thirty-five (35) hours a week and for more than five (5) months per calendar year. All employees are 100% vested after ten (10) years of continuous service. Employees who retire at a normal retirement age of the latter of age 50 or 20 years of service receive a retirement benefit.

Actuarial			
Year	Determined Employer	Annual	% of ADC
Ended	Contribution (ADC)	Contribution	Contributed
<u>Employee's Plan</u>			
2016	\$2,099	\$2,099	100.00%
2017	2,084	2,084	100.00%
2018	2,192	2,192	100.00%
2019	2,217	2,217	100.00%
2020	2,155	2,155	100.00%
2021 ¹	2,171	2,171	100.00%
<u>Police Plan</u>			
2016	\$1,966	\$1,966	100.00%
2017	1,914	1,914	100.00%
2018	1,813	1,813	100.00%
2019	1,810	1,810	100.00%
2020	1,828	1,828	100.00%
2021 ¹	1,946	1,946	100.00%

¹ Budgeted.

The Town implemented GASB Statement No. 67 effective in Fiscal Year 2015. The following net pension liabilities of the Town Plan and the Police Plan at June 30, 2020, determined by an actuarial valuation as of July 1, 2018 and based on actuarial assumptions as of that date, were as follows:

GASB 67 Schedules - Employee's Pension Plan - (000's)	
Total pension liability as of June 30, 2020	\$86,605
Plan fiduciary net position	83,450
Net pension liability	<u>3,155</u>
Plan fiduciary net position as a % of total pension liability	96.4%

GASB 67 Schedules - Police Pension Plan - (000's)	
Total pension liability as of June 30, 2020	\$74,267
Plan fiduciary net position	69,468
Net pension liability	4,799
Plan fiduciary net position as a % of total pension liability	93.5%

The following presents the net pension liability, calculated using the discount rate of 6.85% as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current	1% Increase
	(000's)	Discount Rate	(000's)
	5.85%	6.85%	7.85%
Employee's Net Pension Liability			
as of June 30, 2020	\$ 13,008	\$ 3,155	\$ (5,167)
Police's Net Pension Liability			
as of June 30, 2020	\$ 12,882	\$ 4,799	\$ (4,534)

Deferred Retirement Option Program (DROP)

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

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited services, at least twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teachers' Retirement System is considered to be part of the State of Connecticut financial reporting entity and is included in the State's financial report as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 165 Capital Avenue, Hartford, CT 06106.

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

For further information on the plans, please refer to Appendix A under the Town of Enfield's "Notes to Financial Statements, Note 4", herein.

OTHER POST EMPLOYMENT BENEFITS (“OPEB”)

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

Actuarial Valuation Date	Actuarial Determined Employer Contribution (ADC)	Annual Contribution	% of ADC Contributed
<i>OPEB Plan</i>			
2016	\$2,356	\$1,387	58.87%
2017	2,730	1,312	48.06%
2018	2,947	1,542	52.32%
2019	2,655	1,433	53.97%
2020	2,465	1,574	63.85%

The Town implemented GASB Statement No. 75 effective in Fiscal Year 2017. The following net OPEB liabilities of the Town at June 30, 2019, determined by an actuarial valuation as of July 1, 2017 and based on actuarial assumptions as of that date, were as follows:

GASB 75 Schedules - (000's)	
Total OPEB liability as of June 30, 2020	\$43,978
Plan fiduciary net position	6,146
Net OPEB liability	37,832
Plan fiduciary net position as a % of total OPEB liability	14.0%

	1% Decrease 2.00% (000's)	Current Discount Rate 3.00% (000's)	1% Increase 4.00% (000's)
Town's Net OPEB Liability as of June 30, 2020	\$ 45,595	\$ 37,832	\$ 31,688

Source: Comprehensive Annual Financial Report 2020.

For further information on the plans, please refer to Appendix A under the Town of Enfield’s “Notes to Financial Statements, Note 5”, herein.

INVESTMENT POLICIES AND PRACTICES

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

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

COMPARATIVE GENERAL FUND OPERATING STATEMENT

Budget and Actual
(Budgetary Basis)

	Fiscal Year 2019-20			Fiscal Year	Fiscal Year
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)	2020-21 Adopted Budget	2021-22 Proposed Budget
REVENUES					
Property Taxes	\$ 99,729,000	\$ 99,158,000	\$ (571,000)	\$100,605,831	\$103,634,057
Intergovernmental Revenues.....	31,672,000	32,194,000	522,000	31,709,040	32,121,196
Charges for Services	2,011,000	2,829,000	818,000	1,966,300	2,368,200
Income from Investment.....	185,000	845,000	660,000	185,000	185,000
Other Income.....	849,000	978,000	129,000	499,500	442,000
Appropriation of Fund Balance.....	3,153,000	-	(3,153,000)	3,305,000	7,261,000
Transfers In.....	528,000	528,000	-	640,517	540,517
TOTAL REVENUES	138,127,000	136,532,000	(1,595,000)	138,911,188	146,551,970
EXPENDITURES					
General Government	6,399,000	6,216,000	183,000	3,499,633	3,726,394
Public Safety	13,865,000	13,088,000	777,000	13,239,029	14,806,607
Public Works.....	16,926,000	15,798,000	1,128,000	17,096,492	17,096,292
Boards & Commissions.....	52,000	33,000	19,000	-	-
Planning & Development.....	1,693,000	1,521,000	172,000	1,528,684	1,705,615
Intergovernmental & Interagency.....	463,000	454,000	9,000	458,764	319,651
Education	71,701,000	71,701,000	-	71,691,866	72,109,522
Nondepartmental.....	7,506,000	7,039,000	467,000	7,100,352	7,270,125
Debt Service.....	11,679,000	11,219,000	460,000	12,465,566	13,093,146
Transfers Out.....	7,843,000	7,024,000	819,000	11,830,802	16,424,618
TOTAL EXPENDITURES	138,127,000	134,093,000	4,034,000	138,911,188	146,551,970
Excess (deficiency) of revenues over expenditures	-	2,439,000	2,439,000	-	-

Source: Audit Report 2020; Budgets 2021 and 2022.

GENERAL FUND BALANCE SHEET
 Summary of Audited Assets and Liabilities
 (GAAP Basis)

FISCAL YEAR ENDED:	2020	2019	2018	2017	2016
ASSETS					
Cash and cash equivalents	\$26,431,000	\$24,321,000	\$16,141,723	\$12,686,742	\$15,474,000
Investments.....	10,441,000	10,868,000	11,743,961	11,644,293	9,418,000
Receivables, Net.....	15,987,000	14,588,000	13,590,113	12,570,649	11,132,000
Due From Other Funds.....	8,039,000	3,425,000	6,336,929	8,789,626	4,110,000
Advances to Other Funds.....	-	1,892,000	-	-	2,492,000
Prepaid Expenses.....	9,000	14,000	738,777	1,938,824	1,029,000
TOTAL ASSETS.....	\$60,907,000	\$55,108,000	\$48,551,503	\$47,630,134	\$43,655,000
LIABILITIES					
Accounts Payable & Accrued Liabilities	\$ 3,485,000	\$ 3,712,000	\$ 5,512,718	\$ 4,138,140	\$ 3,466,000
Due to Other Funds.....	572,000	1,517,000	-	-	1,331,000
Bond Anticipation Notes Premium.....	-	97,000	-	-	-
Deferred Revenues.....	-	-	-	80,056	-
Unearned Revenues.....	482,000	1,172,000	1,744,661	-	77,000
Total Liabilities	4,539,000	6,498,000	7,257,379	4,218,196	4,874,000
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	11,696,000	10,823,000	10,274,742	9,960,334	8,508,000
Unavailable Revenue - EMS Receivable	1,913,000	2,405,000	2,103,221	1,970,689	1,615,000
Unavailable Revenue - Grants Receivable	24,000	30,000	61,574	46,124	58,000
Bond Anticipation Notes Premium.....	151,000	-	-	-	-
Advance Property Tax Collections.....	2,683,000	1,439,000	597,579	1,602,173	2,010,000
TOTAL DEFERRED INFLOWS.....	16,467,000	14,697,000	13,037,116	13,579,320	12,191,000
FUND BALANCE					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable	9,000	1,906,000	3,230,777	4,430,824	3,521,000
Restricted	2,850,000	3,001,000	154,547	-	-
Committed	1,611,000	1,189,000	6,348,402	3,836,839	1,889,000
Assigned	3,595,000	2,157,000	15,930	2,646,174	3,110,000
Unassigned	31,836,000	25,660,000	18,507,352	18,918,781	18,070,000
TOTAL FUND BALANCE.....	39,901,000	33,913,000	28,257,008	29,832,618	26,590,000
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....					
	\$60,907,000	\$55,108,000	\$48,551,503	\$47,630,134	\$43,655,000

Source: Audit Reports 2016-2020.

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

FISCAL YEAR ENDED:	2020	2019	2018	2017	2016
REVENUES					
Property Taxes	\$99,158,000	\$98,068,000	\$91,067,256	\$89,711,701	\$86,628,000
Intergovernmental	49,334,000	40,777,000	45,304,436	50,100,548	45,301,000
Charges for Services	7,718,000	7,967,000	6,639,383	7,106,929	7,838,000
Contributions & Donations.....	163,000	176,000	-	-	-
Income on Investments	772,000	847,000	348,037	2,130,631	216,000
Other Income.....	990,000	989,000	1,555,926	1,840,206	230,000
Transfers In	3,682,000 ¹	2,022,000 ³	1,891,688 ⁴	390,517	1,530,000 ⁵
Total Revenues & Transfers In	\$161,817,000	\$150,846,000	\$146,806,726	\$151,280,532	\$141,743,000
EXPENDITURES					
General Government	6,277,000	5,902,000	6,020,526	6,726,069	6,292,000
Public Safety	16,264,000	15,322,000	14,466,639	15,032,266	13,451,000
Public Works.....	15,656,000	16,065,000	16,152,129	17,342,603	16,772,000
Library.....	5,782,000	1,829,000	1,653,852	1,701,863	1,653,000
Health/Social Services.....	1,403,000	5,994,000	8,697,098	9,277,727	9,573,000
Planning & Development.....	349,000	1,400,000	1,529,178	1,451,868	1,388,000
Recreation.....	1,987,000	355,000	-	-	-
Intergovernmental & Interagency.....	454,000	461,000	461,973	477,635	464,000
Education.....	86,822,000	78,550,000	84,858,975	82,705,725	75,996,000
Nondepartmental.....	7,017,000	6,816,000	5,297,890	3,876,897	6,355,000
Debt Service.....	11,219,000	9,925,000	7,299,433	6,967,064	5,760,000
Capitol Outlay.....	-	-	-	-	-
Transfers Out.....	2,599,000	2,571,000	1,944,644	2,476,664	3,251,000
Total Expenditures & Transfers Out	155,829,000	145,190,000	148,382,337	148,036,381	140,955,000
Results from Operations.....	5,988,000	5,656,000	(1,575,611)	3,244,151	788,000
Fund Balance - July 1	33,913,008	28,257,008	29,832,619 ²	26,588,467 ²	25,802,000
Fund Balance - June 30	\$39,901,008	\$33,913,008	\$28,257,008	\$29,832,618	\$26,590,000

¹ Includes \$3,288,000 in bond premium.

² Restated.

³ Includes \$821,000 in bond premium

⁴ Includes \$1,891,688 in bond premium.

⁵ Includes \$1,139,999 in bond premium.

Source: Audit Reports 2016-2020.

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

FISCAL YEAR ENDED:	2020	2019	2018	2017	2016
Nonspendable.....	\$ 9,000	\$ 1,906,000	\$ 3,230,777	\$ 4,430,824	\$ 3,521,000
Restricted.....	2,850,000	3,001,000	154,547	-	-
Committed.....	1,611,000	1,189,000	6,348,402	3,836,839	1,889,000
Assigned.....	3,595,000	2,157,000	15,930	2,646,174	3,110,000
Unassignd.....	31,836,000	25,660,000	18,507,352	18,918,781	18,070,000
Total Fund Balance.....	39,901,000	33,913,000	28,257,008	29,832,618	26,590,000

Unassigned Fund Balance As % of

Total Expenditures.....	20.43%	17.67%	12.47%	12.78%	12.82%
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Source: Audit Reports 2016-2020.

PROPERTY TAX REVENUES

Fiscal Year	General Fund Revenues & Transfers in	Property Tax Revenues	Property Tax Revenues as a Percentage of General Fund Revenues
2022 ¹	\$146,551,970	\$103,634,057	70.7 %
2021 ²	138,911,188	100,605,831	72.4
2020	161,817,000	99,158,000	61.3
2019	150,846,000	98,068,000	65.0
2018	146,806,726	91,067,256	62.0
2017	151,280,532	89,711,701	59.3
2016	141,743,000	86,628,000	61.1

¹ Proposed Budget.

² Adopted Budget.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund Revenues & Transfers in	Intergovernmental Revenue	Aid as a Percentage of General Fund Revenues
2022 ¹	\$146,551,970	\$32,121,196	21.9 %
2021 ²	138,911,188	31,709,040	22.8
2020	161,817,000	49,334,000	30.5
2019	150,846,000	40,777,000	27.0
2018	146,806,726	45,304,436	30.9
2017	151,280,532	50,100,548	33.1
2016	141,743,000	45,301,000	32.0

¹ Proposed Budget.

² Adopted Budget.

EXPENDITURES

<u>Fiscal Year</u>	<u>Education</u>	<u>Public Safety</u>	<u>General Government</u>	<u>Public Works</u>	<u>Debt Service</u>
2022 ¹	49.2%	10.1%	2.5%	11.7%	8.9%
2021 ²	51.6%	9.5%	2.5%	12.3%	9.0%
2020	55.7%	10.4%	4.0%	10.0%	7.2%
2019	54.1%	9.8%	3.8%	10.3%	6.4%
2018	57.2%	9.3%	3.9%	10.4%	4.7%
2017	55.9%	9.6%	4.3%	11.1%	4.5%
2016	53.9%	8.6%	4.0%	10.8%	3.7%

¹ Proposed Budget.

² Adopted Budget.

VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of August 5, 2021
(Pro Forma)

Long-Term Debt: Bonds			Original	Principal	Date of
Date of Issue	Purpose	Rate %	Issue Amount	Outstanding	Fiscal Year
				as of 8/5/2021¹	Maturity
<u>General Purpose</u>					
8/12/2014	Road Improvement Bonds.....	2.88	\$ 25,000,000	\$ 1,315,000	2023
7/28/2015	Refunding Bonds, Series A.....	2.48	10,770,000	6,995,000	2028
8/11/2015	Road Improvement Bonds.....	2.91	10,000,000	7,000,000	2036
8/9/2017	Road Improvement Bonds.....	2.59	15,000,000	12,080,000	2038
8/8/2018	Road Improvement Bonds.....	3.00	10,000,000	8,500,000	2039
8/7/2019	Road Improvement Bonds.....	2.31	22,500,000	20,590,000	2040
8/6/2020	Taxable Refunding Bonds.....	1.68	16,885,000	16,515,000	2035
	Total.....		\$ 110,155,000	\$ 72,995,000	
<u>Schools</u>					
8/11/2015	School Bonds.....	2.91	10,000,000	7,000,000	2036
8/9/2017	School Bonds.....	2.59	15,000,000	11,840,000	2037
8/5/2021	School Bonds.....	<i>This Issue</i>	7,000,000 *	7,000,000 *	2042
	Total.....		\$ 32,000,000	* \$ 25,840,000 *	
<u>Sewers</u>					
8/5/2021	Sewer Bonds.....	<i>This Issue</i>	3,000,000 *	3,000,000 *	2042
			\$ 3,000,000	* \$ 3,000,000 *	
	Total Long Term Debt....		\$ 145,155,000	* \$ 101,835,000 *	

*Preliminary, subject to change.

Short-Term Debt:

Project	Amount	Previously	Loans/	Notes	Notes	Renewable
			Paydown/	Maturing		
	Authorized	Bonded	Grants	8/5/2021	This Issue	Limit
Enfield High School Expansion & Renovation..	\$35,000,000	\$25,000,000	\$1,500,000	\$8,000,000	\$7,500,000	5/19/2025
JFK Middle School Renovations.....	27,000,000	-	-	14,000,000	20,000,000	8/7/2029
	\$62,000,000	\$25,000,000	\$1,500,000	\$22,000,000	\$27,500,000	

Other Long-Term Debt:

On January 9, 2017, the Town entered into a lease with TD Equipment Finance Inc. the (“Energy Savings Improvement Lease”) for energy saving improvements to school and Town buildings. The balance outstanding as of August 5, 2021 is \$7,109,322.47. Principal and interest payments are due on February 9 and August 9 in each year, commencing on February 9, 2018 with the final maturity on August 9, 2032.

The Town is participating in the State of Connecticut ‘s Clean Water Fund program, which provides low-interest loans bearing interest at 2%. On July 26, 2018, the Town entered into a Project Loan and Grant Agreement (the “Agreement”) with the State of Connecticut (the “State”) to finance upgrades to its Water Pollution Control Facility (the “Project”). The Agreement provides that the Scheduled Completion Date for the Project was December 31, 2020 and that the IFO issued for the Project must mature within six months of the Scheduled Completion Date. On August 30, 2018, the Town issued an IFO with the State in the amount of \$23,169,234.94, which, in accordance with the Agreement, was due on June 30, 2021 (the “First IFO”). Because the Project was not yet complete as of June 30, 2021, the State

issued that certain Certificate dated June 25, 2021 which amended the Scheduled Completion Date in the Agreement. On June 30, 2021, the State cancelled the First IFO and returned it to the town and the Town simultaneously issued a second IFO with the State in the amount of \$23,169,234.94 (the "Second IFO"). The Second IFO will be due December 31, 2021. As of June 30, 2021 the Town has received a total of \$21,250,011.27 of clean water fund loans and \$5,646,754 in clean water fund grants to fund the project.

