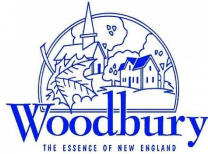


NEW ISSUE/REFUNDING ISSUE: Book-Entry-Only

RATING: Moody's Investors Service: "Aa2"

In the opinion of Bond Counsel, assuming the accuracy of and compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), under existing statutes, interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; the Bonds are "qualified tax-exempt obligations"; interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. (See Appendix B "Opinion of Bond Counsel and Tax Exemption" herein.)



Town of Woodbury, Connecticut

\$5,785,000*

General Obligation Bonds (the "Bonds") (Bank-Qualified)

**Consisting of \$4,350,000 General Obligation Bonds and
\$1,435,000* of General Obligation Refunding Bonds**

Dated: Date of Delivery

**Due: November 1, 2017-2031,
as shown below:**

Year	Principal*	Coupon	Yield	CUSIP¹	Year	Principal*	Coupon	Yield	CUSIP¹
2017	\$ 455,000	___%	___%	979047___	2025	\$ 420,000	___%	___%	979047___
2018	455,000	___%	___%	979047___	2026	410,000	___%	___%	979047___
2019	450,000	___%	___%	979047___	2027	285,000	___%	___%	979047___
2020	450,000	___%	___%	979047___	2028	285,000	___%	___%	979047___
2021	435,000	___%	___%	979047___	2029	285,000	___%	___%	979047___
2022	435,000	___%	___%	979047___	2030	285,000	___%	___%	979047___
2023	430,000	___%	___%	979047___	2031	285,000	___%	___%	979047___
2024	420,000	___%	___%	979047___					

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

Interest on the Bonds will be payable on May 1, 2017 and semiannually thereafter on May 1 and November 1, in each year until maturity. The Bonds are issuable only as fully-registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only Transfer System" herein.

The Bonds are subject to redemption prior to maturity as herein provided. See "Optional Redemption" herein.

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

Electronic bids via PARITY will be received for the Bonds between 11:15 A.M. and 11:30 A.M. (Eastern Time) Wednesday, October 19, 2016 at the First Selectman's Office, Town Office Building, 281 Main Street South, Woodbury, Connecticut 06798.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about November 1, 2016.

* Preliminary, subject to change.

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

No dealer, broker, salesman or other person has been authorized by the Town of Woodbury, Connecticut (the “Town”) to give any information or to make any representations, other than those contained in this Official Statement; and if given or made, such other information or representation must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

Set forth in Appendix A – “2015 General Purpose Financial Statements Excerpted from the Town’s Comprehensive Annual Financial Report” hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Bond Counsel is not passing on and does not assume any responsibility for the accuracy or completeness of the statements made in this Official Statement, (other than matters expressly set forth as its opinion in Appendix B “Opinion of Bond Counsel and Tax Exemption” herein), and makes no representation that it has independently verified the same.

(The remainder of this page intentionally left blank)

Table of Contents

Bond Issue Summary.....	1	IV. Tax Base Data.....	21
I. Bond Information.....	2	Property Tax Assessments.....	21
Introduction.....	2	Levy.....	22
Financial Advisor.....	2	Comparative Assessed Valuations.....	22
The Bonds.....	2	Major Taxpayers.....	23
Optional Redemption.....	3	Property Tax Levies and Collections.....	23
Authorization and Purpose.....	3	Property Taxes Receivable.....	23
Use of Proceeds.....	4	V. Debt Summary.....	24
Plan of Refunding.....	4	Outstanding Bonded Debt.....	24
Verification of Mathematical Computations.....	5	Outstanding Short Term Debt.....	24
School Projects.....	5	Overlapping Debt.....	24
Book-Entry-Only Transfer System.....	5	Underlying Debt.....	24
DTC Practices.....	6	Bonded Debt Maturity Schedule.....	25
Replacement Bonds and Notes.....	6	Current Debt Statement.....	26
Security and Remedies.....	7	Current Debt Ratios.....	26
Qualification for Financial Institutions.....	7	Authority to Incur Debt.....	26
Availability of Continuing Disclosure.....	7	Limitation of Indebtedness.....	27
Ratings.....	8	Statement of Statutory Debt Limitation.....	28
Bond Insurance.....	8	Authorized But Unissued Debt.....	28
II. The Issuer.....	9	Principal Amount of Outstanding General Fund Debt.....	29
Description of the Municipality.....	9	Ratio of Annual Long-Term General Fund Debt Service	
Form of Government.....	10	Expenditures To Total General Fund Expenditures.....	27
Principal Municipal Officials.....	10	VI. Financial Administration.....	30
Summary of Municipal Services.....	10	Basis of Accounting.....	30
Principal Public Facilities.....	11	Budget Procedure.....	30
Educational System.....	12	Annual Audit.....	31
Regional School District #14 School Facilities.....	12	Risk Management.....	31
School Enrollment.....	13	Compensated Absences.....	31
Municipal Employees.....	13	Pensions.....	31
Municipal Employee Bargaining Organizations.....	13	Other Post Employment Benefits.....	32
III. Economic and Demographic Information.....	15	Investment Practices.....	33
Population and Density.....	15	Comparative Balance Sheets – General Fund.....	34
Age Distribution of the Population.....	15	General Fund Revenues and Expenditures.....	35
Income Levels.....	15	VII. Additional Information.....	36
Income Distribution.....	16	Legal Matters.....	36
Educational Attainment.....	16	Litigation.....	36
Major Employers.....	16	Transcript and Closing Documents.....	36
Labor Force Data.....	17	Concluding Statement.....	37
Industry Classification.....	17		
Commute to Work.....	18	Appendix A - 2015 General Purpose Financial Statements	
Building Permits.....	18	Appendix B - Opinion of Bond Counsel and Tax Exemption	
Age Distribution of Housing.....	18	Appendix C - Form of Continuing Disclosure Agreement	
Housing Units by Type of Structure.....	19	Appendix D - Notice of Sale	
Housing Unit Vacancy Rates.....	19		
Owner Occupied Housing Values.....	19		
Number and Size of Households.....	20		

Bond Issue Summary

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

Date of Sale:	Wednesday, October 19, 2016 at 11:30 am (Eastern Time).
Location of Sale:	First Selectman's Office, Town Office Building, 281 Main Street South, Woodbury, Connecticut 06798.
Issuer:	Town of Woodbury, Connecticut (the "Town").
Issue:	\$5,785,000* General Obligation Bonds (the "Bonds").
Dated Date:	Date of Delivery
Principal Due:	Principal due serially November 1, 2017 through November 1, 2031.
Interest Due:	May 1, 2017 and semiannually thereafter on May 1 and November 1, in each year until maturity.
Purpose:	To finance various capital improvements and to current refinance a portion of the Town's outstanding \$2,795,000 General Obligation Bonds, Issue of 2006
Redemption:	The Bonds are subject to redemption prior to maturity.
Security:	The Bonds will be general obligations of the Town of Woodbury, 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:	Moody's Investors Service assigned a rating of "Aa2" to the Bonds.
Note Insurance:	The Town does not expect to purchase a credit enhancement facility.
Tax Exemption:	See Appendix B - "Opinion of Bond Counsel and Tax Exemption".
Bank Qualification:	The Bonds shall be designated by the Issuer as qualified tax-exempt obligations under the provision of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data and notices of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, and Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
Financial Advisor:	Phoenix Advisors, LLC of Milford, Connecticut. Telephone (203) 283-1110.
Legal Opinion:	Day Pitney 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 November 1, 2016. Delivery of the Bonds will be made against payment in Federal Funds.
Issuer Official:	Questions concerning the Town should be directed to Manuel I. Gomes, Treasurer / Chief Fiscal Officer, Town Office Building, 281 Main Street South, Woodbury, Connecticut 06798, Telephone: (203) 263-2449 or Mr. Barry J. Bernabe, Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut, Telephone: (203) 283-1110.