Capital Leases:

As of August 5, 2021 for various computer and telephone equipment, ambulance, radio frequency towers and trucks:

2021	\$50,000
2022	52,000
2023	<u>50,000</u>
	\$152,000

As of August 5, 2021 for various equipment financing agreements (including the Energy Savings Improvement Lease):

2021	\$1,696,000
2022	1,662,000
2023	1,454,000
2024	1,205,000
2025	1,015,000
Thereafter	<u>5,950,000</u>
	\$12,982,000

SCHOOL BUILDING GRANT REIMBURSEMENTS

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, for all school building projects approved after July 1, 1996, the State provides proportional progress payments during construction for the State’s share of the eligible construction costs. The State grant will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its Bonds only for its share of project costs.

CLEAN WATER FUND PROGRAM

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

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

make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty.

ANNUAL BONDED DEBT MATURITY SCHEDULE ¹

As of August 5, 2021
(Pro Forma)

Fiscal Year Ending 30-Jun	General Obligation Bonds			This Issue The Bonds	Percent Retired
	Principal	Interest	Total		
2022	\$ 985,000	\$ 1,717,299	\$ 2,702,299	\$ -	0.97%
2023	6,725,000	2,955,506	9,680,506	500,000	* 8.06%
2024	6,715,000	2,665,847	9,380,847	500,000	* 15.15%
2025	6,685,000	2,399,888	9,084,888	500,000	* 22.20%
2026	6,675,000	2,141,094	8,816,094	500,000	* 29.25%
2027	6,660,000	1,885,335	8,545,335	500,000	* 36.28%
2028	6,365,000	1,667,023	8,032,023	500,000	* 43.02%
2029	5,335,000	1,470,159	6,805,159	500,000	* 48.75%
2030	5,305,000	1,306,299	6,611,299	500,000	* 54.45%
2031	5,550,000	1,141,886	6,691,886	500,000	* 60.39%
2032	5,525,000	976,199	6,501,199	500,000	* 66.31%
2033	5,505,000	811,501	6,316,501	500,000	* 72.21%
2034	5,485,000	646,760	6,131,760	500,000	* 78.08%
2035	5,465,000	479,958	5,944,958	500,000	* 83.94%
2036	4,170,000	331,850	4,501,850	500,000	* 88.53%
2037	3,165,000	219,013	3,384,013	500,000	* 92.12%
2038	2,740,000	128,250	2,868,250	500,000	* 95.31%
2039	1,640,000	60,050	1,700,050	500,000	* 97.41%
2040	1,140,000	17,100	1,157,100	500,000	* 99.02%
2041	-	-	-	500,000	* 99.51%
2042	-	-	-	500,000	* 100.00%
Total	\$91,835,000	\$23,021,013	\$114,856,013	\$ 10,000,000	*

¹ Excludes capital lease obligations and other long-term commitments.

*Preliminary, subject to change.

Note: Numbers may vary due to rounding.

OVERLAPPING/UNDERLYING DEBT

The Town has no overlapping debt.

There are five Fire Districts located within the Town. The Fire Districts have the power to levy taxes and to incur debt. As of August 5, 2021, the Town's underlying debt attributed to the Fire Districts was estimated at \$3,480,000.

<u>Fire Districts</u>	
Thompsonville Fire District.....	\$2,631,000
Hazardville Fire District.....	272,000
North Thompsonville Fire District.	577,000
Shaker Pines Fire District.....	-
	<u>\$3,480,000</u>

DEBT STATEMENT ^{1,2}

As of August 5, 2021

(Pro Forma)

Long-Term Indebtedness <i>(includes the Bonds)</i>	
General Purpose.....	\$ 72,995,000
Schools.....	25,840,000 *
Sewers.....	3,000,000 *
Energy Saving Improvement Lease.....	<u>7,109,322</u>
Total Long-Term Indebtedness	\$ 108,944,322 *
Short-Term Indebtedness	
Note payable <i>(includes the Notes)</i>	\$ 27,500,000
Clean Water Fund (IFO) ³	<u>21,250,011</u>
Total Short-Term Indebtedness	\$ 48,750,011 *
Total Direct Indebtedness	\$ 157,694,333 *
Exclusions:	
Less:	
Self-Supported Clean Water Fund Loan (IFO) ³ ..	<u>21,250,011</u>
Net Direct Indebtedness	\$ 136,444,322 *
Overlapping/Underlying Indebtedness	<u>3,480,000</u>
Total Overall Net Direct Indebtedness	\$ 139,924,322 *

¹ Does not include certain capital lease obligations. See “Other Long-Term Commitments” and “Principal Amount of Indebtedness” herein.

² Does not include authorized but unissued debt. See “Authorized but Unissued Debt” herein.

³ For more information, see “Clean Water Fund Program” herein.

*Preliminary, subject to change.

CURRENT DEBT RATIOS

August 5, 2021

(Pro Forma)

Population ¹	43,659
Net Taxable Grand List (10/1/18).....	\$3,013,783,500
Estimated Full Value.....	\$4,305,405,000
Equalized Net Taxable Grand List (10/1/18)....	\$4,422,084,043
Per Capita Income (2019).....	\$36,665

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	<u>\$157,694,333</u> *	<u>\$136,444,322</u> *	<u>\$139,924,322</u> *
Per Capita.....	\$3,611.95	\$3,125.23	\$3,204.94
Ratio to Net Taxable Grand List.....	5.23%	4.53%	4.64%
Ratio to Estimated Full Value.....	3.66%	3.17%	3.25%
Ratio to Equalized Net Taxable Grnad List.....	3.57%	3.09%	3.16%
Debt per Capita to Money Income per Capita.....	9.85%	8.52%	8.74%

¹ Connecticut Department of Public Health, Population Estimate 2019.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2015-2019 American Community Survey.

*Preliminary, subject to change.

BOND AUTHORIZATION

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

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

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable and the legislative body schedules principal reductions by the end of the third year and for all subsequent years during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for 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 eleven years from the initial borrowing date except for sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment.

Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

LIMITATION OF INDEBTEDNESS

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

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

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

The Statutes also provide for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt

of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in an escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

STATEMENT OF STATUTORY DEBT LIMITATION¹

As of August 5, 2021

(Pro Forma)

Total Receipts for fiscal year ended June 30, 2020 (including interest and lien fees) \$ 101,915,000

State Reimbursement for Revenue Loss on:

 Tax Relief for Elderly

-

Base for Establishing Debt Limit

\$ 101,915,000

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Past Pension</u>	<u>Total Debt</u>
(2.25 times base).....	\$ 229,308,750					
(4.50 times base).....		\$458,617,500				
(3.75 times base).....			\$382,181,250			
(3.25 times base).....				\$331,223,750		
(3.00 times base).....					\$305,745,000	
(7.00 times base).....						\$ 713,405,000
Indebtedness (Includes these Bonds and Notes)						
Bonds Payable.....	\$ 72,995,000	\$ 25,840,000 *	\$ 3,000,000 *	\$ -	\$ -	\$ 101,835,000
Notes Payable.....	-	-	27,500,000	-	-	27,500,000
Clean Water Fund (IFO).....	-	-	21,250,011 ¹	-	-	21,250,011
Energy Saving Impr. Lease.....	7,109,322	-	-	-	-	7,109,322
Underlying - Fire Districts.....	3,480,000	-	-	-	-	3,480,000
Authorized but						
Unissued Debt.....	<u>1,773,728</u>	<u>500,000</u>	<u>6,103,235</u>	-	-	<u>8,376,963</u>
Total Bonded Indebtedness.....	<u>\$ 85,358,050</u>	<u>\$ 26,340,000</u>	<u>\$ 57,853,246</u>	\$ -	\$ -	<u>\$ 169,551,296</u>
Net Bonded Indebtedness.....	<u>\$ 85,358,050</u>	<u>\$ 26,340,000</u>	<u>\$ 57,853,246</u>	\$ -	\$ -	<u>\$ 169,551,296</u>
Excess of Limit Over						
Outstanding and						
Authorized Debt.....	<u>\$ 143,950,700</u>	<u>\$432,277,500</u>	<u>\$324,328,004</u>	<u>\$331,223,750</u>	<u>\$305,745,000</u>	<u>\$ 543,853,704</u>

¹ Self-supporting debt.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$713,405,000.

*Preliminary, subject to change.

AUTHORIZED BUT UNISSUED DEBT

As of August 5, 2021

(Pro Forma)

Project	Amount Authorized	Prior Leases/ Loans/Grants/ Paydowns/	Debt Authorized but Unissued					
		Bonds	Bonds	Notes	General			Total
		This Issue	This Issue	Purpose	School	Sewers		
Enfield High School Expansion & Renovation	\$35,000,000	\$27,000,000	\$0	\$7,500,000	\$0	\$500,000	\$0	\$500,000 ¹
Water Pollution Control Facility Upgrades.....	36,000,000	26,896,765	3,000,000 *	-	-	-	6,103,235	6,103,235 ²
Energy Savings Improvements Project.....	11,200,000	9,426,272	-	-	1,773,728	-	-	1,773,728
JFK Middle School Renovations.....	27,000,000	-	7,000,000 *	20,000,000	-	-	-	0 ³
	<u>\$109,200,000</u>	<u>\$63,323,037</u>	<u>\$10,000,000</u>	<u>\$27,500,000</u>	<u>\$1,773,728</u>	<u>\$500,000</u>	<u>\$6,103,235</u>	<u>\$8,376,963</u>

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

² The Town has entered into an Interim Funding Obligation (“IFO”) with the State of Connecticut for \$23,169,234.94 through the Clean Water Fund Program. As of June 30, 2021, \$21,250,011.27 will be outstanding on the IFO and the Town will have received \$5,646,754 in grants. See “Clean Water Fund Program” herein. The Town anticipates that the debt service on this project (net State grants) will be supported by user charges against the sewer system users.

³ The overall project costs are projected at \$84 million. The voters of the Town approved a \$27 million borrowing resolution which is the estimated net local share of the project after receipt of the State of Connecticut School Construction Grants.

Source: Town of Enfield, Finance Office.

*Preliminary, subject to change.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT¹

Long-Term Debt	2021 Est.	2020	2019	2018	2017	2016
Bonds.....	\$97,570,000	\$102,660,000	\$85,495,000	\$80,350,000	\$54,540,000	\$58,510,000
Short-Term Debt						
Bond Anticipation Notes.....	25,000,000	17,500,000	30,000,000	36,000,000	47,000,000	10,000,000
Totals.....	<u>\$122,570,000</u>	<u>\$120,160,000</u>	<u>\$115,495,000</u>	<u>\$116,350,000</u>	<u>\$101,540,000</u>	<u>\$68,510,000</u>

¹ Does not include capital leases and other long-term commitments.

Source: Annual Audited Financial Statements 2016-2020, Estimate 2021.

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

VII. LEGAL AND OTHER LITIGATION

LITIGATION

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

MUNICIPAL ADVISOR

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

TRANSCRIPT AND CLOSING DOCUMENTS

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

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds and Notes or the levy or collection of taxes to pay the principal of and interest on the Bonds and Notes.
2. A Certificate on behalf of the Town signed by the Town Manager and Director of Finance, dated the date of delivery of the Bonds and Notes and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time the bids on the Bonds and Notes were accepted, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. Receipts for the purchase price of the Bonds and Notes.
4. Approving opinions of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut for the Bonds and the Notes substantially in the forms of Appendices B-1 and B-2, respectively, attached hereto.
5. Executed Continuing Disclosure Agreements for the Bonds and Notes substantially in the forms of Appendices C-1 and C-2, respectively, attached hereto.
6. The Town of Enfield has prepared a Preliminary Official Statement for this Bond and Note Issue which is dated July 12, 2021. The Town deems such Preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(5), but it is subject to revision or amendment. The Town will make available to the winning purchaser(s) of the Bonds and Notes a reasonable number of copies of the Official Statement at the Town’s expense within seven business days of the bid opening. Additional copies may be obtained by the original purchaser at their own expense by arrangement with the printer.

A transcript of the proceedings taken by the Town in authorizing the Bonds will be kept in file at the offices of U.S. Bank National Association, Global Corporate Trust, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut and will be available for examination upon reasonable request.

CONCLUDING STATEMENT

This Official Statement is not to be construed as a contract or agreement between the Town and the purchaser or holders of any of the Bonds and Notes. Any statements made in this Official Statement involving matters of opinion or estimates 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.

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

TOWN OF ENFIELD, CONNECTICUT

By: _____
Christopher Bromson, *Town Manager*

By: _____
John Wilcox, *Director of Finance*

Dated as of July ____, 2021

APPENDIX A – BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Appendix A - Basic Financial Statements - is taken from the Annual Report of the Town of Enfield for the Fiscal Year ended June 30, 2020 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Director of Finance, Town of Enfield, Connecticut.

Independent Auditors' Report

To the Members of the Town Council
Town of Enfield, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Enfield, Connecticut, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Enfield, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Enfield, Connecticut, as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Restatement

As discussed in Note 10 to the financial statements, the 2019 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 28, 2020

**TOWN OF ENFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

This discussion and analysis of the Town of Enfield, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2020. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements. All amounts in this section are reported in thousands unless otherwise noted.

Financial Highlights

- Net position of our governmental activities increased by \$8,621 or (3.53%).
- During the year, the Town had expenses and transfers that were \$8,621 less than the \$180,235 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$171,614.
- The General Fund reported a fund balance this year of \$39,901, an increase of \$5,988 or 17.65% over the prior year.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net position and the statement of activities on pages 13 and 14 provide information about the activities of the Town as a whole and present a long-term view of the Town's finances. Fund financial statements are presented on pages A-14 through A-22. For governmental activities, the statements show how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the Town, as a whole, begins on pages A-12 and A-13. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting. This is similar to the accounting methods used by most private sector companies. Current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Town's net position and changes in them. The Town's net position, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are indicators of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall financial health of the Town.

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

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

Fund Financial Statements

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

- **Governmental Funds** (*pages 15 through 18*) - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The differences between governmental activities reported in the statement of net position and the statement of activities and governmental funds is described in a reconciliation between fund balances - all governmental funds and net position of governmental activities on pages 7 and 10.
- **Proprietary Funds** (*pages 19, 20 and 21*) - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. Internal service funds (a component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Information Technology Fund.
- **Fiduciary Funds** (*pages 22 and 23*) - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The Town's combined total net position increased by \$8,621 from a year ago, changing from \$243,944 (restated) to \$252,565. The following analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

TABLE 1
NET POSITION

	Governmental Activities	
	2020	2019
Current and other assets	\$ 87,324	\$ 80,730
Capital assets	398,983	380,576
Total assets	<u>486,307</u>	<u>461,306</u>
Deferred outflows of resources	<u>12,399</u>	<u>6,797</u>
Current liabilities	52,027	53,113
Noncurrent liabilities	174,530	156,947
Total liabilities	<u>226,557</u>	<u>210,060</u>
Deferred inflows of resources	<u>19,584</u>	<u>14,099</u>
Net investment in capital assets	240,048	261,582
Restricted	1,478	1,478
Unrestricted	<u>11,039</u>	<u>(19,116)</u>
Total Net Position	\$ <u>252,565</u>	\$ <u>243,944</u>

The largest component of the net position is the investment in capital assets (buildings, infrastructure and equipment), which is presented less outstanding debt related to acquiring the assets. This portion of the net position is not available for spending. Unrestricted net position - the part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased \$30,155 from the prior fiscal year.

The change in net position can also be analyzed by looking at the difference between revenues and program expenses. The Town's total revenues were \$180,235, an increase of \$11,878 over the prior year. The total cost of all programs and services was \$171,614, an increase of \$16,167 over the prior year. A more detailed discussion of fiscal year 2020 activity follows in the next sections.

**TABLE 2
CHANGE IN NET POSITION**

	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 15,029	\$ 15,866
Operating grants and contributions	58,580	45,237
Capital grants and contributions	3,420	5,392
General revenues:		
Property taxes	100,381	98,970
Grants and contributions not restricted to specific programs	1,863	1,868
Investment income	962	1,024
Total revenues	<u>180,235</u>	<u>168,357</u>
Expenses:		
General government	7,403	7,442
Public safety	18,970	17,681
Public works	26,174	29,132
Health and social services	6,280	6,581
Recreation	349	355
Library	2,333	1,994
Planning and development	2,124	1,739
Education	103,726	86,566
Nondepartmental, capital outlay and other		
Interest on long-term debt	4,255	3,957
Total expenses	<u>171,614</u>	<u>155,447</u>
Change in Net Position	8,621	12,910
Beginning Net Position	<u>243,944</u>	<u>231,034</u>
Ending Net Position	<u>\$ 252,565</u>	<u>\$ 243,944</u>

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

**TABLE 3
GOVERNMENTAL ACTIVITIES**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General government	\$ 7,403	\$ 7,442	\$ 2,069	\$ 1,948
Public safety	18,970	17,681	18,205	16,989
Public works	26,174	29,132	16,247	17,697
Education	103,726	86,566	48,662	44,140
Health and social services	6,280	6,581	366	161
All others	9,061	8,045	9,036	8,017
Total	<u>\$ 171,614</u>	<u>\$ 155,447</u>	<u>\$ 94,585</u>	<u>\$ 88,952</u>

The total cost of services increased \$16,167 or 10.40% from 2019 to 2020. There was no change in services provided by the Town. The primary cost drivers for the fiscal year were increases in education, public safety and other offset by decreases in general government, health and social services, and public works spending.

Town Funds Financial Analysis

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - page 15) reported a combined total fund balance of \$15,013 which is a \$6,935 increase from last year's total of \$8,078. The fund balance in the general fund increased \$5,988 from the prior year. Page 45 shows the details of the governmental fund balances. More detail with respect to activity in the General Fund is presented in the General Fund Budgetary Highlights section. The primary reason for this increase is the impact Covid-19 had on town operations, which reduced our operating costs across departments.