* Preliminary, subject to change.

I. Bond Information

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Woodbury, Connecticut (the “Town”), in connection with the issuance and sale of \$5,785,000* General Obligation Bonds (the “Bonds”) of the Town.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated October 11, 2016 has been furnished to prospective bidders. Reference is made to the Notice of Sale, which is included as Appendix D, for the terms and conditions of the bidding.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. All quotations from and summaries and explanations of provisions of Statutes, Charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete, are subject to repeal or amendment, and are qualified in their entirety by reference to such laws and the original official documents. All references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

U.S. Bank National Association will certify and act as Registrar, Transfer Agent, Paying Agent, Escrow Agent and Certifying Agent for the Bonds.

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

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

Financial Advisor

Phoenix Advisors, LLC, of Milford, Connecticut serves as Financial Advisor to the Town with respect to the issuance of the Bonds (the “Financial Advisor”). The information in this Official Statement has been prepared by the Town of Woodbury, with the help of the Financial Advisor. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. An agreement between the Town and Phoenix Advisors, LC has been entered into to conform to Municipal Securities Rulemaking Board Rule G-23.

The Bonds

The Bonds will mature on November 1 in each of the years as set forth on the front cover of this Official Statement. The Bonds will be dated the date of delivery and will bear interest at the rate or rates per annum specified by the winning bidder, payable on May 1, 2017 and semiannually thereafter on May 1 and November 1 in each year until maturity, as set forth on the cover of this Official Statement. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. Interest is payable to the registered owner of the Bonds who shall appear on the registration books of the Town kept for such purposes on the close of business on the fifteenth day of April and October in each year, by check, mailed to the registered owner at the address as shown on such registration books, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree.

U.S. Bank National Association, 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds. The legal opinion for the Bonds will be rendered by Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. See Appendix B “Opinion of Bond Counsel and Tax Exemption”.

* Preliminary, subject to change.

Optional Redemption

Bonds maturing on or before November 1, 2023 are not subject to redemption prior to maturity. The Bonds maturing on November 1, 2024 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after November 1, 2023 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 price (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 the redemption date:

<i>Period During Which Redeemed</i>	<i>Redemption Price</i>
November 1, 2023 and thereafter	100%

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

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

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

Authorization and Purpose

\$1,295,000 Five-Year Capital Equipment Program: Bonds are being issued pursuant to a \$2,065,000 appropriation and borrowing authorization resolution approved at Town Meeting held on March 17, 2015 for costs related to the Town's 2015 Five-Year Capital Equipment Program.

\$1,690,000 2015 Road Plan: Bonds are being issued pursuant to a \$3,605,000 appropriation and borrowing authorization resolution approved at Town Meeting held on March 17, 2015 to finance costs related to the 2015 Woodbury Road Plan.

\$215,000 Emergency Services Building Roof Replacement: Bonds are being issued pursuant to a \$255,000 appropriation and borrowing authorization resolution approved at Town Meeting held on March 17, 2015 for costs related to the replacement of the roof of the Emergency Services Building on Quassuck Road in Woodbury.

\$1,150,000 Aquarion Land Purchase: Bonds are being issued pursuant to a \$2,900,000 appropriation and \$2,650,000 borrowing authorization resolution approved at Town Meeting held on March 17, 2015 regarding the purchase and acquisition from Aquarion Water Company of Connecticut two parcels of land known as the Woodbury Reservoir Land and the Sherman Hill Road Land.

Use of Proceeds

<i>Project</i>	<i>Aggregate Amount Authorized</i>	<i>Maturing Notes Due: 11/1/16</i>	<i>Paydowns or Grants</i>	<i>New Money</i>	<i>This Issue: The Bonds*</i>
Five-Year Capital Equipment Program.....	\$ 2,065,000	\$ 1,145,000	\$ -	\$ 150,000	\$ 1,295,000
2015 Road Plan.....	3,605,000	1,690,000	-	-	1,690,000
Aquarion Land Purchase.....	2,650,000	-	1,500,000	1,150,000	1,150,000
Emergency Services Building Roof.....	255,000	-	-	215,000	215,000
Refunding Bonds.....	2,000,000	-	-	1,435,000	1,435,000
Total	\$ 10,575,000	\$ 2,835,000	\$ 1,500,000	\$ 2,950,000	\$ 5,785,000

Authorization: The Refunding Bonds are being issued pursuant to a bond resolution adopted by the Board of Selectmen at a meeting held on April 14, 2016 authorizing the issuance of refunding bonds in an amount not to exceed \$2,000,000.

Plan of Refunding*

A portion of the Bonds are being issued to current refund at or prior to maturity all or a portion of certain maturities of certain of the outstanding series of general obligation bonds of the Town as set forth below (the "Refunded Bonds"). The list of Refunded Bonds may be changed by the Town in its sole discretion due to market factors or other factors considered relevant by the Town at the time of pricing the Bonds and no assurance can be given that any particular bonds listed or any particular maturity will be refunded. The refunding is contingent upon delivery of the Bonds.

		<i>Maturity</i>	<i>Interest</i>	<i>Par</i>	<i>Redemption</i>	<i>Redemption</i>	
<i>Issue</i>	<i>Dated Date</i>	<i>Date</i>	<i>Rate</i>	<i>Amount*</i>	<i>Date</i>	<i>Price</i>	<i>CUSIPS</i>
Issue of 2006	12/1/2006	12/1/2017	3.625%	\$ 140,000	12/1/2016	100.00%	979047BL0
		12/1/2018	3.750%	140,000	12/1/2016	100.00	979047BM8
		12/1/2019	4.000%	140,000	12/1/2016	100.00	979047BN6
		12/1/2020	4.000%	140,000	12/1/2016	100.00	979047BP1
		12/1/2021	4.000%	140,000	12/1/2016	100.00	979047BQ9
		12/1/2022	4.000%	140,000	12/1/2016	100.00	979047BR7
		12/1/2023	4.000%	140,000	12/1/2016	100.00	979047BS5
		12/1/2024	4.000%	140,000	12/1/2016	100.00	979047BT3
		12/1/2025	4.000%	140,000	12/1/2016	100.00	979047BU0
		12/1/2026	4.000%	135,000	12/1/2016	100.00	979047BV8
Total*				\$ 1,395,000			

Upon delivery of the Bonds, a portion of the proceeds of the Bonds will be placed in an irrevocable escrow deposit fund (the "Escrow Deposit Fund") established with U.S. Bank National Association, as escrow agent (the "Escrow Agent") under an escrow agreement (the "Escrow Agreement") to be dated as of the Date of Delivery between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of non-callable direct obligations of, or obligations guaranteed by, the United States of America, including United States Treasury securities, Federal, or other investments permitted by Section 7-400 of the Connecticut General Statutes, as amended, all of which shall not be callable or prepayable at the option of the issuer thereof (the "Government Obligations"). The principal of the Government Obligations, when due, will provide amounts sufficient to meet principal, interest payments and redemption prices on the Refunded Bonds, without regard to interest earnings on the Government Obligations. The Escrow Agreement permits substitution of certain Government Obligations for other Government Obligations provided that the maturing principal of all Government Obligations held at any time under the Escrow Agreement will provide amounts sufficient to pay the principal, interest and redemption prices on the Refunded Bonds on the date such payments are due. All investment income on maturing principal of the Government Obligations will be paid to irrevocably deposited by the Town following the payment of the Refunded Bonds. The balance of the proceeds of the Bonds will be used to pay certain costs of issuance and underwriter's discount.