There continues to be a deficit in the Water Pollution Control Fund, which decreased by \$1,800 during the year. In fiscal year 2013-2014 the Council voted to convert the funding basis for the WPCA from ad valorem to user fee, in order to raise revenue to foot the cost of approximately \$36 million in upgrades to the plant. The change to user fee went into effect January 1, 2014. The rates were structured to provide enough revenue to pay back the general fund \$300 a year over a ten-year period, and to support anticipated debt repayment of approximately \$31 million for plant upgrades and repairs. The primary reason for the decrease of the deficit balance is the impact Covid-19 had on town operations which reduced our operating costs.

The fund balance in the Bonded Projects Fund has a deficit of \$34,819, an increase of \$1,717 over the prior year. The increase is the result of \$12,970 in spending associated with the "Roads 2015" paving program, the High School Consolidation project, the Water Pollution Control project and the JFK Middle School project. During the year, the Town issued a \$22,500 bond package to fund these projects. Additionally, bond anticipation notes were issued during the year in the amount of \$17,500 and \$11,521 in Clean Water Fund interim financing were issued to cover deficits in cash flows. Bonds issued in future fiscal years will reduce this deficit. The increase of the deficit is due to increase activity in construction of capital projects taking advantage of the fact that many buildings were closed.

The fund balance in the Capital Nonrecurring Fund increased \$1,275 to \$7,060. Spending in the Capital and Nonrecurring Fund in fiscal year 2020 was \$2,648 compared to \$4,046 in fiscal year 2019. The Town records purchases of equipment, capital grants and major maintenance projects in this fund.

The fund balances in the Nonmajor Governmental Funds is \$2,909, a decrease of \$411 over the prior year. Pages 93 and 94 show the activity details for Nonmajor governmental funds. Spending activity is primarily education related and pertains to grants, community development and cafeteria expenditures and revenues.

Fund balance in the governmental funds is classified according to the strength of the spending constraints governing how the class can be used. The classifications are listed on the balance sheet according to the strength of the restriction, from most to least restrictive. Nonspendable fund balance represents \$153 of the total fund balance. Amounts classified in this category include inventory and the corpus of endowment funds and prepaid interest. Restricted fund balance is \$3,432 of the total fund balance and represents donations and grants whose spending is restricted to a particular purpose by the donor or granting authority. Committed fund balance is \$10,854 of the total fund balance and represents amounts committed by the Town Council for a particular purpose. It includes the amount of fund balance used to balance the fiscal year 2020 budget. The amounts in this category are committed primarily through the budget making process or by resolution. Assigned fund balance represents encumbrances outstanding at year end. Assigned fund balance represents \$3,595 of the total fund balance. The unassigned fund balance, which is available for spending, is (\$3,021). As mentioned earlier in this discussion, the WPCA fund and Bonded Projects fund are currently running deficits thereby causing the unassigned fund balance deficit. The deficit in the Bonded Projects Fund will be eliminated with future bonding and the deficit in the Water Pollution Control Fund will be eliminated over the next six years through revenue raised by user fees.

Proprietary Funds

The Town of Enfield utilizes internal service funds to report the costs associated with liability insurance, health insurance and information technology for the Board of Education and the Town. Details of the activities in these funds are shown on pages 95 to 97. The net position of these funds decreased \$1,090 or 93.40%, to \$77. The decrease was primarily due to increases in health insurance costs.

General Fund Budgetary Highlights

General fund revenues and expenditures are presented on a budgetary basis on pages A-67 to A-72.

Revenue Variances

Settlements of outstanding tax appeals resulted in a negative variance of \$571 for all tax collections. Tax collections are currently budgeted on a cash basis and included \$500 for prior year collections. Real estate collections were budgeted at 98.65%, motor vehicle at 94.2% and personal property at 97.1%. The blended tax collection rate for current year taxes was 98.26%, which represents no change from the prior year collection rate.

Intergovernmental revenue had a net positive variance of \$522. Most of the variances in intergovernmental revenue were caused by changes made by the state during the year to individual grant line items.

Charges for services had a total positive variance of \$101. Budgets in this category are estimated based on historical averages and normally vary from year to year. Conveyance contributed \$87 to the positive variance which was offset by a \$26 negative variance in the communication center and a \$25 negative variance in bulky waste fees.

Licenses and permits and had a positive variance of \$704. This was due to a \$695 positive variance in Building Permits.

Interest earned had a positive variance of \$610. General fund investments are limited by state statute to risk free instruments as specified in Note 3. Unfavorable economic conditions have kept investment interest rates low so this line is budgeted conservatively.

Overall, the general fund had a total negative revenue variance of \$1,595.

Expenditure Variances

Budgetary expenditures had a total positive variance of \$4,034. The largest variances occurred in the following areas: Public Works \$1,128, Debt Service \$460, Non-departmental charges \$467, Public Safety \$777, and General Government \$183. Transfers out had a positive variance of \$819 due to positive expenditure variances in the Social Services, EMS and Library funds.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2020, the Town had \$398,983 invested in a broad range of capital assets, including land, buildings, building improvements, machinery and equipment, vehicles and infrastructure (roads, sewer lines, sidewalks) – Note 3C. page 37. This amount represents a net increase (including additions and deductions) of \$18,407 over the prior year.

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

	Governmental Activities	
	2020	2019
Land	\$ 12,506	\$ 12,402
Construction in progress	44,598	26,501
Buildings and improvements	147,860	152,199
Machinery and equipment	22,103	15,026
Vehicles	8,361	8,415
Infrastructure	163,555	166,033
Total	\$ 398,983	\$ 380,576

This year’s major additions included:

- The continuation of a variety of road rehabilitation projects - “Roads 2010 and Roads 2015” in the amount of \$7,072
- Sewer line projects that were part of the WPC Upgrade Project in the amount of \$15,217.
- Renovation of JFK school in the amount of \$5,684.

Long-Term Debt

At June 30, 2020, the Town had \$102,660 in bonds outstanding compared to \$85,495 last year - an increase of 20% as shown in Table 5.

**TABLE 5
OUTSTANDING DEBT**

	Governmental Activities	
	2020	2019
General obligation bonds - Town	\$ 81,240	\$ 62,785
General obligation bonds - School improvements	<u>21,420</u>	<u>22,710</u>
Total	<u>\$ 102,660</u>	<u>\$ 85,495</u>

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

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$758,604 which significantly exceeds the Town’s outstanding general obligation debt.

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

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

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

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

In November of 2018, voters approved borrowing \$27 million for reconstruction and renovations to the John F. Kennedy Middle School

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town’s long-term liabilities is presented in Note 3E. of the financial statements (page A-38.)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal year 2019-2020 budget. Overall economic conditions as well as citizens' ability to sustain an increase in taxes continue to be primary concerns of town officials. The mill rate for the Town was unchanged at 23.88 for fiscal years 2008-2012. The mill rate for the 2012-2013 budget increased to 27.84. The increase in the mill rate was the result of a town wide revaluation in which property values dropped an average of 13%. Property values for residential property dropped an average of 15% and commercial property values dropped an average of 10%. After factoring in the change in the grand list, the increase in the mill rate was .90 mills.

For fiscal year 2019, the State of Connecticut increased the mill rate cap on motor vehicles. As a result, Council established a single mill rate of 33.40 mills for real estate, business personal property and motor vehicles. The real estate and business personal property rate increased 1.97 mills over the prior year while the motor vehicle mill rate increased 4.60 mills. The mill rate for fiscal year 2019-2020 remained at 33.40 for real estate, business personal property and motor vehicles.

The adopted budget for fiscal year 2020-2021 also had no increase in the mill rate, which stayed at 33.40. Due to mandatory increases in items such as health insurance, pension and contractual union raises we managed to avoid an increase by being selective in the programs and projects we funded.

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

Unemployment (not seasonally adjusted) in the Town as of June 2020 was 10% versus 3.7% a year ago.

Contacting the Town's Financial Management

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

TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2020

(In Thousands)

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 51,651
Investments	14,604
Receivables, net	19,446
Prepaid items	1,518
Inventories	105
Capital assets, nondepreciable	57,104
Capital assets, net of accumulated depreciation	341,879
Total assets	486,307
Deferred Outflows of Resources:	
Deferred charge on refunding	472
Deferred outflows - pension	4,078
Deferred outflows - OPEB	7,849
Total deferred outflows of resources	12,399
Liabilities:	
Accounts payable and accrued liabilities	10,950
Unearned revenue	2,327
Bond anticipation notes payable	17,500
Clean water interim funding obligation	21,250
Noncurrent liabilities, due within one year	8,221
Noncurrent liabilities, due in more than one year	166,309
Total liabilities	226,557
Deferred Inflows of Resources:	
Deferred inflows - pension	2,957
Deferred inflows - OPEB	13,625
Bond anticipation notes premium	319
Advance property tax collections	2,683
Total deferred inflows of resources	19,584
Net Position:	
Net investment in capital assets	240,048
Restricted for:	
Trust purposes:	
Expendable	27
Nonexpendable	39
Loans	1,412
Unrestricted	11,039
Total Net Position	\$ 252,565

The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

(In Thousands)

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General government	\$ 7,403	\$ 3,622	\$ 1,712	\$	\$ (2,069)
Public safety	18,970	590	175		(18,205)
Public works	26,174	6,494	13	3,420	(16,247)
Health and social services	6,280	3,413	2,501		(366)
Recreation	349				(349)
Library	2,333	18	7		(2,308)
Planning and development	2,124				(2,124)
Education	103,726	892	54,172		(48,662)
Interest expense	4,255				(4,255)
Total governmental activities	<u>171,614</u>	<u>15,029</u>	<u>58,580</u>	<u>3,420</u>	<u>(94,585)</u>
Total	\$ <u>171,614</u>	\$ <u>15,029</u>	\$ <u>58,580</u>	\$ <u>3,420</u>	<u>(94,585)</u>
General revenues:					
Property taxes					100,381
Grants and contributions not restricted to specific programs					1,863
Investment income					962
Total general revenues					<u>103,206</u>
Change in net position					8,621
Net Position at Beginning of Year, as Restated					<u>243,944</u>
Net Position at End of Year					\$ <u><u>252,565</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF ENFIELD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

(In Thousands)

	<u>General</u>	<u>Water Pollution Control</u>	<u>Bonded Projects</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 26,431	\$ 4	\$ 14,008	\$ 4,417	\$ 4,230	\$ 49,090
Investments	10,441			2,677	260	13,378
Receivables, net	15,987	1,700		157	1,507	19,351
Due from other funds	8,039		425	370	6	8,840
Prepaid items	9					9
Inventory					105	105
Total Assets	<u>\$ 60,907</u>	<u>\$ 1,704</u>	<u>\$ 14,433</u>	<u>\$ 7,621</u>	<u>\$ 6,108</u>	<u>\$ 90,773</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 3,485	\$ 361	\$ 4,301	\$ 139	\$ 101	\$ 8,387
Due to other funds	572	512	3,312	422	61	4,879
Bond anticipation notes payable			17,500			17,500
Clean water interim funding			21,250			21,250
Unearned revenue	482		220		1,625	2,327
Total liabilities	<u>4,539</u>	<u>873</u>	<u>46,583</u>	<u>561</u>	<u>1,787</u>	<u>54,343</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	11,696					11,696
Unavailable revenue - sewer user fees		869				869
Unavailable revenue - EMS receivable	1,913					1,913
Unavailable revenue - grants receivable	24					24
Unavailable revenue - loans receivable					1,412	1,412
Unavailable revenue - state payment			2,501			2,501
Bond anticipation notes premium	151		168			319
Advance property tax collections	2,683					2,683
Total deferred inflows of resources	<u>16,467</u>	<u>869</u>	<u>2,669</u>		<u>1,412</u>	<u>21,417</u>
Fund Balances:						
Nonspendable	9				144	153
Restricted	2,850				582	3,432
Committed	1,611			7,060	2,183	10,854
Assigned	3,595					3,595
Unassigned	31,836	(38)	(34,819)			(3,021)
Total fund balances	<u>39,901</u>	<u>(38)</u>	<u>(34,819)</u>	<u>7,060</u>	<u>2,909</u>	<u>15,013</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 60,907</u>	<u>\$ 1,704</u>	<u>\$ 14,433</u>	<u>\$ 7,621</u>	<u>\$ 6,108</u>	<u>\$ 90,773</u>

(Continued on next page)

TOWN OF ENFIELD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2020

(In Thousands)

Reconciliation of Balance Sheet - Governmental Funds to Statement of Net Position:

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balances (Exhibit III)	\$	15,013
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$	547,335	
Less accumulated depreciation		<u>(148,352)</u>	
			398,983

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

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

Property tax receivables	5,492
Interest on property taxes	6,204
Sewer use receivable	869
EMS receivable	1,913
Grants receivable	24
Housing loans	1,412
State payment	2,501
Deferred charge on refunding	472
Deferred outflows related to pension	4,078
Deferred outflows related to OPEB	7,849

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

Bonds and sewer notes payable	(102,660)
Bond premium	(8,376)
Compensated absences	(7,193)
Accrued interest payable	(1,210)
Capital lease	(144)
Equipment financing	(9,881)
Landfill closure	(120)
Claims payable	(370)
Net pension liability	(7,954)
Net OPEB liability	(37,832)
Deferred inflows related to pension	(2,957)
Deferred inflows related to OPEB	<u>(13,625)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u>252,565</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

(In Thousands)

	<u>General</u>	<u>Water Pollution Control</u>	<u>Bonded Projects</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 99,158	\$ 346	\$	\$	\$	\$ 99,504
Intergovernmental	49,334		2,784	649	5,016	57,783
Charges for services	7,718	6,443		80	914	15,155
Contributions and donations	163				54	217
Investment income	772			137	23	932
Other revenues	990	18			1	1,009
Total revenues	<u>158,135</u>	<u>6,807</u>	<u>2,784</u>	<u>866</u>	<u>6,008</u>	<u>174,600</u>
Expenditures:						
Current:						
General government	6,277				10	6,287
Public safety	16,264				189	16,453
Public works	15,656	3,436				19,092
Health and social services	5,782				309	6,091
Planning and development	1,403					1,403
Recreation	349					349
Library	1,987				5	1,992
Intergovernmental and interagency	454					454
Education	86,822				5,918	92,740
Non-departmental	7,017					7,017
Capital outlay			27,673	2,648		30,321
Debt service	11,219		328			11,547
Total expenditures	<u>153,230</u>	<u>3,436</u>	<u>28,001</u>	<u>2,648</u>	<u>6,431</u>	<u>193,746</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,905</u>	<u>3,371</u>	<u>(25,217)</u>	<u>(1,782)</u>	<u>(423)</u>	<u>(19,146)</u>
Other Financing Sources (Uses):						
Bond issuance			22,500			22,500
Bond premiums	3,288					3,288
Equipment lease issuance				293		293
Transfers in	394		1,000	3,264	16	4,674
Transfers out	(2,599)	(1,571)		(500)	(4)	(4,674)
Net other financing sources (uses)	<u>1,083</u>	<u>(1,571)</u>	<u>23,500</u>	<u>3,057</u>	<u>12</u>	<u>26,081</u>
Net Change in Fund Balances	5,988	1,800	(1,717)	1,275	(411)	6,935
Fund Balances at Beginning of Year, as Restated	<u>33,913</u>	<u>(1,838)</u>	<u>(33,102)</u>	<u>5,785</u>	<u>3,320</u>	<u>8,078</u>
Fund Balances at End of Year	<u>\$ 39,901</u>	<u>\$ (38)</u>	<u>\$ (34,819)</u>	<u>\$ 7,060</u>	<u>\$ 2,909</u>	<u>\$ 15,013</u>

(Continued on next page)

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

(In Thousands)

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different due to:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 6,935
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	33,774
Depreciation expense	(11,914)

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	(3,453)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax receivable - accrual basis change	807
Property tax interest revenue - accrual basis change	66
Sewer use receivable - accrual basis change	(45)
EMS receivable - accrual basis change	(492)
Grants receivable - accrual basis change	(6)
Changes in deferred outflows related to pension	(160)
Changes in deferred outflows related to OPEB	5,821

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

Issuance of bonds	(22,500)
Premium on bond issuance	(3,288)
Bond principal payments	5,335
Capital lease payments	66
Equipment financing issuance	(293)
Equipment financing payments	1,648

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

Compensated absences	(347)
Change in accrued interest	(58)
Amortization of bond premiums	366
Amortization of deferred charge on refunding	(59)
Claims payable	21
Landfill closure	15
Change in net pension liability	1,712
Change in net OPEB liability	(318)
Changes in deferred inflows related to pension	1,757
Changes in deferred inflows related to OPEB	(5,679)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(1,090)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 8,621</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020**

(In Thousands)

	<u>Governmental Activities</u>	<u>Internal Service Funds</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$	2,561
Investments		1,226
Accounts receivable		95
Prepaid expenses		1,509
Due from other funds		141
Total current assets		<u>5,532</u>
Liabilities:		
Current liabilities:		
Accounts payable		223
Claims payable		1,130
Due to other funds		4,102
Total current liabilities		<u>5,455</u>
Net Position:		
Unrestricted	\$	<u><u>77</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

(In Thousands)

	Governmental Activities Internal Service Funds
Operating Revenues:	
Charges for services	\$ <u>23,075</u>
Operating Expenses:	
Health insurance claims	19,199
Risk management claims	1,391
Technology services	3,606
Total operating expenses	<u>24,196</u>
Operating Income (Loss)	(1,121)
Nonoperating Revenue:	
Investment income	<u>31</u>
Change in Net Position	(1,090)
Net Position at Beginning of Year	<u>1,167</u>
Net Position at End of Year	\$ <u><u>77</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

(In Thousands)

	Governmental Activities
	Internal Service Funds
Cash Flows from Operating Activities:	
Receipts from charges for services	\$ 24,973
Payments for claims, premiums and fees	(23,693)
Net cash provided by (used in) operating activities	<u>1,280</u>
Cash Flows from Investing Activities:	
Purchase of investments	(542)
Sales of investments	518
Investment income	31
Net cash provided by (used in) investing activities	<u>7</u>
Net Increase (Decrease) in Cash	1,287
Cash at Beginning of Year	<u>1,274</u>
Cash at End of Year	<u>\$ 2,561</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ (1,121)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Decrease (increase) in accounts receivable	456
Decrease (increase) in prepaid expenses	286
Decrease (increase) in due from other funds	1,156
Increase (decrease) in accounts payable and other payables	(100)
Increase (decrease) in claims payable	(453)
Increase (decrease) in due to other funds	<u>1,056</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,280</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

(In Thousands)

	Pension and Other Employee Benefit Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 105	\$ 2,119
Investments:		
Common stock	1,382	
Deferred retirement option program	1,403	
Mutual funds	1,685	
Exchange traded products	2,974	
Guaranteed deposit	20,799	
Insurance company-pooled separate account	123,057	
Real estate funds	7,659	
Total investments	<u>158,959</u>	<u>-</u>
Total assets	159,064	2,119
Liabilities:		
Accounts payable		<u>2,119</u>
Net Position:		
Restricted for pension benefits	152,918	
Restricted for OPEB benefits	<u>6,146</u>	
Total Net Position	<u>\$ 159,064</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

(In Thousands)

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Employer contributions	\$ 5,557
Employee contributions	1,243
Total contributions	<u>6,800</u>
Investment earnings:	
Interest and dividends	3,319
Net change in fair value of investments	7,186
Total investment earnings	<u>10,505</u>
Less investment expenses:	
Investment management fees	83
Net investment earnings	<u>10,422</u>
Total additions	<u>17,222</u>
Deductions:	
Benefits paid	8,674
Administration expenses	211
Total deductions	<u>8,885</u>
Change in Net Position	8,337
Net Position at Beginning of Year	<u>150,727</u>
Net Position at End of Year	<u>\$ 159,064</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Enfield, Connecticut (the Town) was settled in 1683. The Town operates under a Council-manager form of government and provides the following services as authorized by its charter (last revised in 2014); public safety (police and fire), highways and streets, sanitation, social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

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

B. Basis of Presentation

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town's primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension obligations, other post-employment benefits and claims and judgments, are recorded only when payment is due (matured).

The Town reports the following major governmental funds:

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

The *Water Pollution Control Fund* accounts for the collection of user charges in relation to the cost of water pollution control and the financing of sanitary sewer improvements or services deemed to benefit the properties against which special assessments are levied.

The *Bonded Projects Fund* accounts for the bonded and financial revenues to be used for major capital asset construction and/or purchases.

The *Capital Nonrecurring Fund* accounts for the accumulation of monies for capital projects.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

Additionally, the Town reports the following fund types:

The *Internal Service Funds* are used to account for the financing of goods or services provided by one department to other departments or agencies on a cost-reimbursement basis. The Health Insurance Fund is used to account for the revenues and related expenditures for the health insurance plan for employees. The Commercial Liability Fund accounts for commercial liability insurance activities of the Town. The Information Technology Fund accounts for the financial operations of the central information systems department.

The *Pension and Other Employee Benefit Trust Funds* are used to account for the activities of the Enfield Employees Retirement System and to account for the retiree health benefits of the single-employer defined benefit plan.

The *Agency Funds* are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. The Town maintains several agency funds for performance bonds, Asnuntuck College, Cultural Arts Commission and other student activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

C. Cash Equivalents

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

D. Investments

Investments are stated at fair value.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade, property tax, sewer use, sewer assessment and loan receivables are shown net of an allowance for uncollectibles. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon collection history and analysis of creditor's ability to pay.

Loan receivables consist of Community Development Block Grant loans. The Town provides low-interest loans for residential rehabilitation as well as loans to local businesses for facility improvements.

G. Capital Assets

Capital assets, which include property, buildings, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 for vehicles and equipment, \$20,000 for buildings and improvements and \$100,000 for infrastructure (amounts not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**TOWN OF ENFIELD, CONNECTICUT
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(In Thousands)

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

<u>Assets</u>	<u>Years</u>
Buildings	50-75
Buildings and improvements	20-75
Machinery and equipment	10-30
Vehicles	10-30
Infrastructure:	
Roads	40
Sidewalks	40
Bridges	70-80
Sewer Lines	100

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from changes in assumptions. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Additionally, the Town reports advance property tax collections in both the government-wide statement of net position and in the governmental funds. The advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. The Town also reports deferred inflows related to the state payment for their portion of the WPC project. This amount is recognized in conjunction with the debt payments. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, sewer user fees, EMS, grants and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

I. Compensated Absences

Town employees are granted vacation leave based upon length of employment and sick time depending on which union the employee belongs to. In the event of termination, employees are compensated for accumulated vacation and sick time. The Board of Education has employment contracts, which provide for the accrual of sick pay based on length of service. Vacation and sick leave expenses to be paid in the future periods are accrued when incurred in the government-wide statement. A liability for these amounts is reported in governmental funds only for amounts expected to be paid (matured), for example, as a result of employee resignations and retirements. Compensated absences are generally paid out of the General Fund.

J. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

K. Net OPEB Liability

The net OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total OPEB liability), net of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

L. Long-Term Obligations

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

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(In Thousands)

M. Equity

Equity in the government-wide financial statements is defined as “net position” and is classified in the following categories:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted

Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted

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

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of Enfield Town Council). The Town Council can commit fund balance through the adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until similar action is taken to remove or revise the limitation.

Assigned Fund Balance

This balance represents amounts constrained for the intent to be used for a specific purpose by the Director of Finance who has been delegated authority to assign amounts through approval of purchase orders by the Town Council.

Unassigned Fund Balance

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

N. Property Taxes

Property taxes are assessed as of October 1. Real estate and personal property taxes are due and payable in two installments on July 1 and the following January 1. Motor vehicle taxes are due and payable July 1, and motor vehicle supplemental taxes are due and payable on January 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

O. Accounting 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 of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

P. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 28, 2020.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund and Water Pollution Control Plant Fund financial statements.

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

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level for the General Fund and at the fund level for the Water Pollution Control Plant Fund.
- Budgeted amounts shown are as amended by the Town Council during the course of the year. There were additional appropriations in the General Fund totaling \$1,076 during the year.
- Generally, all appropriations lapse at year end, except those for the Capital Projects Fund. Appropriations for capital projects are continued until completion of applicable projects, even when project extend more than one fiscal year.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year.
- Budgets are also legally adopted and presented for the Social Services Fund, Emergency Medical Fund, Library and Leisure Services Fund, and Water Pollution Control Fund.

B. Deficit Fund Equity

The following governmental funds had fund balance deficits at June 30, 2020:

- The Water Pollution Control Fund had a deficit fund balance of \$38 which will be funded from future charges for services and General Fund appropriations.
- The Bonded Projects Fund had a deficit fund balance of \$34,819 which will be funded from the issuance of general obligation bond anticipation notes and bonds.
- The Health Insurance fund had a deficit fund balance of \$1,628 which will be funded from future rate increases.

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by the Statutes, or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank,” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies; 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(In Thousands)

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$36,429 of the Town’s bank balance of \$42,720 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,046
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>35,383</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 36,429</u>

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2020, the Town’s cash equivalents amounted to \$17,550. The following table provides summary of the Town’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard & Poor’s</u>
State of Connecticut Short-Term Investment Fund (STIF)	AAAm
LPL Financial	*
MetLife Securities	*
Wells Fargo	*

*Not Rated

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(In Thousands)

Investments

As of June 30, 2020, the Town had the following investments:

Investment Type	Fair Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More Than 10
Interest-bearing investments:				
U.S. Government securities	\$ 782	\$	\$ 782	\$
U.S. Government agencies	4,244	1,881	2,363	
Municipal bonds	1,231	162	1,069	
Certificates of deposit	5,019	1,014	4,005	
Total	11,276	\$ 3,057	\$ 8,219	\$ -
Other investments:				
Mutual funds	4,166			
Deferred retirement option program	1,403			
Insurance company-pooled separate account	123,057			
Exchange traded products	3,821			
Guaranteed deposit	20,799			
Common stock	1,382			
Real estate	7,659			
Total Investments	\$ 173,563			

Average	U.S. Government Securities	U.S. Government Agencies	Municipal Bonds	Certificates of Deposit
A	\$	\$	\$ 668	\$
AA			52	
AA+	782	4,244	147	
AAA			57	
AA-				
A+			121	
Unrated			186	5,019
	\$ 782	\$ 4,244	\$ 1,231	\$ 5,019

Investment Custodial Credit Risk

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(In Thousands)

Credit Risk

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

Interest Rate Risk

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

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

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2020:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government securities	\$ 782	\$ 782	\$	\$
U.S. Government agencies	4,244	4,244		
Municipal bonds	1,231	1,231		
Common stock	1,382	1,382		
Mutual funds	4,166	4,166		
Deferred retirement option program	1,403	1,403		
Insurance company-pooled separate account	123,057	114,407	8,650	
Exchange traded products	3,821	3,821		
Guaranteed deposit	<u>20,799</u>			<u>20,799</u>
Total investments by fair value level	<u>160,885</u>	<u>\$ 131,436</u>	<u>\$ 8,650</u>	<u>\$ 20,799</u>
Investments measured at NAV:				
Prudential Real Estate	3,555			
PGIM Real Estate	<u>4,104</u>			
Total investments measured at NAV	<u>7,659</u>			
Total investments measured at fair value	168,544			
Investments not included above (CDs)	<u>5,019</u>			
Total Investments	<u>\$ 173,563</u>			

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(In Thousands)

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

Real Estate investments are valued as described in the following schedule.

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

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Prudential Real Estate	\$ 3,555	\$ -	Quarterly	30-60 days
PGIM Real Estate	<u>4,104</u>	<u>-</u>	Quarterly	30-60 days
Total Investments Measured at NAV	<u>\$ 7,659</u>	<u>\$ -</u>		

B. Receivables

Receivables by type at year end for the Town's government-wide financial statements, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>				<u>Total</u>
	<u>General</u>	<u>Water Pollution Control</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor and Other Funds</u>	
Receivables:					
Taxes	\$ 7,426				\$ 7,426
Interest	6,204				6,204
Sewer user fees		1,787			1,787
Accounts and other	3,766			98	3,864
Housing loans				1,412	1,412
Intergovernmental	508		157	92	757
Gross receivables	<u>17,904</u>	<u>1,787</u>	<u>157</u>	<u>1,602</u>	<u>21,450</u>
Less: allowance for collection losses	<u>1,917</u>	<u>87</u>			<u>2,004</u>
Net Total Receivables	<u>\$ 15,987</u>	<u>\$ 1,700</u>	<u>\$ 157</u>	<u>\$ 1,602</u>	<u>\$ 19,446</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 12,402	\$ 104	\$	\$ 12,506
Construction in progress	26,501	29,119	11,022	44,598
Total capital assets not being depreciated	<u>38,903</u>	<u>29,223</u>	<u>11,022</u>	<u>57,104</u>
Capital assets being depreciated:				
Buildings and improvements	192,489	963		193,452
Machinery and equipment	27,923	10,414	6,165	32,172
Vehicles	15,562	2,120	1,985	15,697
Infrastructure	246,834	2,076		248,910
Total capital assets being depreciated	<u>482,808</u>	<u>15,573</u>	<u>8,150</u>	<u>490,231</u>
Less accumulated depreciation for:				
Buildings and improvements	40,290	5,302		45,592
Machinery and equipment	12,897	959	3,787	10,069
Vehicles	7,147	1,099	910	7,336
Infrastructure	80,801	4,554		85,355
Total accumulated depreciation	<u>141,135</u>	<u>11,914</u>	<u>4,697</u>	<u>148,352</u>
Total capital assets being depreciated, net	<u>341,673</u>	<u>3,659</u>	<u>3,453</u>	<u>341,879</u>
Governmental Activities Capital Assets, Net	<u>\$ 380,576</u>	<u>\$ 32,882</u>	<u>\$ 14,475</u>	<u>\$ 398,983</u>

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

Governmental Activities:

General government	\$ 291
Public safety	277
Public works	4,840
Health and social services	267
Library	62
Education	<u>6,177</u>

Total Depreciation Expense - Governmental Activities \$ 11,914

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

Construction Commitments

The government has active construction projects as of June 30, 2020. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Remaining Commitment</u>
Road Improvement Program	\$ 4,008
WPC Facility Upgrades	6,764
JFK Renovation	78,008
High School Expansion and Renovation	<u>1,830</u>
	<u>\$ 90,610</u>

The commitments are being financed with bond anticipation notes and state and federal grants.

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2020 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water Pollution Control	\$ 512
General Fund	Internal Service Funds	3,732
General Fund	Bonded Projects	3,312
General Fund	Nonmajor Governmental Funds	61
General Fund	Capital Nonrecurring Fund	422
Nonmajor Governmental Funds	General Fund	6
Internal Service Funds	General Fund	141
Bonded projects	General Fund	425
Capital Nonrecurring Fund	Internal Service Funds	<u>370</u>
		<u>\$ 8,981</u>

All balances are expected to be repaid within a year.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

Interfund transfers are generally used to supplement revenues of other funds. The transfers that occurred during the year are as follows:

	Transfers In				Total Transfers Out
	General Fund	Bonded Projects	Capital Nonrecurring	Nonmajor Governmental Funds	
Transfers out:					
General Fund	\$	\$ 500	\$ 2,083	\$ 16	\$ 2,599
Water Pollution Control	390		1,181		1,571
Capital Nonrecurring		500			500
Nonmajor Governmental	4				4
Total Transfers In	\$ <u>394</u>	\$ <u>1,000</u>	\$ <u>3,264</u>	\$ <u>16</u>	\$ <u>4,674</u>

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 85,495	\$ 22,500	\$ 5,335	\$ 102,660	\$ 6,080
Bond premiums	5,454	3,288	366	8,376	
Total bonds payable	90,949	25,788	5,701	111,036	6,080
Compensated absences	6,846	2,903	2,556	7,193	937
Landfill closure cost	135		15	120	15
Claims payable	391		21	370	
Capital lease	210		66	144	46
Equipment financing	11,236	293	1,648	9,881	1,143
Net pension liability	9,666		1,712	7,954	
Net OPEB liability	37,514	318		37,832	
Total Governmental Activities Long-Term Liabilities	\$ <u>156,947</u>	\$ <u>29,302</u>	\$ <u>11,719</u>	\$ <u>174,530</u>	\$ <u>8,221</u>

For the governmental activities, compensated absences and the net Pension and OPEB liabilities are generally liquidated by the General Fund.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town.

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2020</u>
General purpose:						
Road reconstruction	8/5/14	8/1/34	2.25-4.0	\$ 25,000	Various	\$ 19,725
Refunding	7/15/15	7/15/28	2.0-5.0	10,770	Various	7,975
Road reconstruction	7/30/15	7/30/35	3.0-5.0	10,000	Various	8,000
Road reconstruction	8/1/17	8/1/37	2.0-5.0	15,000	Various	13,540
Road reconstruction	8/1/18	8/1/38	1.5-3.5	10,000	Various	9,500
Road reconstruction	7/23/19	8/1/39	3.0-5.0	22,500	Various	22,500
Total general purpose				<u>93,270</u>		<u>81,240</u>
School:						
School construction	7/30/15	7/30/35	3.0-5.0	10,000	Various	8,000
School construction	8/1/17	8/1/37	2.0-5.0	15,000	Various	13,420
Total school				<u>25,000</u>		<u>21,420</u>
Total Outstanding				\$ <u>118,270</u>		\$ <u>102,660</u>

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

	<u>Principal</u>	<u>Interest</u>
2021	\$ 6,080	\$ 3,837
2022	6,465	3,548
2023	6,470	3,243
2024	6,480	2,934
2025	6,480	2,640
2026-2030	30,420	9,368
2031-2035	27,410	4,343
2036-2040	12,855	756
	<u>\$ 102,660</u>	<u>\$ 30,669</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

Clean Water Fund Loans

The Town is participating in the State of Connecticut’s Clean Water program, which provides low-interest loans bearing a 2% interest for eligible waste water projects. Projects are financed by interim loan obligations until completion, at which time internal loan obligations are replaced by permanent loan obligations. As of June 30, 2020, the Town has received \$21,250 of clean water loans to fund the water pollution facility project currently underway. The loan is considered short term until the project is completed and a permanent loan is put in place. The Town also received \$4,855 in grant revenues and a \$2,501 payment from the state for their portion of the project. The state portion of the project is included as a deferred inflow and will be recognized against corresponding debt payments once the loan is converted to a permanent financing obligation.

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2020 is \$32,750. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Landfill Closure and Post-Closure Care Costs

State and federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill site for 19 years after closure. The liability for the landfill post-closure care, aggregating \$120, is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfills as of June 30, 2020. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

Capital Leases

The town leases various computer and telephone equipment, ambulance, radio frequency towers and trucks. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of lease terms) and, therefore, are recorded at the present value of the future minimum lease payments as of the date of their inception.

	Governmental Activities
Asset:	
Vehicles and equipment	\$ 10,928
Less: accumulated depreciation	<u>6,015</u>
 Total	 <u><u>\$ 4,913</u></u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

The following is a schedule of future minimum lease payments under this capital lease and the present value of the net minimum lease payments at June 30, 2020:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2021	\$ 50
2022	52
2023	50
Total lease payments	<u>152</u>
Less amount representing interest	<u>8</u>
Present Value of Future Minimum Lease Payments	<u>\$ 144</u>

Equipment Financing

The town finances various capital purchases through equipment financing agreements. These agreements are considered lease purchase agreements whereas the Town is responsible to pay rental payments on a set schedule and purchases assets in accordance with the budgeted capital plan. For accounting purposes, titles transfer at the end of lease terms and, therefore, are recorded at the present value of the future minimum lease payments as of the date of their inception.