The Connecticut General Statutes provide that upon placement in escrow of proceeds of refunding bonds sufficient to provide for the payment of principal, interest and call premium payments on the bonds to be refunded by such refunding bonds, such bonds are no longer counted in computing the Town's debt for statutory debt limitation purposes.

* Preliminary, subject to change.

Verification of Mathematical Computations

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

School Projects

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996.

Debt service reimbursement will continue under the prior reimbursement program for all projects approved prior to July 1, 1996. Under the old program, a municipality issues bonds for the entire amount of the school construction project and the State of Connecticut reimburses the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds and subsequent bond issues necessary to completely fund the approved school project.

Under the new program, the State of Connecticut will make proportional progress payments for eligible construction costs during project construction. The State grant will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its bonds only for its share of project costs.

Book-Entry-Only Transfer System

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a 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 under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

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

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

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

DTC Practices

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

Replacement Bonds

In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town will issue fully-registered Bond certificates directly to the Beneficial Owner. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of Bonds.

Security and Remedies

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

Unless paid from other sources, the Bonds are payable from general property tax revenues of the Town. The Town has the power under Connecticut General statutes to levy ad valorem taxes on all property subject to taxation by the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income and of qualified disabled persons taxable at limited amounts. The Town may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town or City would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income.

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

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

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

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditor's rights heretofore or hereafter enacted and to the exercise of judicial discretion. and to the exercise of judicial discretion.

Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy under 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 of Connecticut having the power to levy taxes and issue bonds or other obligations.

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

Qualification for Financial Institutions

The Bonds shall 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.

Availability of Continuing Information

The Town of Woodbury prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management, on an annual basis. The Town provides, and will continue to provide, to the rating agencies ongoing disclosure in the form of the Annual Financial Report, Recommended and Adopted Budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data and notices of material events with respect to the Bonds, substantially in the form attached as Appendix C to this Official

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

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

The Town currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board's EMMA system.

Rating

Moody's Investors Service ("Moody's") assigned a rating of "Aa2" to the Bonds. The Town furnished to the rating agency certain information and materials, some of which may not have been included in this Official Statement. Such ratings reflect only the views of the rating agency and will be subject to revision or withdrawal, which could affect the market price of the Bonds. The rating agency should be contacted directly for their rating on the Bonds and the explanation of such rating.

The Town expects to furnish to the rating agency information and materials that they may request. However, the Town may issue short-term or other debt for which a rating is not required. The Town's Financial Advisor, Phoenix Advisors, LLC, recommends that all bonded debt be submitted for a credit rating.

Bond Insurance

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

(The remainder of this page intentionally left blank)

SECTION II – THE ISSUER

(Map of CT will be inserted for the Final Official Statement)

Description of the Municipality

The Town of Woodbury was incorporated in 1673 and is located in Litchfield County. The Town has an area of 36.8 square miles and is bordered by the Towns of Bethlehem, Watertown, Middlebury, Southbury and Roxbury. Access is provided by U.S. Highway 6 and Connecticut Routes 61, 317 and 64. The Town's population according to the 2010 U.S. Census was 9,975.

The Woodlake Tax District is a separate tax district within the territorial limits of the Town. The district was organized in 1983 and provides services including sewers.

Woodbury is a residential community serving as a gateway to neighboring towns and southern Litchfield County. It is located at the northern edge of a rapidly "urbanizing" I-84 corridor. Woodbury supplies water to its residents and those of adjoining communities through the United Water Company Connecticut and the Pomperaug River aquifer system; it supplies construction materials (natural resources excavation) for the surrounding communities and other parts of the State; it funnels residential, commercial and tourist traffic from the interstate highway system to the rural communities to the north and northwest; and it is located in one of Connecticut's most frequently visited tourist destinations, the Litchfield Hills. Route 6 serves as a regional roadway through Woodbury.

Seven percent of Woodbury's taxable grand list is from commercial and industrial real property located along Route 6 in the Town's center. Principal industries include machine, woodworking, and welding shops in addition to numerous retail and office complexes, antique shops, and home-based businesses. Tubing, screw machines, plastic die-casting molds and custom furniture are manufactured in Woodbury. Woodbury and immediately surrounding towns enjoy a niche market of antiques and tourism. Recently, the Connecticut Department of Culture and Tourism awarded Woodbury number 12 of 52 getaways. The "Antique Retreat" focuses on the Connecticut antiques trail and features a number of Town attractions. The full article can be found at www.ctvisit.com.

Through conscientious planning and faithfulness to implementation, the Town has maintained its historic and rural character. But much of the land remains undeveloped, and growth pressures are increasing. Woodbury's essence and charm are a composite of its natural features and the physical development that has evolved. The Town has retained its character and cultural landscape by balancing private property interests with the respect for heritage and traditional quality of life. The Town completed updating its Plan of Conservation and Development in March 2010 and is currently working on its implementation. Woodbury has an abundance of open space – forest, field, farmland, watercourses and floodplain. Strong support for Town acquisition of open space has been expressed by residents in the interest of preserving Woodbury's rural and scenic character. The Town has established an Open Space Fund with a current balance of approximately \$520,000. Its mix of residential, commercial and community uses has kept its Main Street true to traditional Main Street functions.

Woodbury's growth is slowing, experiencing a 8.4% increase over the 2000 Census of 9,198. Building permit data indicated that there has been a 7.4% increase in housing units since the 2000 Census, all single-family detached dwellings. The median residential sales price in 2010 in Woodbury was \$400,000, much higher than the State's median sales price of \$296,500 according to the Census Bureau's 2006–2010 American Community Survey. The average household size has continued to decline to approximately 2.35 persons per household in 2010.

Form of Government

Woodbury operates under the Town Meeting form of government with a three-member Board of Selectmen elected to two-year terms of office biennially. The First Selectman serves as the chief executive and administrative officer. The First Selectman presides over the Board of Selectmen and is an ex-officio member of all Town boards, commissions and committees.

Woodbury adopted a Town Charter in 1974, under which legislative power is the Town Meeting. A six-member Board of Finance is elected in the Town. The Board is responsible for budget preparation prior to submission to the Annual Budget Meeting for adoption. Board of Finance and Town Meeting approval are required for bond or note authorizations. Woodbury is assisted in the administration of its financial affairs by an appointed Fiscal Officer/Treasurer.