	<u>Governmental Activities</u>
Asset:	
Vehicles and equipment	\$ 9,435
Less: accumulated depreciation	<u>787</u>
Total	<u>\$ 8,648</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

The following is a schedule of future minimum rental payments under the financing agreements and the present value of the net minimum rental payments at June 30, 2020:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2021	\$ 1,387
2022	1,310
2023	1,103
2024	1,021
2025	841
Thereafter	<u>5,668</u>
Total lease payments	11,330
Less amount representing interest	<u>1,449</u>
Present Value of Future Minimum Lease Payments	<u><u>\$ 9,881</u></u>

The Town currently has six equipment financing agreements with three different banks, TD Bank, Key Bank and BCI Capital Bank. Each bank has various requirements for the equipment financing agreements.

For agreements with TD Bank, the Town must provide, annually, the audited statement of financial condition within 180 days after fiscal year end. The Town is responsible for any repairs and replacement of equipment as necessary. The Town must maintain insurance over the assets as determined in the agreements with TD Bank. The bank also requires the town to have irrevocable standby letters of credit as identified in each agreement.

For agreements with Key Bank, the Town will provide the bank with current financial statements, budgets and proof of appropriation for the ensuing budget year and other financial information relating to the ability of the Town to continue the agreement and the property schedule in such form and containing such information as requested by the bank. The Town must purchase capital assets and cannot invest in any securities, obligations or other investments with bank funds.

For agreements with BCI Capital, the Town must not permit the equipment to be directly or indirectly used for a private business. The Town must procure and maintain public liability insurance for death or injuries to persons, or damage to property arising out of or in any way connected to the equipment, with a coverage of not less than \$1,000,000 per incident. The Town must maintain equipment in good condition and proper working order, and shall make all necessary repairs and replacements to keep equipment in such condition. The Town shall not install, use, operate or maintain the equipment improperly, carelessly, in violation of any manufacturer’s guidelines or in violation of any applicable law or regulation or in a manner contrary to that contemplated in the agreement with BCI Capital. The Town shall deliver to BCI Capital its annual audited financial statements within 270 days after the end of each fiscal year, its annual budget for each fiscal year promptly following approval and any other financial statements and information relating to the ability of the Town to satisfy its obligation under the agreement with BCI Capital.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

Legal Debt Limit

The Town is subject to the General Statutes of Connecticut, which limits the amount of debt outstanding at June 30, 2020 to the following:

<u>Category</u>	<u>Debt Limitation</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 243,837	\$ 84,448	\$ 159,389
Schools	487,674	48,420	439,254
Sewers	406,395	30,687	375,708
Urban renewal	352,209		352,209
Pension deficit	325,116		325,116

General purpose indebtedness includes fire district debt of \$3,480.

Total debt outstanding may not exceed seven times annual receipts from taxation, \$758,604.

F. Short-Term Debt

The following is a summary of bond anticipation note activity for the year ended June 30, 2020:

<u>Project</u>	<u>Issue Date</u>	<u>Due Date</u>	<u>Original Issue Amount</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Outstanding June 30, 2020</u>
Roads/High School/ WPC Facility Upgrades	8/8/2018	8/7/2019	\$ 30,000	2.75%	\$ 30,000	\$	\$ 30,000	\$ -
JFK Middle School/ WPC Facility Upgrades	8/7/2019	8/6/2020	17,500	3.00%		17,500		17,500
			<u>\$ 47,500</u>		<u>\$ 30,000</u>	<u>\$ 17,500</u>	<u>\$ 30,000</u>	<u>\$ 17,500</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

G. Fund Balance

The components of fund balance for the governmental funds at June 30, 2020 are as follows:

	<u>General Fund</u>	<u>Water Pollution Control</u>	<u>Bonded Projects</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Inventory	\$	\$	\$	\$	\$ 105	\$ 105
Prepaid expenses		9				9
Permanent fund principal					39	39
Restricted for:						
Grants	187				582	769
BOE Programs	2,663					2,663
Committed:						
School miscellaneous	452					452
Emergency medical services	399					399
Revaluation	375					375
Emergency fuel bank	5					5
Elderly relief	98					98
Police outside services	282					282
Open space acquisition					635	635
Community development					537	537
Public library					318	318
Town memorial					151	151
Scholarship					277	277
Macioek post ambulance					238	238
Library trust					27	27
Capital improvements				7,060		7,060
Assigned:						
Subsequent year's budget	3,305					3,305
General government - encumbrances	30					30
Public works - encumbrances	260					260
Unassigned	31,836	(38)	(34,819)			(3,021)
Total Fund Balances	\$ 39,901	\$ (38)	\$ (34,819)	\$ 7,060	\$ 2,909	\$ 15,013

Encumbrances of \$290 at June 30, 2020 are contained in the above table in the assigned category of the General Fund.

4. EMPLOYEE RETIREMENT PLAN

A. Pension Trust Fund

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

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

Plan Description and Benefits Provided

Employee's Pension Plan

The Town of Enfield Pension Plan covers all employees working more than nineteen hours a week and for more than five months per calendar year except teachers covered and the State of Connecticut Teachers' Retirement System and Police.

Police Pension Plan

The Town of Enfield Police Pension Plan covers employees in the Police Department working more than thirty-five hours a week and for more than five months per calendar year.

Benefit Provisions

Employee's Pension Plan

The Town provides all retirement benefits through a single-employer, contributory defined benefit plan. All employees are 100% vested after five years of continuous service. Employees who retire at normal retirement at age 65 receive a retirement benefit.

Police Pension Plan

The Town provides all retirement benefits through a single-employer, contributory defined benefit plan. All employees are 100% vested after ten years of continuous service. Employees who retire at normal retirement at age of the latter of age 50 or 20 years of service receive a retirement benefit.

At July 1, 2019, Plan membership consisted of the following (amounts not rounded):

	<u>Employee's Pension Plan</u>	<u>Police Pension Plan</u>
Retirees and beneficiaries currently receiving benefits	327	73
Terminated plan members entitled to benefits but not yet receiving them and inactive with vested benefits	274	23
Active plan members	<u>462</u>	<u>79</u>
	<u><u>1063</u></u>	<u><u>175</u></u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

Funding Policy

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

Investments

Investment Policy

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

Concentrations

The pension plans held the following investments representing 5% or more of the pension trust fund's fiduciary net position as of June 30, 2020:

Private Placement Fund	\$	123,057
Guaranteed Deposit Account		20,799

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments for the Employee's and Police Pension Plans, net of pension plan investment expense, was 7.3% and 7.0%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(In Thousands)

Deferred Retirement Option Program (DROP)

The Police Pension Plan offers a Deferred Retirement Option Program (DROP) to its bargaining unit employees employed on or after July 1, 2011. The DROP is intended to provide an alternative retirement option to police employees who are eligible to retire. An employee is considered eligible if they are a full-time employee and must have completed less than 35.25 years of service. During the DROP period, pension payments will be made depending on the DROP factor based on the age of the employee. Amounts held by the Police Pension Plan DROP investments at June 30, 2020 were \$1,403.

Net Pension Liability of the Town

The net pension liability of the Employee's and Police Pension Plans at June 30, 2020 were as follows:

	<u>Employee's Pension Plan</u>	<u>Police Pension Plan</u>
Total pension liability	\$ 86,605	\$ 74,267
Plan fiduciary net position	<u>83,450</u>	<u>69,468</u>
Net Pension Liability	<u>\$ 3,155</u>	<u>\$ 4,799</u>
Plan fiduciary net position as a percentage of the total pension liability	96.36%	93.54%

Actuarial Assumptions

The total pension liability for the Employee's and Police Pension Plans were determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25% for Employees' Plan, 2.25% for Police
Salary increases	4.25% for the first 5 years, then 3% thereafter
Investment rate of return	6.85%, net of investment and contract fees, including inflation

Employees Pension Plan - Mortality rates were based on the RP-2014 Blue Collar Mortality Table (adjusted to 2006) with scale MP-2017 for males and females, as appropriate.

Police Pension Plan - Mortality rates were based on the RP-2014 Blue Collar Mortality Table (adjusted to 2006) with scale MP-2017 for males and females, as appropriate.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 (see the discussion of the pension plan's investment policy) are summarized in the following table along with the Board's adopted asset allocation policy:

	Target Allocation	Long-Term Expected Rate of Return
Large Cap Equity	30%	7.50%
Small Cap Equity	7%	8.50%
International Equity	13%	7.00%
Fixed Income	16%	4.75%
Long Duration Bond	16%	5.75%
Real Estate	5%	6.60%
Stable Value	13%	4.35%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.85% for both the Employee's Pension Plan and the Police Pension Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Employee's Net Pension (Asset) Liability \$	13,008	\$ 3,155	\$ (5,167)
Police Plan Net Pension (Asset) Liability	12,882	4,799	(4,534)

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

Changes in the Net Pension Liability

	Employees' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2019	\$ 83,092	\$ 78,846	\$ 4,246
Changes for the year:			
Service cost	2,153		2,153
Interest on total pension liability	5,560		5,560
Differences between expected and actual experience including assumption changes	(290)		(290)
Employer contributions		2,155	(2,155)
Member contributions		743	(743)
Net investment income		5,731	(5,731)
Benefit payments, including refund to employee contributions	(3,910)	(3,910)	-
Administrative expenses		(115)	115
Net changes	<u>3,513</u>	<u>4,604</u>	<u>(1,091)</u>
Balances as of June 30, 2020	<u>\$ 86,605</u>	<u>\$ 83,450</u>	<u>\$ 3,155</u>

	Police Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2019	\$ 71,545	\$ 66,125	\$ 5,420
Changes for the year:			
Service cost	1,047		1,047
Interest on total pension liability	4,785		4,785
Differences between expected and actual experience	330		330
Employer contributions		1,828	(1,828)
Member contributions		500	(500)
Net investment income		4,551	(4,551)
Benefit payments, including refund to employee contributions	(3,440)	(3,440)	-
Administrative expenses		(96)	96
Net changes	<u>2,722</u>	<u>3,343</u>	<u>(621)</u>
Balances as of June 30, 2020	<u>\$ 74,267</u>	<u>\$ 69,468</u>	<u>\$ 4,799</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

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

For the year ended June 30, 2020, the Town recognized pension expense of \$1,975 and \$1,893 for the Employees' Pension Plan and Police Pension Plan, respectively. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Employees' Pension Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,030	\$
Changes of assumptions		1,303
Net difference between projected and actual earning on pension plan investments	<u>1,275</u>	<u></u>
Total	<u>\$ 2,305</u>	<u>\$ 1,303</u>

	<u>Police Pension Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 447	\$ 1,035
Changes of assumptions	527	619
Net difference between projected and actual earning on pension plan investments	<u>799</u>	<u></u>
Total	<u>\$ 1,773</u>	<u>\$ 1,654</u>

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

<u>Year Ending June 30,</u>	<u>Employees' Pension Plan</u>	<u>Police Pension Plan</u>
2021	\$ (89)	\$ (720)
2022	654	679
2023	248	172
2024	<u>189</u>	<u>(12)</u>
	<u>\$ 1,002</u>	<u>\$ 119</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

B. Connecticut Teachers Retirement System - Pension

Plan Description

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

Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$11,861 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

Employees

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

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

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

At June 30, 2020, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>156,697</u>
Total	\$	<u><u>156,697</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2020, the Town recognized pension expense and revenue of \$19,245 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

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

Inflation	2.50%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

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

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

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(In Thousands)

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

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

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and the target asset allocation as provided by the State of Connecticut Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Expected Return</u>		<u>Target Allocation</u>		<u>Standard Deviation</u>	
Public Equity - US Equity	8.10	%	20.00	%	17.00	%
Public Equity - International Developed Equity	8.50		11.00		19.00	
Public Equity - Emerging Markets Equity	10.40		9.00		24.00	
Fixed Income - Core Fixed Income	4.60		16.00		7.00	
Fixed Income - Inflation Linked Bonds	3.60		5.00		7.00	
Fixed Income - High Yield	6.50		6.00		11.00	
Fixed Income - Emerging Market Debt	5.20		5.00		11.00	
Private Equity	9.80		10.00		23.00	
Real Estate	7.00		10.00		15.00	
Alternative Investments - Real Assets	8.20		4.00		17.00	
Alternative Investments - Hedge Funds	5.40		3.00		7.00	
Liquidity Fund	2.90		1.00		1.00	
Total			<u>100.00</u>	%		

Discount Rate

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

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

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

Other Information

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

5. OTHER POSTEMPLOYMENT BENEFITS

Other Post Employment Benefit - Town

A. Plan Description

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

The plan covers Town, Police and Board of Education employees. Benefit provisions are established through negotiations between the Town and the various unions representing the employees

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

At July 1, 2019, plan membership consisted of the following (amounts not rounded):

Active plan members	964
Retirees	<u>292</u>
Total	<u><u>1,256</u></u>

Funding Policy and Benefits Provided

The Town has established a trust fund to irrevocably segregate assets to fund the liability associated with post employment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. The annual actuarially determined contribution payment is transferred into this account annually from the General Fund and budgeted as part of the budgeting process, which is approved by the Town Council.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

The Town's funding strategy for post employment obligations are based upon characteristics of benefits on three distinct groups of employees established within their respective collective bargaining units and/or contracts and include the following:

- AFSCME Board of Education and Town employees are eligible for retiree health care coverage until age 65 upon attainment of normal or early retirement. Normal retirement is the earlier of age 63 or completion of 25 years of service. Early retirement is age 55, and 5 years of continuous service or 15 years of aggregate service. Coverage is pre-65 only. Post-65 non-Medicare eligible retirees can continue coverage at their own expense.
- Police officers are eligible for retiree health care coverage until age 65 upon attainment of normal or early retirement. Normal retirement is the earlier of age 50 or completion of 20 years of service. Early retirement is age 45 and 10 years of continuous service. For officers hired on or after January 1, 2007, normal retirement is the completion of 25 years of service regardless of age and an officer retiring prior to normal retirement shall not be eligible for retiree health care benefits.
- Per state statute, any Teacher and School Certified Administrator hired prior to March 1986 that does not qualify for Medicare can be eligible for retiree health coverage for lifetime at the earlier of age 55 with 20 years of service or 25 years of service. Those qualifying for Medicare are allowed to remain on the health insurance plan until age 65.
- Surviving spouses of retired teachers and nonteachers at the school are allowed to remain on the plan.
- Surviving spouses of retirees and actives eligible to retire are allowed to remain on the plan.

B. Investments

Investment Policy

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

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 2.41%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

C. Net OPEB Liability of the Town

The Town's net OPEB liability was measured as of June 30, 2020. The components of the net OPEB liability of the Town at June 30, 2020 were as follows:

Total OPEB liability	\$	43,978
Plan fiduciary net position		<u>6,146</u>
Net OPEB Liability	\$	<u><u>37,832</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		13.98%

Actuarial Assumptions

The total OPEB liability at June 30, 2020 was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Graded by service for Teachers and Administrators; 3.00% for all others
Investment rate of return	5.00%
Healthcare cost trend rates	5.50%-4.00% over 75 years
Cost method	Entry age normal

Mortality rates for teachers and administrators were based on the PubT.H-2010 Total Mortality Table with Mortality Scale MP-2019. Mortality rates for police were based on the PubS.H-2010 Total Mortality Table with Mortality Scale MP-2019. All others were based on the PubG.H-2010 Total Mortality Table with Mortality Scale MP-2019.

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	64.74 %	3.00 %
International equity	1.49	4.00
Fixed income	23.64	2.00
Real estate	0.36	3.25
Multi-Asset	1.37	3.00
Cash	8.40	0.25
 Total	 <u>100.00</u>	

D. Discount Rate

The discount rate used to measure the total OPEB liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the municipal bond rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

E. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2019	\$ 43,270	\$ 5,756	\$ 37,514
Changes for the year:			
Service cost	1,461		1,461
Interest on total OPEB liability	1,540		1,540
Differences between expected and actual experience	(7,648)		(7,648)
Changes in assumptions	6,679		6,679
Employer contributions		1,574	(1,574)
Net investment income		140	(140)
Benefit payments, including refund to employee contributions	(1,324)	(1,324)	-
Net changes	708	390	318
Balances as of June 30, 2020	\$ 43,978	\$ 6,146	\$ 37,832

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

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

	1% Decrease 2.00%	Current Discount Rate 3.00%	1% Increase 4.00%
	Net OPEB Liability	\$ 45,595	\$ 37,832

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

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

	1% Decrease 4.5% decreasing to 3.0%	Healthcare cost Trend Rates 5.5% decreasing to 4.0%	1% Increase 6.5% decreasing to 5.0%
	Net OPEB Liability	\$ 30,666	\$ 37,832

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Town recognized OPEB expense of \$1,751. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 12,611
Changes of assumptions	7,810	1,014
Net difference between projected and actual earning on pension plan investments	<u>39</u>	<u> </u>
Total	<u>\$ 7,849</u>	<u>\$ 13,625</u>

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

<u>Year Ending June 30,</u>	<u>Employees' Pension Plan</u>
2021	\$ (956)
2022	(956)
2023	(927)
2024	(918)
2025	202
Thereafter	<u>(2,221)</u>
	<u>\$ (5,776)</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

Other Post Employment Benefit - Connecticut State Teachers Retirement Plan

A. Plan Description

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

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

B. Benefit Provisions (not rounded)

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

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

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

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

Survivor Health Care Coverage

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

C. Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$324 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

Employees/Retirees

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.

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

At June 30, 2020, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		<u>24,438</u>
Total	\$	<u><u>24,438</u></u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of (\$1,788) in Exhibit II for on-behalf amounts for the benefits provided by the State.