Regional School District Number 14 provides educational services and facilities to its member Towns of Woodbury and Bethlehem. See "Educational System" herein.

Principal Municipal Officials

<i>Office</i>	<i>Name</i>	<i>Manner of Selection</i>
First Selectman	William J. Butterly, Jr.	Elected/two years
Selectman	Barbara Perkinson	Elected/two years
Selectman	Michael J. Gransky	Elected/two years
Town Clerk	Linda Carlson	Elected/four years
Board of Finance Chairman	Alexander P. DeSorbo	Elected/four years
Tax Collector	Linda G. Lewis	Elected/four years
Treasurer / Chief Fiscal Officer	Manuel I. Gomes	Appointed
Town Planner	Kathy Castagnetta	Appointed
Assessor	Tammie Fiske	Appointed/five years
Corporate Counsel	Slavin, Stauffacher & Scott	Appointed

Summary of Municipal Services

Public Safety: The police department, located in the rear of the town office complex, has eight full-time and two part-time officers and a full-time administrative assistant. The Woodbury Police Department is supervised under the Connecticut State Police Resident Trooper Program which includes the assignment of one Connecticut State Police Sergeant. The Fire Chief provides overall control and supervision of the Woodbury Volunteer Fire Department. The Department has two companies, the Orenaug Fire Company, housed in the Emergency Services Building, and the Hotchkissville Fire Company, located in the Hotchkissville fire station. The fire marshal, whose office is also located in the Emergency Services Building, is responsible for approving the fire safety code for building construction for commercial and multifamily housing. The Town also employs one animal control officer as well as two assistant animal control officers. The Woodbury Ambulance Association, a local volunteer group, provides medical service to town residents.

Library: Woodbury's first library was established in 1772, but was in existence for only a few years. Today's library has its roots in the Woodbury Library Association which began in 1851 with a collection of 200 books. The Library was governed by a few basic rules. Books could be drawn on the first Thursday of each month, and three-cent fines were levied for damages such as turned down pages or ink spots. After 1902 the library was housed in the former Parker Academy building. It was expanded in 1980 to create the current library and renovated in 1997.

The Woodbury Public Library, located in the town office complex, has a collection of more than 90,000 items, including large-print books, periodicals and daily newspapers, videos, books on tape and other audio cassettes, compact discs, cameras, photographs, and puzzles. Because the library is a member of a computerized circulation network, it has access to the collections of over 40 member libraries. Special services include home computer access to the Connecticut State Library, telephone and walk-in reference, interlibrary loans, museum passes, and the availability of a copy machine and word processor. The gallery may be reserved for community meetings and gatherings.

Parks & Recreation: The park and recreation department is managed by one director and is responsible for the three parks in town: Hollow Park, Three Rivers Park, and Orenaug Park. Hollow Park has fields for softball, baseball, soccer, and football as well as a river walk on the Pomperaug River. There is also a covered pavilion, picnic tables and basketball courts. Three Rivers Park has a trail along the river and multi-purpose fields for sports. This 70-acre park was purchased by the Town in 1999 for \$425,000 from a local resident. Orenaug Park has a trail from Park Road and a trail from behind the Town library, both of which end at the observation tower. The Department also offers year-round programs for children and adults.

Sewer/Water: The United Water Company Connecticut provides water services to part of the Town, while the rest are serviced by private wells. The Town also has a separate tax district that provides sewer services to the Woodlake Condominium Complex. Other septic systems are privately owned.

Solid Waste and Refuse Collection: The Woodbury Transfer Station is located on Bacon Pond Road and is overseen by the Public Works Department. The facility accepts household trash, bulky waste and recyclable items. Fees are charged for the disposal of the following bulky waste items: \$5 per air conditioner or dehumidifier, \$10 per refrigerator or freezer, and \$2 for propane cylinders. Household hazardous waste collection days are held periodically, usually in conjunction with neighboring towns.

The Town has entered into a municipal solid waste service agreement with the Connecticut Resources Recovery Authority ("CRRRA") pursuant to which it participates in the regional Mid-Connecticut Project system of CRRRA with sixty-nine other municipalities. Under the service agreement the Town is required to deliver, or cause to be delivered to the system, solid waste generated within its boundaries up to its minimum commitment of 4,400 tons per year, and to pay a uniform per ton disposal service payment. The fee for fiscal year 2016-17 is \$69 plus operating expenses per ton. The service agreement provides that the obligation of the Town to pay the service fee is a general obligation of the Town. As a result, the full faith and credit of the Town is pledged to the payments thereof.

Social Service: The Town offers temporary loans of aids for persons after a hospital stay, including crutches, walkers, wheelchairs, canes and other items that are available on a limited basis to residents at no charge. There is also a Town food closet, operated by the Community Services Council, which is open to residents who meet minimum income eligibility requirements. The food closet offers non-perishable items and is located in the basement of a local bank.

Principal Public Facilities

<i>Facility</i>	<i>Year Constructed</i>	<i>Date of Last Renovations</i>	<i>Planned Major Renovations</i>
Shove Building	1850	1976	None
Boyd Building	1930	1975	None
Woodbury Library	1851 / 1980	1997	None
Community House	1880	-	None
Hotchkissville Fire Station	1842	1924	None
Emergency Services Building	1980	2005	None
Old Town Hall	1846	2009	None

Educational System

The Town of Woodbury, along with the neighboring Town of Bethlehem, is a member of Regional School District Number 14, (the “District”), which was organized in 1968 with approval of the voters of the Towns of Bethlehem and Woodbury under the provisions of the Connecticut General Statutes. The District serves all public school pupils in grades pre-kindergarten through twelve residing in the member towns. A regional school board of education made up of eight elected members, four from Woodbury and four from Bethlehem elected on an “at-large” basis for overlapping three-year terms, administers the school system. The Board has decision-making authority, the authority to designate management, the responsibility to significantly influence operations and the primary accountability for fiscal matters.

Pursuant to the Connecticut General Statutes, if a member Town of the District fails to include in its annual Town budget amounts necessary to pay for its proportionate share of the annual District budget, ten or more taxable inhabitants of a Town within such regional school district, a majority of the board of selectmen of any such Town, the attorney general, a holder or owner of bonds or notes of such regional school district, the board of education of such regional school district or the State Board of Education may petition the Superior Court to determine the amount of the alleged deficiency. If the court finds such deficiency to exist, it shall order such Town, through its treasurer, selectmen and assessor, to provide a sum of money equal to such deficiency, together with a sum of money equal to twenty-five percent thereof. The amount of the deficiency shall be paid by the Town of the regional school district as soon as it is available; the additional sum of twenty-five percent shall be kept in a separate account by such Town and shall be applied toward payment of such Town’s share of the annual budget of the regional school district in the following year. If such order is made after the fixing of the annual tax rate of such Town, the sums included in such order shall be provided by the Town from any available cash surplus, from any contingency fund, from borrowing, through a rate bill under the provisions of Section 12-123 of the General Statutes, Revision of 1958, as amended, or from any combination thereof.

Under the provisions of Section 10-63f of the Connecticut General Statutes, the withdrawal of a town from a regional school district or the dissolution of a regional school district shall not impair the obligation of the withdrawing town or the regional school district to the holders of district bonds or other outstanding indebtedness issued prior to withdrawal or dissolution.

Regional School District Number 14 School Facilities

Regional School District Number 14 has two elementary schools, a middle school, and one high school. Enrollment in the District system as of October 1, 2016 was 1,785 students with a design capacity of 3,384.

<i>School</i>	<i>Grades</i>	<i>Date of Construction (Latest Additions)</i>	<i>Number of Classrooms</i>	<i>Enrollment as of 10/1/2016</i>	<i>Operating Capacity</i>
Mitchell Elementary	K–4	1948 (2002)	28	375	672
Bethlehem Elementary.....	K–5	1965 (1980s)	23	256	552
Woodbury Middle	5–8	1953 (2000)	44	411	1,056
Nonnewaug High.....	9–12	1970 (2000)	46	743	1,104
Total			141	1,785	3,384

School Enrollments

October 1	Grades K - 5	Grades 6 - 8	Grades 9 - 12	Total
Historical				
2007	824	499	868	2,191
2008	813	490	837	2,140
2009	793	476	841	2,110
2010	786	445	874	2,105
2011	713	421	808	1,942
2012	704	413	805	1,922
2013	713	371	800	1,884
2014	675	364	748	1,787
2015	670	339	752	1,761
2016	667	375	743	1,785
Projected				
2017	626	371	703	1,700
2018	609	362	690	1,661
2019	611	337	678	1,626

Source: Town of Woodbury, Board of Education.

Municipal Employees

	2016-17	2015-16	2014-15	2013-14	2012-13
General Government	47	47	47	48	49
Board of Education	290	290	294	297	289
Total	337	337	341	345	338

Municipal Employees Bargaining Organizations

Bargaining Unit	Number of Members	Contract Expiration Date
<u>General Government</u>		
Police - CSEA, Local 760, SEIU.....	7	6/30/2016 ¹
Public Works - CSEA, Local 760, SEIU.....	9	6/30/2017
Supervisors - CSEA, Local 760, SEIU.....	9	6/30/2016 ¹
White Collar - CSEA, Local 760, SEIU.....	24	6/30/2016 ¹
Total Organized	49	
Non-Union	41	
Total.....	90	
<u>Board of Education</u>		
Teachers - Nonnewaug Teachers' Association.....	167	6/30/2019
Custodial - Teamsters Local #677.....	20	6/30/2017
Clerical - Secretarial Association of Region 14.....	17	6/30/2018
Nurses - American Federation of State, County and Municipal Employees, Council #4.....	4	6/30/2017
Teachers Aides - American Federation of State, County and Municipal Employees, Council #4.....	36	6/30/2018
Administrators - Nonnewaug Administrators' Group.....	9	6/30/2017
Cafeteria - Cafeteria Workers' Association of Region 14.....	13	6/30/2018
Total Organized	266	
Non-Union	14	
Total	280	

¹ In negotiations

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 municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. Effective October 1, 1997, for binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In the 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.

(The remainder of this page intentionally left blank)

SECTION III – DEMOGRAPHIC AND ECONOMIC DATA SECTION

Population Trends and Densities

Year	Actual Population¹	% Increase	Density²
2014 ³	9,851	-0.6%	268.4
2010	9,909	7.7%	270.0
2000	9,198	13.1%	250.6
1990	8,131	17.1%	221.6
1980	6,942	18.3%	189.2
1970	5,869	50.1%	159.9
1960	3,910	--	106.5

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

² Per square mile: 36.7 square miles.

³ American Community Survey 2010-2014

Age Distribution of the Population

Age	Town of Woodbury		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	584	5.9%	194,338	5.4%
5 to 9 years	464	4.7	217,491	6.1
10 to 14 years	686	7.0	234,666	6.5
15 to 19 years	492	5.0	255,499	7.1
20 to 24 years	253	2.6	234,482	6.5
25 to 34 years	916	9.3	433,145	12.1
35 to 44 years	1,147	11.6	459,130	12.8
45 to 54 years	1,804	18.3	563,772	15.7
55 to 59 years	943	9.6	253,952	7.1
60 to 64 years	876	8.9	214,499	6.0
65 to 74 years	869	8.8	280,541	7.8
75 to 84 years	484	4.9	162,971	4.5
85 years and over	333	3.4	87,567	2.4
Total.....	9,851	100%	3,592,053	100%

Median Age (Years) 2014..... 47.6 40.3

Median Age (Years) 2010.¹..... 45.7 40.0

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

Source: American Community Survey 2010-2014

Income Levels

	Town of Woodbury	State of Connecticut
Per Capita Income, 2014.....	\$ 45,856	\$38,480
Median Family Income, 2014.....	\$ 105,691	\$88,217

Source: American Community Survey 2010-2014

Income Distribution

Income	Town of Woodbury		State of Connecticut	
	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	17	0.6%	30,584	3.4%
10,000 - 14,999.....	81	2.9	18,591	2.1%
15,000 - 24,999.....	85	3.1	46,537	5.2%
25,000 - 34,999.....	100	3.6	56,473	6.3%
35,000 - 49,999.....	198	7.2	85,206	9.5%
50,000 - 74,999.....	424	15.4	140,776	15.6%
75,000 - 99,999.....	354	12.9	129,656	14.4%
100,000 - 149,999.....	739	26.9	184,327	20.5%
150,000 - 199,999.....	286	10.4	93,100	10.3%
200,000 and over.....	468	17.0	114,307	12.7%
Total.....	2,752	100.0%	899,557	100.0%

Source: American Community Survey 2010-2014

Educational Attainment

Years of School Completed – Age 25 and Over

	Town of Woodbury		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	170	2.3%	106,784	4.3%
9th to 12th grade.....	192	2.6	150,227	6.1
High School graduate.....	1,607	21.8	677,887	27.6
Some college, no degree.....	1,231	16.7	431,807	17.6
Associate's degree	568	7.7	180,321	7.3
Bachelor's degree.....	1,865	25.3	506,662	20.6
Graduate or professional degree.....	1,732	23.5	401,889	16.4
Total.....	7,372	100.0%	2,455,577	100.0%
Total high school graduate or higher (%).....		95.1%		89.5%
Total bachelor's degree or higher (%).....		48.9%		37.0%

Source: American Community Survey 2010-2014

Major Employers As of October 2016

Employer	Type of Business	Approximate Number of Employees
Regional School District No. 14	Education K–12	290
O&G Industries	Trap Rock Quarries (2)	10
Town of Woodbury	Municipality	87
LaBonne's Epicure of Market	Supermarket	85
Woodbury Chevrolet	Automotive Sales and Service	35
Frontier	Wired Telecommunication Carrier	11

Labor Force Data

Period	Town of Woodbury		Percentage Unemployed		
	Employed	Unemployed	Town of Woodbury	Danbury Labor Market	State of Connecticut
August 2016.....	5,351	233	4.2%	4.6	5.6%
Annual Average					
2015.....	5,406	239	4.2	4.5	5.6
2014.....	5,304	282	5.1	5.3	6.7
2013.....	5,203	330	6.0	6.2	7.9
2012.....	5,343	361	6.3	6.7	8.3
2011.....	5,307	357	6.3	7.0	8.8
2010.....	5,065	471	7.6	7.7	9.0
2009.....	5,121	367	6.7	7.3	8.2
2008.....	5,297	236	4.3	4.5	5.7
2007.....	5,347	180	3.3	3.6	4.6
2006.....	5,305	166	3.0	3.3	4.4
2005.....	5,200	208	3.8	3.8	4.9

Source: State of Connecticut, Department of Labor.