F. Actuarial Assumptions

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

Inflation	2.50%
Healthcare costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

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

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.41%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

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

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

I. Other Information

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

6. COMBINING SCHEDULE OF PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Combining Schedule of Plan Net Position:

	<u>Employee's Pension Plan</u>	<u>Police Pension Plan</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Assets:				
Cash	\$	\$	\$ 105	\$ 105
Investments:				
Common stock			1,382	1,382
Exchange traded funds			2,974	2,974
Mutual funds			1,685	1,685
Insurance company-pooled separate account	68,828	54,229		123,057
Deferred retirement option program		1,403		1,403
Guaranteed deposit	10,463	10,336		20,799
Real estate funds	4,159	3,500		7,659
Total investments	<u>83,450</u>	<u>69,468</u>	<u>6,041</u>	<u>158,959</u>
Total Assets	<u>\$ 83,450</u>	<u>\$ 69,468</u>	<u>\$ 6,146</u>	<u>\$ 159,064</u>
Net Position:				
Restricted in Trust for Pension and Other Purposes	<u>\$ 83,450</u>	<u>\$ 69,468</u>	<u>\$ 6,146</u>	<u>\$ 159,064</u>

Combining Schedule of Changes in Plan Net Position:

	<u>Employee's Pension Plan</u>	<u>Police Pension Plan</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Additions:				
Contributions:				
Employer contributions	\$ 2,155	\$ 1,828	\$ 1,574	\$ 5,557
Employee contributions	743	500		1,243
Total contributions	<u>2,898</u>	<u>2,328</u>	<u>1,574</u>	<u>6,800</u>
Investment income:				
Interest and dividends	1,740	1,423	156	3,319
Net increase in fair value of investments	4,013	3,148	25	7,186
Total investment gain	5,753	4,571	181	10,505
Less investment expenses:				
Investment management fees	22	20	41	83
Net investment income	<u>5,731</u>	<u>4,551</u>	<u>140</u>	<u>10,422</u>
Total additions	<u>8,629</u>	<u>6,879</u>	<u>1,714</u>	<u>17,222</u>
Deductions:				
Benefits paid	3,910	3,440	1,324	8,674
Administration expenses	115	96		211
Total deductions	<u>4,025</u>	<u>3,536</u>	<u>1,324</u>	<u>8,885</u>
Change in Net Position	4,604	3,343	390	8,337
Net Position at Beginning of Year	<u>78,846</u>	<u>66,125</u>	<u>5,756</u>	<u>150,727</u>
Net Position at End of Year	<u>\$ 83,450</u>	<u>\$ 69,468</u>	<u>\$ 6,146</u>	<u>\$ 159,064</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

7. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2020.

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

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

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

	<u>2020</u>	<u>2019</u>
Claims payable, July 1	\$ 1,583	\$ 1,179
Claims incurred and changes in estimates	18,746	21,719
Claim payments	<u>(19,199)</u>	<u>(21,315)</u>
Claims Payable, June 30	\$ <u>1,130</u>	\$ <u>1,583</u>

B. Contingent Liabilities

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

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(In Thousands)

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

8. TAX ABATEMENTS

As of June 30, 2020, the Town provided a tax abatement for land and buildings within the Town. A three-year, 30% abatement of local property taxes on qualifying real property was issued. For the fiscal year ended June 30, 2020, taxes abated through this program total \$313,889. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the Town to the abatement recipients.

9. CORONAVIRUS (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 10, 2020, the Governor of the State of Connecticut declared a public health emergency and a civil preparedness emergency due to COVID-19.

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

10. RESTATEMENT

The Town determined in the current fiscal year that the Bonded Projects fund was improperly stated in the prior year. The restatement resulted in an increase of accounts payable and a decrease in fund balance of the Bonded Projects fund and an increase in accounts payable and decrease in government-wide unrestricted net position of \$302.

11. SUBSEQUENT EVENTS

On July 28, 2020, the Town issued \$16,885 in General Obligation Refunding Bonds (Federally Taxable Series 2020) with a coupon rate between 0.53% and 2.09%. These bonds were issued to refund the General Obligation Bonds, Issue of 2014.

The Town also issued \$25,000 of bond anticipation notes, on July 28, 2020, maturing on August 5, 2021. The bond anticipation note carries an interest rate of 2%.

**TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Property Taxes:				
Real estate	\$ 80,940	\$ 80,940	\$ 80,621	\$ (319)
Motor vehicle	9,874	9,874	9,625	(249)
Personal property	7,551	7,551	7,539	(12)
Prior year levy	500	500	393	(107)
Penalties and interest	800	800	914	114
Lien fees	8	8	6	(2)
Tax sale fees			5	5
Telephone access line	56	56	55	(1)
Total property taxes	<u>99,729</u>	<u>99,729</u>	<u>99,158</u>	<u>(571)</u>
Intergovernmental:				
Hospital - PILOT	17	17	17	-
Tax loss - state property	656	656	656	-
Tax loss - bingo	1	1		(1)
Tax relief - disability exemption	5	5	5	-
Mashantucket Pequot Indians	1,225	1,225	1,225	-
Municipal revenue sharing	257	257	257	-
Tax relief - veterans additional	38	38	34	(4)
Town aid road grant	534	534	535	1
Education cost sharing	28,768	28,768	29,167	399
Health services private schools	30	30	40	10
Medicaid- School Based Health	100	100	174	74
Probate Court Revenue	11	11	11	-
Miscellaneous state grants	11	30	73	43
Total intergovernmental	<u>31,653</u>	<u>31,672</u>	<u>32,194</u>	<u>522</u>
Charges For Services:				
Recording legal documents	180	180	205	25
Conveyance tax	300	300	387	87
Vital statistics	40	40	50	10
Planning and zoning fees	25	25	43	18
Zoning board of appeal fees	1	1	3	2
Miscellaneous clerk fees	36	36	29	(7)
Photocopy charges	9	9	2	(7)
Fire district tax collection	340	340	343	3
Communication center	175	175	149	(26)
Accident reports	6	6	13	7

(Continued on next page)

TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Environment recycling programs	\$ 40	\$ 40	\$ 55	\$ 15
Bulky waste fees	205	205	180	(25)
Other charges	1	1		(1)
Total charges for services	<u>1,358</u>	<u>1,358</u>	<u>1,459</u>	<u>101</u>
Licenses & Permits:				
Building and mechanical	600	600	1,295	695
Pistol permits	14	14	10	(4)
Vendor permits	1	1	1	
Amusements	1	1	1	
Dog licenses	5	5	3	(2)
Marriage licenses	2	2	2	-
Dump permits	20	20	22	2
Other			13	13
Total Licenses & Permits	<u>643</u>	<u>643</u>	<u>1,347</u>	<u>704</u>
Fines & Forfeitures:				
Parking fines	2	2	4	2
Alarm fines	6	6	15	9
Snow removal fines	2	2	4	2
Total Fines & Forfeitures	<u>10</u>	<u>10</u>	<u>23</u>	<u>13</u>
Uses of Money and Property:				
Rental - Town owned property	75	75	125	50
Interest on investments	110	110	720	610
Total Use of Money and Property	<u>185</u>	<u>185</u>	<u>845</u>	<u>660</u>
Miscellaneous Revenue				
Gas - Outside Agencies	50	50	51	1
Sale - leaf bags	2	2	2	-
Insurance/Collection Claims	150	150	136	(14)
Insurance Claims - Vehicles	25	25	4	(21)
Other Revenue	3	3	2	(1)
Eversource Incentive	599	599	599	-
Miscellaneous Revenue	20	20	184	164
Total Miscellaneous Revenue	<u>849</u>	<u>849</u>	<u>978</u>	<u>129</u>
Other Financing Sources:				
Transfers in	524	528	528	
Appropriated Fund Balance	2,100	3,153		(3,153)
Total other financing sources	<u>2,624</u>	<u>3,681</u>	<u>528</u>	<u>(3,153)</u>

(Continued on next page)

**TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Total	\$ 137,051	\$ 138,127	\$ 136,532	\$ (1,595)
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf payments related to the Connecticut State Teachers' Retirement System for Town teachers pension is not budgeted			11,861	
State of Connecticut OPEB on-behalf payments related to the Connecticut State Teachers' Retirement System for Town teachers OPEB is not budgeted			324	
Cancellation of prior year encumbrances are recognized as budgetary revenue			(35)	
Excess cost and talent development grant revenue is budgeted as a credit to education expenditures			1,212	
Premium on bond issuance			3,288	
Out of district tuition is budgeted as a credit to education expenditures			1,344	
Transfer in eliminated for GASB 54 purposes			(134)	
Funds consolidated for GASB 54 purposes			<u>7,425</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Exhibit IV			<u>\$ 161,817</u>	

**TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General Government:				
Town council	\$ 7	\$ 7	\$ 4	\$ 3
Town manager	432	449	445	4
Data processing and MIS	2,808	2,808	2,765	43
Town attorney	396	577	568	9
Probate court	42	42	30	12
Election/voter registration	138	138	95	43
Town Clerk - Administration	455	494	479	15
Town Clerk - Records manager	81	82	82	-
Personnel Office/Human Resources	427	416	400	16
Finance administration	289	289	276	13
Treasury	375	375	365	10
Assessment and revenue collection	577	577	564	13
General services	145	145	143	2
Total general government	<u>6,172</u>	<u>6,399</u>	<u>6,216</u>	<u>183</u>
Public Safety:				
Police services	11,786	11,797	11,430	367
School security		250	223	27
Public safety communications	1,809	1,813	1,430	383
Emergency management	4	5	5	-
Total public safety	<u>13,599</u>	<u>13,865</u>	<u>13,088</u>	<u>777</u>
Public Works:				
Public works administration	910	921	878	43
Maintenance/buildings and grounds	4,950	4,987	4,618	369
Custodial maintenance	4,565	4,565	4,217	348
Highway and sanitation supervision	1,800	1,800	1,657	143
Equipment maintenance and repair	1,246	1,246	1,193	53
Refuse collection	3,407	3,407	3,235	172
Total public works	<u>16,878</u>	<u>16,926</u>	<u>15,798</u>	<u>1,128</u>
Planning and Development:				
Town planner	449	446	356	90
Building inspection	507	507	501	6
Community development	212	259	245	14
Economic development	211	232	200	32
Code enforcement	76	76	66	10
Thompsonville Revitalization	171	173	153	20
Total planning and development	<u>1,626</u>	<u>1,693</u>	<u>1,521</u>	<u>172</u>

(Continued on next page)

**TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Boards and Commissions				
Board of Assessment Appeals	\$ 5	\$ 5	\$ 5	\$
Beautification Committee	9	9	6	3
Historic District Commission	4	4	2	2
Planning and Zoning	13	13	9	4
Zoning Board of Appeals	4	4	2	2
Inland Wetlands and Waterways	10	10	4	6
Agriculture/Conservation	3	3	2	1
Cultural Arts Committee	3	3	3	-
Community Emergency Resp Team	1	1	1	1
Total Boards and Commissions	<u>52</u>	<u>52</u>	<u>33</u>	<u>19</u>
Intergovernmental and Interagency:				
Capital region council of governments	31	31	31	-
Capital region growth council	9	9	9	-
Enfield cemetery association	37	37	37	-
Enfield historical society	19	19	19	-
Connecticut conference of municipalities	32	32	32	-
National league of cities	4	4	4	-
District Fire Marshall	1	1	1	1
Enfield veteran's council	42	42	42	-
North central health district	208	208	208	-
Clean energy committee	1	1	1	1
Celebrations and special events	65	65	63	2
Safe Grad Committee	1	1	1	1
Greater Hartford transit district	7	7	7	-
Housing education resource	4	4	4	4
Athletic hall of fame	2	2	2	-
Total intergovernmental and interagency	<u>463</u>	<u>463</u>	<u>454</u>	<u>9</u>
Board of Education	<u>71,290</u>	<u>71,701</u>	<u>71,701</u>	<u>-</u>

(Continued on next page)

**TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Nondepartmental:				
Insurance and bond charges	\$ 817	\$ 817	\$ 707	\$ 110
Employee benefit	5,113	5,080	4,919	161
Miscellaneous charges	1,839	1,609	1,413	196
Total nondepartmental	<u>7,769</u>	<u>7,506</u>	<u>7,039</u>	<u>467</u>
Debt Service	<u>11,642</u>	<u>11,679</u>	<u>11,219</u>	<u>460</u>
Transfers Out	<u>7,560</u>	<u>7,843</u>	<u>7,024</u>	<u>819</u>
Total	<u>\$ 137,051</u>	<u>\$ 138,127</u>	134,093	<u>\$ 4,034</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments related to the Connecticut State Teachers' Retirement System for Town teachers pension are not budgeted	11,861
State of Connecticut OPEB on-behalf payments related to the Connecticut State Teachers' Retirement System for Town teachers OPEB are not budgeted	324
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes	(290)
Transfers out eliminated for GASB 54 purposes	(4,559)
Excess cost grant revenue is budgeted as a credit to education expenditures	1,212
Out of district tuition is budgeted as a credit to education expenditures	1,344
Funds consolidated for GASB 54 purposes	<u>11,844</u>

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 155,829

TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS - WATER POLLUTION CONTROL FUND
FOR THE YEAR ENDED JUNE 30, 2020

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Property taxes	\$ 100	\$ 100	\$ 346	\$ 246
Charges for services	7,112	7,112	6,443	(669)
Miscellaneous	25	25	19	(6)
Total revenues	<u>7,237</u>	<u>7,237</u>	<u>6,808</u>	<u>(429)</u>
Expenditures:				
Current:				
Public works	<u>3,632</u>	<u>5,440</u>	<u>3,225</u>	<u>2,215</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,605</u>	<u>1,797</u>	<u>3,583</u>	<u>1,786</u>
Other Financing Uses:				
Transfers out	<u>(1,859)</u>	<u>(1,859)</u>	<u>(1,609)</u>	<u>250</u>
Net Change in Fund Balance	<u>\$ 1,746</u>	<u>\$ (62)</u>	1,974	<u>\$ 2,036</u>
Fund Balance at Beginning of Year			<u>(3,649)</u>	
Fund Balance at End of Year			<u>\$ (1,675)</u>	
<u>Reconciliation to GAAP Basis</u>				
	<u>Expenditures</u>	<u>Fund Balance</u>		
Balance, Budgetary Basis - End of Year	\$ 4,834	\$ (1,675)		
Encumbrances outstanding at end of year, charged to budgetary expenditures	(1,637)	1,637		
Payments on prior year encumbrances	<u>1,810</u>			
Balance, GAAP Basis - June 30, 2019	<u>\$ 5,007</u>	<u>\$ (38)</u>		

TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEE'S PENSION PLAN
LAST SEVEN FISCAL YEARS*

(In Thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total pension liability:							
Service cost	\$ 1,971	\$ 2,064	\$ 2,073	\$ 2,168	\$ 2,079	\$ 2,081	\$ 2,153
Interest	4,227	4,457	4,513	4,827	5,124	5,292	5,560
Changes in benefit terms						381	
Differences between expected and actual experience including assumption changes		(627)	842	340	400	(19)	(290)
Benefit payments, including refunds of member contributions	(2,797)	(2,827)	(2,886)	(3,157)	(3,376)	(3,733)	(3,910)
Net change in total pension liability	3,401	3,067	4,542	4,178	4,227	4,002	3,513
Total pension liability - beginning	59,675	63,076	66,143	70,685	74,863	79,090	83,092
Total pension liability - ending	<u>63,076</u>	<u>66,143</u>	<u>70,685</u>	<u>74,863</u>	<u>79,090</u>	<u>83,092</u>	<u>86,605</u>
Plan fiduciary net position:							
Contributions - employer	2,239	2,128	2,099	2,084	2,192	2,217	2,155
Contributions - member	711	778	784	711	749	748	743
Net investment income	7,808	2,660	1,377	6,580	4,981	5,914	5,731
Benefit payments, including refunds of member contributions	(2,797)	(2,827)	(2,886)	(3,157)	(3,376)	(3,733)	(3,910)
Administrative expense	(77)	(96)	(93)	(100)	(103)	(115)	(115)
Net change in plan fiduciary net position	7,884	2,643	1,281	6,118	4,443	5,031	4,604
Plan fiduciary net position - beginning	51,446	59,330	61,973	63,254	69,372	73,815	78,846
Plan fiduciary net position - ending	<u>59,330</u>	<u>61,973</u>	<u>63,254</u>	<u>69,372</u>	<u>73,815</u>	<u>78,846</u>	<u>83,450</u>
Net Pension Liability - Ending	\$ <u>3,746</u>	\$ <u>4,170</u>	\$ <u>7,431</u>	\$ <u>5,491</u>	\$ <u>5,275</u>	\$ <u>4,246</u>	\$ <u>3,155</u>
Plan fiduciary net position as a percentage of the total pension liability	94.06%	93.70%	89.49%	92.67%	93.33%	94.89%	96.36%
Covered payroll	\$ 20,611	\$ 21,017	\$ 21,969	\$ 21,718	\$ 21,612	\$ 21,860	\$ 21,027
Net pension liability as a percentage of covered payroll	18.17%	19.84%	33.82%	25.28%	24.41%	19.42%	15.00%

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

TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION PLAN
LAST SEVEN FISCAL YEARS*

(In Thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total pension liability:							
Service cost	\$ 921	\$ 962	\$ 1,020	\$ 1,163	\$ 1,163	\$ 1,122	\$ 1,047
Interest	3,758	3,910	3,952	4,481	4,678	4,628	4,785
Changes of benefit terms					290		
Differences between expected and actual experience		(187)	5,328	54	(1,730)	213	330
Changes of assumptions							
Benefit payments, including refunds of member contributions	(2,170)	(2,113)	(2,694)	(2,758)	(3,453)	(3,890)	(3,440)
Net change in total pension liability	2,509	2,572	7,606	2,940	948	2,073	2,722
Total pension liability - beginning	52,897	55,406	57,978	65,584	68,524	69,472	71,545
Total pension liability - ending	55,406	57,978	65,584	68,524	69,472	71,545	74,267
Plan fiduciary net position:							
Contributions - employer	1,378	1,428	1,966	1,914	1,813	1,810	1,828
Contributions - member	443	545	476	467	508	492	500
Net investment income	6,735	2,368	970	5,843	4,230	4,855	4,551
Benefit payments, including refunds of member contributions	(2,170)	(2,113)	(2,694)	(2,758)	(3,453)	(3,890)	(3,440)
Administrative expense	(78)	(86)	(76)	(92)	(91)	(108)	(96)
Net change in plan fiduciary net position	6,308	2,142	642	5,374	3,007	3,159	3,343
Plan fiduciary net position - beginning	45,493	51,801	53,943	54,585	59,959	62,966	66,125
Plan fiduciary net position - ending	51,801	53,943	54,585	59,959	62,966	66,125	69,468
Net Pension Liability - Ending	\$ <u>3,605</u>	\$ <u>4,035</u>	\$ <u>10,999</u>	\$ <u>8,565</u>	\$ <u>6,506</u>	\$ <u>5,420</u>	\$ <u>4,799</u>
Plan fiduciary net position as a percentage of the total pension liability	93.49%	93.04%	83.23%	87.50%	90.64%	92.42%	93.54%
Covered payroll	\$ 5,918	\$ 6,263	\$ 6,293	\$ 6,472	\$ 6,518	\$ 6,095	\$ 6,249
Net pension liability as a percentage of covered payroll	60.92%	64.43%	174.78%	132.34%	99.82%	88.93%	76.80%