Industry Classification

Sector	Town of Woodbury		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	70	1.3%	7,413	0.4%
Construction.....	450	8.5	97,974	5.5
Manufacturing.....	417	7.9	191,057	10.8
Wholesale trade.....	163	3.1	44,195	2.5
Retail trade.....	482	9.1	191,267	10.8
Transportation warehousing, and utilities....	237	4.5	65,068	3.7
Information.....	130	2.5	41,905	2.4
Finance, insurance, real estate, and leasing..	348	6.6	161,926	9.2
Professional, scientific, management, administrative, and waste management.....	667	12.6	197,880	11.2
Education, health and social services.....	1,568	29.6	467,574	26.5
Arts, entertainment, recreation, accommodation and food services.....	330	6.2	154,005	8.7
Other services (except public admin.).....	228	4.3	80,179	4.5
Public Administration.....	208	3.9	66,491	3.8
Total Labor Force, Employed.....	5,298	100.0%	1,766,934	100.0%

Source: American Community Survey 2010-2014

**Commute to Work
16 years of age and over**

	Town of Woodbury		State of Connecticut	
	Number	Percent	Number	Percent
Drove alone	4,206	81.6%	1,364,472	78.7%
Car pools	237	4.6	142,105	8.2
Used public transportation	75	1.5	81,585	4.7
Walked	74	1.4	52,655	3.0
Used other means	-	-	20,514	1.2
Worked at home	562	10.9	73,467	4.2
Total	5,154	100.0%	1,734,798	100.0%

Source: American Community Survey 2010-2014

Building Permits

Fiscal Year Ending 6/30	Total All Activity	
	No.	Value
2016	635	\$ 92,438
2015	665	96,604
2014	612	98,324
2013	634	81,029
2012	733	85,304
2011	717	68,613
2010	456	68,448
2009	472	87,500
2008	491	78,636
2007	634	130,227

Age Distribution of Housing

Year Built	Town of Woodbury		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	760	16.9%	334,290	22.4%
1940 to 1969.....	1,095	24.4	536,618	36.0
1970 to 1979.....	916	20.4	200,288	13.4
1980 to 1989.....	828	18.4	193,794	13.0
1990 to 1999.....	584	13.0	113,875	7.6
2000 or 2009.....	306	6.8	104,093	7.0
2010 or later.....	6	0.1	7,423	0.5
Total Housing Units	4,495	100.0%	1,490,381	100.0%

Source: American Community Survey 2010-2014

Housing Units by Type of Structure

Housing Units	Town of Woodbury		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	3,109	69.2%	882,955	59.2%
1-unit, attached.....	338	7.5	79,922	5.4
2 units.....	127	2.8	120,070	8.1
3 or 4 units.....	278	6.2	133,452	9.0
5 to 9 units.....	328	7.3	81,574	5.5
10 to 19 units.....	132	2.9	55,609	3.7
20 or more units.....	183	4.1	124,683	8.4
Mobile home.....	-	-	11,819	0.8
Boat, RV, van, etc.....	-	-	297	0.0
Total Inventory.....	4,495	100.0%	1,490,381	100.0%

Source: American Community Survey 2010-2014

Housing Unit Vacancy Rates

Housing Units	Town of Woodbury		State of Connecticut	
	Units	Percent	Units	Percent
Occupied housing units	4,096	91.1%	1,356,206	91.0%
Vacant housing units	399	8.9%	134,175	9.0%
Total units	4,495	100.0%	1,490,381	100.0%
Homeowner vacancy rate	2.6%		1.7%	
Rental vacancy rate	6.5%		6.9%	

Source: American Community Survey 2010-2014

Owner-occupied Housing Units

Specified Owner-Occupied Units	Town of Woodbury		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	55	1.8%	24,122	2.6%
\$50,000 to \$99,000.....	75	2.4	26,438	2.9
\$100,000 to \$149,999.....	192	6.1	72,756	8.0
\$150,000 to \$199,000.....	242	7.7	137,797	15.1
\$200,000 to \$299,999.....	561	17.9	257,364	28.2
\$300,000 to \$499,999.....	1,382	44.0	243,882	26.7
\$500,000 to \$999,999.....	626	19.9	109,918	12.0
\$1,000,000 or more.....	7	0.2	40,766	4.5
Total.....	3,140	100.0%	913,043	100.0%
Median Value.....				

Source: American Community Survey 2010-2014

Number and Size of Households

<i>Household Characteristics</i>	<i>Town of Woodbury</i>		<i>State of Connecticut</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Persons in households	9,851	—	3,472,533	—
Persons per household (average)	2.36	—	2.56	—
Persons per family (average)	2.93	—	3.15	—
Family households	2,769	65.7%	899,557	66.3%
Non-family households	1,445	34.3%	456,649	33.7%
All households	4,214	100.0%	1,356,206	100.0%
Family households by type				
Married couple	2,333	55.4%	664,328	73.9%
Female householders, no spouse ...	316	7.5%	175,928	19.6%
Other	1,565	37.1%	59,301	6.6%
Total family households	4,214	100.0%	899,557	100.0%
Non-family households by type				
Householders living alone	1,202	83.2%	378,669	82.9%
Other	243	16.8%	77,980	17.1%
Total non-family households	1,445	100.0%	456,649	100.0%

Source: American Community Survey 2010-2014

(The remainder of this page intentionally left blank)

SECTION IV – TAX BASE DATA

Property Tax Assessments

The Town of Woodbury completed its last general revaluation on the October 1, 2013 grand list, and a statistical revaluation was completed for the assessment year commencing October 1, 2018. A physical revaluation will be required for the October 1, 2018 grand list.

The Assessor's Office is responsible for locating and appraising all real and personal property within the Town for inclusion onto the grand list. The grand list represents the total assessed values for all taxable and tax-exempt real estate and taxable personal property and motor vehicles located within the Town on October 1. Assessments for real estate are computed at 70% of the estimated market value at the time of the last general revaluation, while assessments for motor vehicles and personal property are computed at 70% of the current fair market value. Each year the Board of Assessment Appeals determines whether taxpayer petitions for assessment reductions on the current grand list are warranted.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. Upon issuance of a certification of completion, a physical inspection is conducted and a new fair market value is determined with the aid of schedules developed at the time of the last revaluation. All value adjustments are reviewed to determine equity with similar properties and estimate changes to existing income streams.

All personal property (furniture, fixtures, equipment, machinery, supplies, non-registered motor vehicles, and leased equipment) is revalued annually. Random audits are conducted periodically.

Motor vehicle registration lists are furnished to the Town by the State Department of Motor Vehicles. The Office of Policy and Management has determined that the average retail values represented by the National Automobile Dealers Association pricing guides must be utilized in preparation of the grand lists. These values are applied uniformly and equitably to all vehicles in the Town; a myriad of exemptions is then applied to qualifying applicants. The same process is applied to the Supplemental Motor Vehicle list, which represents new or replacement vehicles which were registered after the October 1 assessment date, but before the following July 1. Bills for this supplemental list are issued the following January, eighteen months after the grand list date.

The Assessor's Office is also responsible for the administration of several property exemption and payment-in-lieu-of-taxes programs which include, but are not limited to, the following: special veterans programs; elderly tax relief for homeowners and renters; farm, forest and open space; blind and disabled taxpayers; manufacturing exemptions; and State-owned property reimbursement programs.

Section 206 of Public Act No. 15-244 (Jan. 2015 Reg. Sess.), as amended by Section 187 of Public Act No. 16-3 (May 2016 Spec. Sess.), of the Connecticut General Assembly (the "Act") created a cap on the local property tax mill rate for motor vehicles for the assessment year commencing October 1, 2015, and each assessment year thereafter. Notwithstanding any mill rate for motor vehicles set by a municipality before the effective date of the Act, for the assessment year commencing October 1, 2015, the mill rate for motor vehicles shall not exceed 37 mills, except in the case of a municipality that set a mill rate before the effective date of the Act for motor vehicles of 32 mills for the assessment year commencing October 1, 2015, the mill rate for motor vehicles shall be the lesser of 37 mills, the mill rate set before the effective date of the Act for real property and personal property other than motor vehicles for such municipality for the assessment year commencing October 1, 2015, or a mill rate for motor vehicles set by a municipality after the effective date of the Act that is less than 37 mills. For the assessment year commencing October 1, 2016, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32 mills. Any municipality or special tax district may establish a mill rate for motor vehicles that is different from its mill rate for real property to comply with the provisions of the Act. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate (1) above 37 mills for the assessment year commencing October 1, 2015, provided in the case of a district or borough that set a mill rate before the effective date of the Act for motor vehicles that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located resulted in a combined motor vehicle mill rate of 32 mills for the assessment year commencing October 1, 2015, the mill rate on motor vehicles for any such district or borough for such assessment year shall be the lesser of (A) a mill rate for motor vehicles that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate of 37, (B) the mill rate set before the effective date of the Act for the assessment year commencing October 1, 2015, on real property and personal property other than motor vehicles for such borough or district, or (C) a mill rate for motor vehicles

set by a borough or district after the effective date of the Act that is less than 37 mills when combined with the motor vehicle mill rate of the municipality in which such district or borough is located, or (2) above 32 mills for the assessment year commencing October 1, 2016, and each assessment year thereafter. The Town's mill rate for motor vehicles for the assessment year commencing October 1, 2015 (the fiscal year ending June 30, 2017) is 26.29 mills.

Levy

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real estate and personal property taxes are billed in the following July and are due in two installments on July 1 and January 1, except motor vehicle taxes and real estate and personal property taxes under \$100 which are due in full on July 1. Motor vehicle supplemental bills are due on January 1. A modest estimate for outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on 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. Real estate accounts are transferred to suspense 15 years after the due date in accordance with State statutes.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as a deferred revenue.

Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes which are deemed to be uncollectible.

Comparative Assessed Valuations Taxable Grand List (\$ in thousands)

Grand List of 10/1	Residential	Commercial & Industrial	Other	Personal	Motor	Gross	Less	Net	Percent Change
	Real Property (%)	Real Property (%)	Real Property (%)	Property (%)	Vehicle (%)	Taxable Grand List	Exemption	Taxable Grand List	
2015	78.5	7.5	3.5	2.3	7.4	\$ 1,145,198	\$ 7,175	\$ 1,138,023	0.49
2014	78.8	7.7	3.5	2.2	7.4	1,138,861	6,350	1,132,511	0.35
2013 ¹	78.9	7.8	3.4	2.1	7.4	1,134,878	6,332	1,128,546	(8.82)
2012	79.8	7.3	4.1	1.8	6.7	1,243,995	6,231	1,237,764	0.53
2011	81.0	7.2	2.9	2.0	6.9	1,237,383	6,139	1,231,244	0.70
2010	81.2	7.3	3.0	1.9	6.6	1,229,996	7,270	1,222,726	0.73
2009	81.3	7.3	3.1	1.9	6.4	1,220,806	6,957	1,213,849	0.32
2008 ¹	81.4	7.0	3.2	1.8	6.5	1,215,956	6,022	1,209,934	15.07
2007	83.0	6.0	1.0	2.1	8.0	1,057,199	5,684	1,051,515	0.92
2006	82.8	6.1	1.0	2.1	8.1	1,046,443	4,545	1,041,898	-

¹ Revaluation.

Major Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
O&G Industries	Earth Excavation	\$ 17,506,840	1.54%
Connecticut Light & Power Co., Inc.	Utility	12,605,900	1.11%
GCO Enterprises LLC	Office Buildings	3,866,370	0.34%
Woodbury Knoll II LLC	Apartment Complex	2,771,900	0.24%
Little Portion Properties LLC	Super Market	2,622,620	0.23%
Seventy Seven Marion Avenue LLC	Apartment Complex	2,516,390	0.22%
Scott James M	Retail Commercial	2,297,820	0.20%
Aisling Meadows LLC	Residential Development	2,218,840	0.19%
Yankee Gas Service Company	Utility	2,075,870	0.18%
Hardisty Gertrude + Et Als	Retail Commercial	2,004,320	0.18%
Total.....		\$ 50,486,870	4.44%

¹ Based on October 1, 2015 Net Taxable Grand List of \$1,138,023,000.

Source: Tax Assessor, Town of Woodbury

Property Tax Levies and Collections

Fiscal Year Ending 6/30	Grand List of 10/1	Net Taxable Grand List (000s)	Mill Rate	Adjusted Annual Levy	Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/2016 ¹
2017	2015	\$1,138,023	26.29	\$ 29,792,838	IN COLLECTION PROCESS		
2016	2014	1,132,511	26.07	29,629,544	98.2%	1.8%	1.8%
2015	2013	1,128,546	25.69	29,041,986	98.3%	1.7%	1.0%
2014	2012	1,237,764	23.40	29,011,852	97.9%	2.1%	0.8%
2013 ²	2011	1,231,244	23.00	28,362,557	98.1%	1.9%	0.5%
2012	2010	1,222,726	22.46	27,479,740	98.3%	1.7%	0.4%
2011	2009	1,213,849	21.45	26,071,554	98.3%	1.7%	0.3%
2010	2008	1,209,934	21.13	25,574,256	98.5%	1.5%	0.2%
2009	2007	1,051,515	24.35	25,687,041	98.5%	1.5%	0.1%
2008 ²	2006	1,041,898	23.96	25,027,818	98.5%	1.5%	0.1%

¹ Subject to audit.

² Revaluation.

Sources: Tax Collector's Office, Town of Woodbury.