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

**TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
EMPLOYEE'S PENSION PLAN
LAST TEN FISCAL YEARS**

(In Thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 1,678	\$ 1,699	\$ 2,083	\$ 2,239	\$ 2,128	\$ 2,099	\$ 2,084	\$ 2,192	\$ 2,217	\$ 2,155
Contributions in relation to the actuarially determined contribution	<u>1,678</u>	<u>1,699</u>	<u>2,083</u>	<u>2,239</u>	<u>2,128</u>	<u>2,099</u>	<u>2,084</u>	<u>2,192</u>	<u>2,217</u>	<u>2,155</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 19,894	\$ 20,851	\$ 20,851	\$ 20,611	\$ 21,017	\$ 21,969	\$ 21,718	\$ 21,612	\$ 21,860	\$ 21,027
Contributions as a percentage of covered payroll	8.43%	8.15%	9.99%	10.86%	10.13%	9.55%	9.60%	10.14%	10.14%	10.25%

Notes to Schedule

Valuation date: July 1, 2019
 Measurement date: June 30, 2020
 Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry Age Normal
 Amortization method: Changes in assumptions and differences between assumptions and actual experience are recognized over the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees, including retirees). Differences between expected earnings on plan investments and actual investment earnings are recognized over a five-year period. Changes in benefit terms are recognized immediately.
 Asset valuation method: Valued at contract value with a market value adjustment factor for the Guaranteed Deposit Account Assets and at market value for Separate accounts, which is considered the best representation of Fair value. The market value of Guaranteed Deposit Account is an estimate only and not the result of the precise calculation which would be done at contract discontinuance or to measure the impact of excess withdrawals in any calendar year.
 Inflation: 2.25%
 Salary increases: 4.25% for the first five years and 3% thereafter
 Investment rate of return: 6.85%, net of investment and contract fees, including inflation
 Mortality: The RP-2014 (adjusted to 2006) Blue Collar Mortality with Scale MP-2017.

**TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION PLAN
LAST TEN FISCAL YEARS**

(In Thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 1,218	\$ 1,216	\$ 1,239	\$ 1,378	\$ 1,427	\$ 1,966	\$ 1,914	\$ 1,813	\$ 1,810	\$ 1,828
Contributions in relation to the actuarially determined contribution	1,218	1,216	1,239	1,378	1,427	1,966	1,914	1,813	1,810	1,828
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,636	\$ 6,381	\$ 6,381	\$ 5,918	\$ 6,263	\$ 6,293	\$ 6,472	\$ 6,518	\$ 6,095	\$ 6,249
Contributions as a percentage of covered payroll	18.35%	19.06%	19.42%	23.28%	22.78%	31.24%	29.57%	27.82%	29.70%	29.25%

Notes to Schedule

Valuation date: July 1, 2019
 Measurement date: June 30, 2020
 Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry Age Normal
 Amortization method: Changes in assumptions and differences between assumptions and actual experience are recognized over the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees, including retirees). Differences between expected earnings on plan investments and actual investment earning are recognized over a five-year period. Changes in benefit terms are recognized immediately.
 Asset valuation method: Valued at contract value with a market value adjustment factor for the Guaranteed Deposit Account Assets and at market value for Separate accounts, which is considered the best representation of Fair value. The market value of Guaranteed Deposit Account is an estimate only and not the result of the precise calculation which would be done at contract discontinuance or to measure the impact of excess withdrawals in any calendar year.
 Inflation: 2.25%
 Salary increases: 4.25% for the first five years, then 3.00% thereafter.
 Investment rate of return: 6.85% per annum, compounded annually, net of investment and contract fees.
 Mortality: The RP-2014 (adjusted to 2006) Blue Collar Mortality with Scale MP-2017.

**TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST SEVEN FISCAL YEARS***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense:							
Employee's Pension Plan	15.2%	4.5%	2.2%	10.4%	7.2%	8.1%	7.3%
Police Pension Plan	14.9%	4.6%	1.8%	10.8%	7.1%	7.9%	7.0%

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

TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST FOUR FISCAL YEARS*
(In Thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB liability:				
Service cost	\$ 2,145	\$ 1,520	\$ 1,418	\$ 1,461
Interest	1,496	1,729	1,549	1,540
Changes of benefit terms				
Differences between expected and actual experience		(8,585)		(7,648)
Changes of assumptions	(5,885)	(1,539)	2,317	6,679
Benefit payments	<u>(1,312)</u>	<u>(1,342)</u>	<u>(1,233)</u>	<u>(1,324)</u>
Net change in total OPEB liability	<u>(3,556)</u>	<u>(8,217)</u>	<u>4,051</u>	<u>708</u>
Total OPEB liability - beginning	<u>50,992</u>	<u>47,436</u>	<u>39,219</u>	<u>43,270</u>
Total OPEB liability - ending	<u>47,436</u>	<u>39,219</u>	<u>43,270</u>	<u>43,978</u>
Plan fiduciary net position:				
Contributions - employer	1,312	1,542	1,433	1,574
Contributions - member				
Net investment income (loss)	387	383	311	140
Benefit payments	<u>(1,312)</u>	<u>(1,342)</u>	<u>(1,233)</u>	<u>(1,324)</u>
Net change in plan fiduciary net position	<u>387</u>	<u>583</u>	<u>511</u>	<u>390</u>
Plan fiduciary net position - beginning	<u>4,275</u>	<u>4,662</u>	<u>5,245</u>	<u>5,756</u>
Plan fiduciary net position - ending	<u>4,662</u>	<u>5,245</u>	<u>5,756</u>	<u>6,146</u>
Net OPEB Liability - Ending	<u>\$ 42,774</u>	<u>\$ 33,974</u>	<u>\$ 37,514</u>	<u>\$ 37,832</u>
Plan fiduciary net position as a percentage of the total OPEB liability	9.83%	13.37%	13.30%	13.98%
Covered payroll	74,684	\$ 74,684	\$ 68,098	\$ 65,773
Net OPEB liability as a percentage of covered payroll	57.27%	45.49%	55.09%	57.52%

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

TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB
LAST TEN FISCAL YEARS
(In Thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution (1)	\$ 2,070	\$ 2,173	\$ 1,901	\$ 2,030	\$ 2,261	\$ 2,356	\$ 2,730	\$ 2,947	\$ 2,655	\$ 2,465
Contributions in relation to the actuarially determined contribution	<u>1,546</u>	<u>1,806</u>	<u>1,279</u>	<u>1,266</u>	<u>1,403</u>	<u>1,387</u>	<u>1,312</u>	<u>1,542</u>	<u>1,433</u>	<u>1,574</u>
Contribution Deficiency (Excess)	<u>\$ 524</u>	<u>\$ 367</u>	<u>\$ 622</u>	<u>\$ 764</u>	<u>\$ 858</u>	<u>\$ -</u>	<u>\$ 1,418</u>	<u>\$ 1,405</u>	<u>\$ 1,222</u>	<u>\$ 891</u>
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ 58,329	\$ 58,329	\$ 58,329	\$ 74,684	\$ 74,684	\$ 68,098	\$ 65,773
Contributions as a percentage of covered payroll	N/A	N/A	N/A	2.17%	2.41%	2.38%	1.76%	2.06%	2.10%	2.39%

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

Notes to Schedule

Valuation date: July 1, 2019

Measurement date: June 30, 2020

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	19 years
Asset valuation method	Market value
Inflation	2.50%
Healthcare cost trend rates	5.5% - 4.0% over 75 years
Salary increases	3% for all and for teachers and administrators a merit increase which varies by service from 3.5% to 0.25%
Investment rate of return	5.00%

**TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OPEB
LAST FOUR FISCAL YEARS***

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense	9.05%	8.18%	5.92%	2.41%

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

**TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST SIX FISCAL YEARS***

(In Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	-
State's proportionate share of the net pension liability associated with the Town	<u>100,299</u>	<u>108,513</u>	<u>133,953</u>	<u>126,969</u>	<u>120,823</u>	<u>156,697</u>
Total	<u>\$ 100,299</u>	<u>\$ 108,513</u>	<u>\$ 133,953</u>	<u>\$ 126,969</u>	<u>\$ 120,823</u>	<u>\$ 156,697</u>
Town's covered payroll	\$ 37,326	\$ 34,801	\$ 34,906	\$ 36,217	\$ 38,364	\$ 37,633
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%

Notes to Schedule

Changes in benefit terms

HB 7424 made the following provision changes:

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

Changes of assumptions

HB 7424 made the following assumption changes:

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

Actuarial cost method

Entry age

Amortization method

Level percent of pay, closed

Single equivalent amortization period

17.6 years

Asset valuation method

4-year smoothed market

Inflation

2.75%

Salary increase

3.25%-6.50%, including inflation

Investment rate of return

8.00%, net of investment-related expense

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

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

(In Thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	-
State's proportionate share of the net OPEB liability associated with the Town	<u>32,680</u>	<u>24,153</u>	<u>24,438</u>
Total	<u>\$ 32,680</u>	<u>\$ 24,153</u>	<u>\$ 24,438</u>
Town's covered payroll	\$ 36,217	\$ 38,364	\$ 37,633
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	1.79%	1.49%	2.08%

Notes to Schedule

Changes in benefit terms	The Plan was amended by the Board, effective January 1, 2019, during the September 12, 2018 meeting. The Board elected a new prescription drug plan, which is expected to reduce overall costs and allow for the Board to receive a government subsidy for members whose claims reach a catastrophic level. These changes were communicated to retired members during the months leading up to the open enrollment period that preceded the January 1, 2019 implementation date.
Changes of assumptions	Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2019 was updated to equal the Municipal Bond Index Rate of 3.50% as of June 30, 2019. Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2019. The expected rate of inflation was decreased, and the real wage growth assumption was increased.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment-related expense including price inflation
Price inflation	2.75%

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

APPENDIX B-1 - FORM OF LEGAL OPINION OF BOND COUNSEL AND TAX EXEMPTION - THE BONDS

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

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

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

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Enfield, Connecticut (the "Town") of its \$10,000,000* General Obligation Bonds, Issue of 2021, dated August 5, 2021, maturing August 1, 2022-2041 (the "Bonds").

In connection with our representation of the Town as bond counsel with respect to the Bonds, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of August 5, 2021, the executed Bonds, and certified records of proceedings of the Town authorizing the Bonds. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

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

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

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

*Preliminary, subject to change.

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

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

(ii) such interest is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax.

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

4. We are of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

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

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

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

Very truly yours,

Shipman & Goodwin LLP

CERTAIN ADDITIONAL FEDERAL TAX CONSEQUENCES.

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

Recent Tax Legislation. The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinion.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds.

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

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

Alternative Minimum Tax. The Code imposes an alternative minimum tax. The alternative minimum tax is imposed on alternative minimum taxable income, which includes items of tax preference. The interest on certain tax-exempt "private activity bonds" is treated as an item of tax preference. The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds are not "private activity bonds" so that interest on the Bonds will not be treated as an item of tax preference for purposes of calculating the federal alternative minimum tax.

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

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

Other. Ownership of the Bonds may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial

institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, and individuals otherwise eligible for the earned income credit, and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes.

STATE OF CONNECTICUT TAX ON INTEREST.

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

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

ORIGINAL ISSUE DISCOUNT.

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

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

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

ORIGINAL ISSUE PREMIUM.

The initial public offering prices of certain maturities of the Bonds (the "OIP Bonds") may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount

must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner's basis in the Bond for federal income tax purposes. Prospective purchasers of Bonds should consult their tax advisors regarding the amortization of premium and the effect upon basis.

* * * * *

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

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

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

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

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

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Enfield, Connecticut (the "Town") of its \$27,500,000 General Obligation Bond Anticipation Notes, dated August 5, 2021, maturing August 4, 2022 (the "Notes").

In connection with our representation of the Town as bond counsel with respect to the Notes, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of August 5, 2021, the executed Notes, and certified records of proceedings of the Town authorizing the Notes. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

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

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

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

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

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

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

(ii) such interest is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax.

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

4. We are of the opinion that, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

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

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

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

Very truly yours,

Shipman & Goodwin LLP

CERTAIN ADDITIONAL FEDERAL TAX CONSEQUENCES.

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

Recent Tax Legislation. The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinion.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Notes or otherwise prevent holders of the Notes from realizing the full benefit of the tax exemption of interest on the Notes.

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

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

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

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

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

Other. Ownership of the Notes may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial

institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, and individuals otherwise eligible for the earned income credit, and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes.

STATE OF CONNECTICUT TAX ON INTEREST.

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Notes, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Notes is included in gross income for purposes of the Connecticut corporation business tax.

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

ORIGINAL ISSUE DISCOUNT.

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

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

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

ORIGINAL ISSUE PREMIUM.

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

* * * * *

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

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

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

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is made as of the 5th day of August, 2021 by the Town of Enfield, Connecticut (the "Town") acting by its undersigned officers, duly authorized, in connection with the issuance of the Town's \$10,000,000* General Obligation Bonds, Issue of 2021 (the "Bonds") dated August 5, 2021 for the benefit of the beneficial owners from time to time of the Bonds.

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

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

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Financial Information.

(a) The Town agrees to provide, or cause to be provided, to the MSRB in an electronic format as prescribed by the MSRB, in accordance with the provisions of the Rule and this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2021), as follows:

(i) the audited general purpose financial statements of the Town, which financial statements include the Town's general fund, any special revenue funds, enterprise and internal service (proprietary) funds, agency and trust (fiduciary) funds and the general fixed assets and general long-term debt account groups, for the prior fiscal year, which statements shall be

*Preliminary, subject to change.

prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Town prepares its financial statements in accordance with generally accepted accounting principles.

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

- A. amounts of the gross and the net taxable grand list applicable to the fiscal year,
- B. listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- C. percentage of the annual property tax levy uncollected as of the close of the preceding fiscal year,
- D. schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- E. calculation of total direct debt and total direct net debt as of the close of the fiscal year,
- F. total direct debt and total direct net debt of the Town per capita,
- G. ratios of the total direct debt and total direct net debt of the Town to the Town's net taxable grand list,
- H. statement of statutory debt limitation as of the close of the fiscal year, and
- I. funding status of the Town's pension benefit obligation.

(b) The financial information and operating data described above shall be provided not later than eight months after the close of the fiscal year for which such information is being provided, commencing with information for the fiscal year ending June 30, 2021. The Town agrees that if audited information is not available eight months after the close of the fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

(c) Annual financial information and operating data may be provided in whole or in part by reference to other documents available to the public on the MSRB's internet website or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

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

(e) The Town may file information with the MSRB, from time to time, in addition to that specifically required by this Agreement (a “Voluntary Filing”). If the Town chooses to make a Voluntary Filing, the Town shall have no obligation under this Agreement to update information contained in such Voluntary Filing or include such information in any future filing. Notwithstanding the foregoing provisions of this Section 2(e), the Town is under no obligation to provide any Voluntary Filing.

Section 3. Listed Events.

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

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

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

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

The Town agrees to provide, or cause to be provided, in a timely manner, to the MSRB in an electronic format as prescribed by the MSRB, notice of any failure by the Town to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

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

Section 6. Termination.

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

Section 7. Identifying Information.

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

Section 8. Enforcement.

The Town acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to the undertakings set forth in Section 2 hereof or five (5) business days with respect to undertakings set forth in Sections 3 and 4 hereof) from the time the Town Manager receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Town Manager is Town of Enfield, Town Hall, 820 Enfield Street, Enfield, Connecticut 06082. In the event the Town does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The Town expressly acknowledges and the beneficial owners are hereby deemed to expressly agree that no monetary damages shall arise or be payable hereunder

nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 9. Miscellaneous.

(a) The Town shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Town elects to provide any such additional information, data or notices, the Town shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

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

(c) Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) the Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owner of the Bonds. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following the adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

TOWN OF ENFIELD, CONNECTICUT

By _____
Christopher Bromson
Town Manager

By _____
John Wilcox
Director of Finance

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

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

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is made as of the 5th day of August, 2021 by the Town of Enfield, Connecticut (the "Town") acting by its undersigned officers, duly authorized, in connection with the issuance of \$27,500,000 General Obligation Bond Anticipation Notes of the Town, dated August 5, 2021 (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

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

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

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Listed Events.

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

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

or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Notes;

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

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

Section 3. Use of Agents.

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

Section 4. Termination.

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

Section 5. Identifying Information.

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

Section 6. Enforcement.

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

In the event the Town does not cure such failure within the time specified above, the beneficial owner of the Notes shall be entitled only to the remedy of specific performance. The Town expressly acknowledges and the beneficial owners are hereby deemed to expressly agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Notes.

Section 7. Miscellaneous.

(a) The Town shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Notes. If the Town elects to provide any such additional information, data or notices, the Town shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

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

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

well as any changes in circumstances, and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owner of the Notes. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB.

TOWN OF ENFIELD, CONNECTICUT

By _____
Christopher Bromson
Town Manager

By _____
John Wilcox
Director of Finance

APPENDIX D – NOTICE OF SALE FOR THE BONDS

NOTICE OF SALE

\$10,000,000*

TOWN OF ENFIELD, CONNECTICUT

GENERAL OBLIGATION BONDS, ISSUE OF 2021

ELECTRONIC PROPOSALS via PARITY® Competitive Bidding System (“PARITY”) will be received by the Town of Enfield, Connecticut (the "Town"), at Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 until **12:00 NOON (Eastern Time) on TUESDAY,**

JULY 20, 2021

for the purchase, when issued, of the whole of the Town's \$10,000,000 General Obligation Bonds, Issue of 2021, dated August 5, 2021, bearing interest payable semiannually on February 1 and August 1 in each year until maturity, commencing February 1, 2022, and maturing on August 1 in each year as follows:

\$500,000 in 2022 through 2041, both inclusive

(the "Bonds"). The Bonds will be delivered against payment in Federal funds in New York, New York on or about August 5, 2021. The Bonds **will not** be designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

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

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

<u>Redemption Dates</u>	<u>Redemption Price</u>
August 1, 2029 and thereafter	100%

*Preliminary, subject to change.

Proposals. All proposals for the purchase of the Bonds must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of 1/20 or 1/8 of 1% the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than 3%. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to any interest on the Bonds accrued to the date of delivery. **No proposal for less than the entire \$10,000,000 Bonds, or for less than par and accrued interest, will be considered.**

Basis of Award. As between proposals which comply with this Notice of Sale, the Bonds will be sold to the responsible bidder or bidders offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to August 5, 2021, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals.

The Town reserves the right to reject any and all proposals, to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

Electronic Proposals Bidding Procedure. Electronic proposals for the purchase of the Bonds must be submitted through the facilities of PARITY by **12:00 NOON (Eastern Time), on TUESDAY, JULY 20, 2021**. Any prospective bidder must be a subscriber of Bidcomp's competitive bidding system. Further information about Bidcomp/ PARITY, including any fee charged, may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021. The Town will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

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

Disclaimer - Each PARITY prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY for the purposes of submitting its proposal in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY shall be responsible for a bidder's failure to make a proposal or for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, PARITY. The Town is using PARITY as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of PARITY to the effect that any particular proposal complies with the terms of this Notice of Sale and in particular the proposal requirements set forth herein. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of proposals via PARITY are the sole responsibility of the bidders,

and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a proposal for the Bonds, the prospective bidder should telephone PARITY at (212) 849-5021. If any provision of this Notice of Sale conflicts with information provided by PARITY, this Notice of Sale shall control.

For the purpose of the bidding process, the time as maintained on PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their proposals the true interest cost to the Town, as described under "Basis of Award" above, represented by the rate or rates of interest and the premium, if any, specified in their respective proposals. All electronic proposals shall be deemed to incorporate the provisions of this Notice of Sale.

Bond Counsel Opinion. The legal opinion of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished without charge and will be placed on file with the certifying bank for the Bonds. A copy of the opinion will be delivered to each purchaser of the Bonds. The opinion of Bond Counsel will cover the following matters: (1) that the Bonds will be valid and binding general obligations of the Town when duly certified, (2) that, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), based on existing law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax; and (3) that interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Obligation to Deliver Issue Price Certificate. Pursuant to the Code and applicable Treasury Regulations, the Town must establish the "issue price" of the Bonds. **In order to assist the Town, the winning bidder is obligated to deliver to the Town a certificate (an "Issue Price Certificate") and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Bonds.** The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Ms. Susan Caron, Vice President, Munistat Services, Inc., Email: susan.caron@munistat.com, Telephone: (860) 290-3000, municipal advisor to the Town (the "Municipal Advisor").

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a "courtesy bid" being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of the issue price of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Rule").

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Bonds. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

Competitive Sale Rule Met. If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Bonds as of July 20, 2021 (the "Sale Date").

Competitive Sale Rule Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Bonds prior to the delivery date of the Bonds. The rule selected with respect to each maturity of the Bonds shall be set forth on an Issue Price Rule Selection Certificate, which shall be sent to the winning bidder promptly after the award of the Bonds. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. Eastern Time on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

10% Sale Rule. To satisfy the 10% Sale Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Bonds of each maturity have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sales prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Bonds, this reporting requirement will continue, beyond the closing date of the Bonds, if necessary, until such date that at least 10 percent (10%) of such maturity of the Bonds has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Bonds of such maturity at a price that is higher than the initial offering price of each maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Bonds of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Bonds; and

(iii) has or will include within any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Bonds for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Bonds was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Bonds to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

Preliminary Official Statement and Official Statement. The Town has prepared a Preliminary Official Statement dated July 12, 2021 for this Bond issue. The Town deems such Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for omissions permitted thereby, but the Preliminary Official Statement is subject to revision or amendment. The Town will make available to the winning purchaser a reasonable number of copies of the final Official Statement at the Town's expense by the delivery of the Bonds or, if earlier, by the seventh business day after the day proposals on the Bonds are received. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

The purchaser agrees to promptly file the final Official Statement with the Municipal Securities Rulemaking Board and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

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

Certifying, Transfer and Paying Agent; Registrar. The Bonds will be certified by U.S. Bank National Association, Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

CUSIP Numbers. The deposit of the Bonds with DTC under a book-entry-only system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Town's Municipal

Advisor, Munistat Services, Inc., to apply for CUSIP numbers for the Bonds by no later than one business day after dissemination of this Notice of Sale. Munistat Services, Inc. will provide CUSIP Global Services with the final details of the sale of the Bonds in accordance with Rule G-34 of the Municipal Securities Rulemaking Board, including the identity of the winning purchaser. The Town will not be responsible for any delay caused by the inability to deposit the Bonds with DTC due to the failure of Munistat Services, Inc. to obtain such numbers and provide them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Continuing Disclosure Agreement. The Town will agree, in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, to provide, or cause to be provided, (i) certain annual financial information and operating data; (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning purchaser's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Additional Information. For more information regarding this Bond issue and the Town, reference is made to the Preliminary Official Statement dated July 12, 2021. The Preliminary Official Statement may be accessed via the Internet at www.i-dealprospectus.com. Electronic access to the Preliminary Official Statement is being provided as a matter of convenience only. The only official version of the Preliminary Official Statement is the printed version for physical delivery. Copies of the Preliminary Official Statement may be obtained from Ms. Susan Caron, Vice President, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, telephone (860) 290-3000.

July 12, 2021

Christopher Bromson
Town Manager

John Wilcox
Director of Finance

ISSUE PRICE RULE SELECTION CERTIFICATE

Town of Enfield, Connecticut
 \$10,000,000* General Obligation Bonds, Issue of 2021

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (the “Representative”), on behalf of itself and [OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned bonds (the “Bonds”), as described in the Notice of Sale for the Bonds, dated July 12, 2021 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	10% Sale Rule (Underwriter has or will comply with 10% Sale Rule for this Maturity)		Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
08/01/2022	\$500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2023	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2024	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2025	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2026	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2027	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2028	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2029	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2030	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2031	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2032	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2033	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2034	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2035	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2036	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2037	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2038	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2039	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2040	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2041	500,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be filled in prior to the delivery date of the Bonds.)

**[NAME OF UNDERWRITER/
REPRESENTATIVE]**

By: _____
 Name:
 Title:

Email this completed and executed certificate to the following by 5:00 P.M. (Eastern Time) on July 21, 2021:

Bond Counsel: mritter@goodwin.com **Municipal Advisor:** susan.caron@munistat.com

*Preliminary, subject to change.

SUMMARY NOTICE OF SALE

\$10,000,000*
Town of Enfield, Connecticut
General Obligation Bonds, Issue of 2021

ELECTRONIC PROPOSALS via PARITY® Competitive Bidding System will be received by the Town of Enfield, Connecticut (the "Town"), at of Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 until **12:00 NOON (Eastern Time) on TUESDAY,**

July 20, 2021

for the purchase, when issued, of the whole of the Town's \$10,000,000 General Obligation Bonds, Issue of 2021, dated August 5, 2021, bearing interest payable semiannually on February 1 and August 1 in each year until maturity, commencing February 1, 2022, and maturing on August 1 in each year as follows:

\$500,000 in 2022 through 2041, both inclusive

(the "Bonds"). The Bonds are subject to redemption prior to maturity, **will not** be designated as "qualified tax-exempt obligations" and will be delivered against payment in federal funds in New York, New York, on or about August 5, 2021, subject to the approving opinion of Shipman & Goodwin LLP of Hartford, Connecticut. The Bonds will be issued by means of a book-entry-only system with the Depository Trust Company, New York, New York, acting as securities depository.

The Notice of Sale and the Town's Preliminary Official Statement may be obtained from Ms. Susan Caron, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, telephone (860) 290-3000.

Christopher Bromson
Town Manager

John Wilcox
Director of Finance

*Preliminary, subject to change.

APPENDIX E – NOTICE OF SALE FOR THE NOTES

NOTICE OF SALE

\$27,500,000

TOWN OF ENFIELD, CONNECTICUT

GENERAL OBLIGATION BOND ANTICIPATION NOTES (BOOK-ENTRY-ONLY)

SEALED PROPOSALS or ELECTRONIC PROPOSALS via PARITY® Competitive Bidding System (“PARITY”) will be received by the Town of Enfield, Connecticut (the "Town"), at Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 until **11:30 A.M. (Eastern Time) on TUESDAY,**

JULY 20, 2021

for the purchase, when issued, of the Town's \$27,500,000 General Obligation Bond Anticipation Notes dated August 5, 2021, maturing August 4, 2022 (the "Notes"). The Notes are not subject to redemption prior to maturity. The Notes will be payable with interest at maturity and delivered against payment in Federal funds in New York, New York on or about August 5, 2021. The Notes will be general obligations of the Town payable, as to both principal and interest, unless paid from other sources, from *ad valorem* taxes levied on all property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts.

Certifying Bank, Registrar, Transfer and Paying Agent. The Notes will be certified by U.S. Bank National Association, Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

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

Sealed Proposals Bidding Procedure. All sealed proposals for the purchase of the Notes shall be submitted on forms furnished by the Town and submitted at the time and place indicated above. All sealed proposals must be addressed to Christopher Bromson, Town Manager and John Wilcox, Director

of Finance, c/o Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 and enclosed in a sealed envelope marked "Proposal for Enfield Notes."

Electronic Proposals Bidding Procedure. Electronic proposals for the purchase of the Notes must be submitted through the facilities of PARITY by **11:30 A.M. (Eastern Time), on Tuesday, July 20, 2021.** Any prospective bidder must be a subscriber of Bidcomp's competitive bidding system. Further information about Bidcomp/ PARITY, including any fee charged, may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, (telephone (212) 849-5021). The Town will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

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

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

For the purpose of the bidding process, the time as maintained on PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their proposals the net interest cost to the Town, as described under "Basis of Award" below, represented by the rate or rates of interest and the premium, if any, specified in their respective proposals. All electronic proposals shall be deemed to incorporate the provisions of this Notice of Sale and the form of Proposal for Enfield Notes.

Proposals. Proposals may be made for all or any part of the Notes, but any proposal for a part must be for \$100,000 or a whole multiple thereof, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. No proposal for less than the minimum denomination or for less than par and accrued interest will be accepted. Each proposal must specify the amount bid for the Notes (which shall be the aggregate par value of the Notes, and, at the option of the bidder, a premium), and must specify one rate of interest in a multiple of one-hundredth (1/100) of one percent (1%) per

annum for each part of the Notes bid for in the proposal. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Basis of Award. As between proposals which comply with this Notice of Sale, the Notes will be sold to the responsible bidder or bidders offering to purchase the Notes at the lowest net interest cost to the Town, which will be determined by computing as to each interest rate stated the total interest to be payable at such rate and deducting therefrom any premium. If there is more than one responsible bidder making an offer to purchase all or any portion of the Notes at the same lowest net interest cost, the Notes will be sold to the responsible bidder with the proposal for the largest principal amount of the Notes specified. If more than one responsible bidder makes an offer to purchase all or any portion of the Notes at the same lowest net interest cost and for the same largest principal amount of the Notes specified, the Notes or any portion thereof will be sold to the responsible bidder who is chosen by lot. If a bidder is awarded only a part of the Notes, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Town with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, carried to four decimal places. It is requested that each proposal be accompanied by a statement of the percentage of net interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The Town reserves the right to reject any and all proposals and to waive any irregularity or informality with respect to any proposal.

Qualified Tax-Exempt Obligations. The Notes will not be designated by the Town as “qualified tax-exempt obligations” for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Bond Counsel Opinion. The legal opinion of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished without charge and will be placed on file with the certifying bank for the Notes. A copy of the opinion will be delivered to each purchaser of the Notes. The opinion of Bond Counsel will cover the following matters: (1) that the Notes will be valid and binding general obligations of the Town when duly certified, (2) that, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the “Code”), based on existing law, interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, and (3) that interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Obligation to Deliver Issue Price Certificate. Pursuant to the Code and applicable Treasury Regulations, the Town must establish the “issue price” of the Notes. **In order to assist the Town, the winning bidder is obligated to deliver to the Town a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Notes.** The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Notes. The form of Issue Price Certificate is available by contacting Ms. Susan Caron, Vice President, Munistat Services, Inc., Email: susan.caron@munistat.com, Telephone: (860) 290-3000, municipal advisor to the Town (the “Municipal Advisor”).

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of

the issue price of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Rule”).

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Notes. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

Competitive Sale Rule Met. If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Notes as of July 20, 2021 (the “Sale Date”).

Competitive Sale Rule Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Notes prior to the delivery date of the Notes. The rule selected with respect to each maturity of the Notes shall be set forth on an Issue Price Rule Selection Certificate, which shall be sent to the winning bidder promptly after the award of the Notes. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. Eastern Time on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

10% Sale Rule. To satisfy the 10% Sale Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Notes of each maturity have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sales prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Notes, this reporting requirement will continue, beyond the closing date of the Notes, if necessary, until such date that at least 10 percent (10%) of such maturity of the Notes has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Notes of such maturity at a price that is higher than the initial offering price of each maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Notes of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (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 retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Notes that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Notes for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Notes was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Notes to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Notes to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Notes.

Preliminary Official Statement and Official Statement. The Town has prepared a Preliminary Official Statement dated July 12, 2021 for this Note issue. The Town deems such Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for omissions permitted thereby, but the Preliminary Official Statement is subject to revision or amendment. The Town will make available to each winning purchaser a reasonable number of copies of the final Official Statement at the Town’s expense by the delivery of the Notes or, if earlier, by the seventh business day after the day proposals on the Notes are received. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

CUSIP Numbers. The deposit of the Notes with DTC under a book-entry-only system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Town’s Municipal Advisor, Munistat Services, Inc., to apply for CUSIP numbers for the Notes by no later than one business day after dissemination of this Notice of Sale. Munistat Services, Inc. will provide CUSIP Global Services with the final details of the sale of the Notes in accordance with Rule G-34 of the Municipal Securities Rulemaking Board, including the identity of the winning purchaser. The Town will not be responsible for any delay caused by the inability to deposit the Notes with DTC due to the failure of Munistat Services, Inc. to obtain such numbers and provide them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be

imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Continuing Disclosure Agreement. The Town will agree, in a Continuing Disclosure Agreement entered into in accordance with the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5), to provide timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Notes. The winning purchaser's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for the Notes.

Additional Information. For more information regarding this Note issue and the Town, reference is made to the Preliminary Official Statement dated July 12, 2021. The Preliminary Official Statement may be accessed via the Internet at www.i-dealprospectus.com. Electronic access to the Preliminary Official Statement is being provided as a matter of convenience only. The only official version of the Preliminary Official Statement is the printed version for physical delivery. Copies of the Preliminary Official Statement may be obtained from Ms. Susan Caron, Vice President, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, telephone (860) 290-3000.

July 12, 2021

Christopher Bromson
Town Manager

John Wilcox
Director of Finance

ISSUE PRICE RULE SELECTION CERTIFICATE

Town of Enfield, Connecticut
 \$27,500,000 General Obligation Bond Anticipation Notes

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (the “Representative”), on behalf of itself and [OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned notes (the “Notes”), as described in the Notice of Sale for the Notes, dated July 12, 2021 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	10% Sale Rule (Underwriter has or will comply with 10% Sale Rule for this Maturity)		Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
08/04/2022	\$27,500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be filled in prior to the delivery date of the Notes.)

**[NAME OF UNDERWRITER/
REPRESENTATIVE]**

By: _____
 Name:
 Title:

Email this completed and executed certificate to the following by 5:00 P.M. (Eastern Time) on July 21, 2021:

Bond Counsel: mritter@goodwin.com **Municipal Advisor:** susan.caron@munistat.com

PROPOSAL FOR ENFIELD NOTES

July 20, 2021

Christopher Bromson, Town Manager
John Wilcox, Director of Finance
c/o Munistat Services, Inc.
129 Samson Rock Drive, Suite A
Madison, CT 06443

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated July 12, 2021 which is hereby made a part of this proposal, we hereby offer to purchase the principal amount of the Notes specified below at the interest rate per annum plus the premium, if any, specified below, and to pay therefor said principal amount, premium and interest accrued on said Notes, if any, to the date of their delivery. The following is our computation of the net interest cost, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

For the \$27,500,000 General Obligation Bond Anticipation Notes of the Town of Enfield dated August 5, 2021, maturing August 4, 2022, we bid the following:

Principal Amount	\$ _____	Principal Amount	\$ _____
Interest Rate	_____ %	Interest Rate	_____ %
Premium	\$ _____	Premium	\$ _____
Net Interest Cost	_____ % (four decimals)	Net Interest Cost	_____ % (four decimals)
Principal Amount	\$ _____	Principal Amount	\$ _____
Interest Rate	_____ %	Interest Rate	_____ %
Premium	\$ _____	Premium	\$ _____
Net Interest Cost	_____ % (four decimals)	Net Interest Cost	_____ % (four decimals)

We acknowledge receipt of the Preliminary Official Statement referred to in the Notice of Sale.

Name of Bidder: _____

Address of Bidder: _____

Signature and Title of
Officer or Authorized
Agent of Bidder: _____

Telephone Number: _____

Fax Number: _____