Property Taxes Receivable

Fiscal Year Ending 6/30	Current Year Levy Uncollected	Total Uncollected
2016	\$ 552,152	\$ 1,590,322
2015	475,794	1,503,617
2014	595,327	1,497,789
2013	532,428	1,258,793
2012	460,773	1,039,677

SECTION V – DEBT SECTION

Outstanding Bonded Debt Pro Forma As of November 1, 2016

Long-Term Debt			Amount of Original Issue	Outstanding After This Issue	Fiscal Year Maturity
Dated	Purpose	Rate %			
12/01/06	General Purpose	3.50-5.50	\$ 2,795,000	\$ 140,000	2017
11/15/12	General Purpose	2.00-3.00	3,110,000	2,110,000	2031
Total Outstanding.....			\$ 5,905,000	\$ 2,250,000	
<u>This Issue*</u>					
11/01/16	General Purpose	tbd	\$ 4,350,000	\$ 4,350,000	2032
11/01/16	Refunding - General Purpose	tbd	1,435,000	1,435,000	2032
Sub-Total This Issue.....			5,785,000	5,785,000	
Total.....			\$ 5,785,000	\$ 8,035,000	

* Preliminary, subject to change.

Outstanding Short-term Debt Pro Forma As of November 1, 2016

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

Overlapping Debt

The Town of Woodbury, along with the Town of Bethlehem, is a member of Regional School District Number 14 (the “District”). As of November 1, 2016, the District has no debt outstanding. However, the District has approved a \$63.8 million renovation to Nonnewaug High School. The expected net cost after State of Connecticut school grants is approximately \$37.6 million. The Town of Woodbury will be responsible for 76% of this expected debt and the Town of Bethlehem will be responsible for approximately 24%.

Underlying Debt

Woodlake Tax District, a special taxing district located within the Town, has the power to levy taxes and to issue bonds and notes. As of November 1, 2016, Woodlake Tax District has \$776,774 in debt outstanding, which constitutes underlying debt of the Town.

(The remainder of this page intentionally left blank)

**Bonded Debt Maturity Schedule
Pro Forma
As of November 1, 2016**

Fiscal Year Ended 6/30	Principal Payments	Interest Payments	Total Payments	<u>This Issue: The Bonds*</u>	<u>Total Principal</u>	Cumulative Principal Retired %
2017 ¹	\$ 140,000	\$ 27,287	\$ 167,287	\$ -	\$ 140,000	1.74%
2018	250,000	45,750	295,750	455,000	705,000	10.52%
2019	215,000	38,775	253,775	455,000	670,000	18.86%
2020	215,000	32,325	247,325	450,000	665,000	27.13%
2021	210,000	27,000	237,000	450,000	660,000	35.35%
2022	210,000	22,800	232,800	435,000	645,000	43.37%
2023	210,000	18,600	228,600	435,000	645,000	51.40%
2024	100,000	15,500	115,500	430,000	530,000	58.00%
2025	100,000	13,500	113,500	420,000	520,000	64.47%
2026	100,000	11,500	111,500	420,000	520,000	70.94%
2027	100,000	9,500	109,500	410,000	510,000	77.29%
2028	100,000	7,500	107,500	285,000	385,000	82.08%
2029	100,000	5,438	105,438	285,000	385,000	86.87%
2030	100,000	3,313	103,313	285,000	385,000	91.66%
2031	100,000	1,125	101,125	285,000	385,000	96.45%
2032	-	-	-	285,000	285,000	100.00%
Total.....	\$ 2,250,000	\$ 279,913	\$ 2,529,913	\$ 5,785,000	\$ 8,035,000	

¹ Excludes principal payments of \$250,000 and interest payments of \$28,500 made between July 1, 2016 and November 1, 2016.

* Preliminary, subject to change.

**THE TOWN OF WOODBURY HAS NEVER DEFAULTED IN THE PAYMENT OF ITS
DEBT OBLIGATIONS EITHER AS TO PRINCIPAL OR INTEREST**

(The remainder of this page intentionally left blank)

**Current Debt Statement
Pro Forma
As of November 1, 2016**

Long-Term Debt Outstanding:

General Purpose (Includes this issue)*	\$ 8,035,000
Schools.....	-
Sewer.....	-
Water.....	-
Total Long-Term Debt	8,035,000
Short-Term Debt	-
Total Direct Debt	8,035,000
Less: School Construction Grants Receivable (As of June 30, 2016)	-
Total Direct Net Debt	8,035,000
Overlapping (Regional School District #14).....	-
Underlying Debt (Woodlake Tax District).....	-
Total Overall Net Debt	\$ 8,035,000

¹ The State of Connecticut will reimburse the Town for eligible principal and interest costs over the life of bonds issued for projects authorized by the General Assembly prior to July 1, 1996. School construction grants receivable stated above are for principal reimbursement only.

**Current Debt Ratios*
Pro Forma
As of November 1, 2016**

Population ¹	9,851
Net Taxable Grand List at 70% of Full Value (10/1/15) ..	\$ 1,138,023,000
Estimated Full Value	\$ 1,625,747,143
Equalized Net Taxable Grand List (10/1/13) ²	\$ 1,610,306,026
Money Income per Capita (2013) ¹	\$ 45,856

	Total Direct Debt:	Total Overall Net Debt:
	\$8,035,000	\$8,035,000
Debt per Capita.....	\$815.65	\$815.65
Ratio to Net Taxable Grand List.....	0.71%	0.71%
Ratio to Estimated Full Value.....	0.49%	0.49%
Ratio to Equalized Grand List.....	0.50%	0.50%
Debt per Capita to Money Income per Capita.....	1.78%	1.78%

¹ American Community Survey 2010-2014

² Office of Policy and Management, State of Connecticut.

Authority to Incur Debt

The Town of Woodbury has the power to incur indebtedness as provided by the Connecticut General Statutes and the Town Charter. The issuance of bond and notes is authorized by the Town Meeting upon the recommendation of the Board of Finance and the Board of Selectmen.

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable, and the legislative body schedules principal reductions by no later than the end of the third year and for each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

* Preliminary, subject to change.

Temporary notes must be permanently funded no later than ten years from the initial borrowing date except for sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to 15 years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15th of the total amount of the notes issued by funds derived from certain sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

Limitation of Indebtedness

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

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

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

The statutes also provide for exclusion from the debt limit calculation debt issued in anticipation of taxes; for the supply of water, gas, electricity; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; and for two or more of such purposes. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement and for indebtedness issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or contract but only to the extent such indebtedness can be paid from such proceeds. The statutes also provide for exclusion from the debt limitation any debt to be paid from a funded sinking fund.

(The remainder of this page intentionally left blank)

**Statement of Statutory Debt Limitation
Pro Forma
As of November 1, 2016**

Debt Margin

Total Tax Collections (including interest and lien fees)

For the year ended June 30, 2016 ¹	\$ 29,803,829
Woodlake Tax District	1,365,060
Base for Debt Limitation Computation	\$ 31,168,889

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base	\$ 70,130,000	-	-	-	-
4 1/2 times base	-	\$ 140,260,001	-	-	-
3 3/4 times base	-	-	\$ 116,883,334	-	-
3 1/4 times base	-	-	-	\$ 101,298,889	-
3 times base	-	-	-	-	\$ 93,506,667
Total Debt Limitation	\$ 70,130,000	\$ 140,260,001	\$ 116,883,334	\$ 101,298,889	\$ 93,506,667

Indebtedness:

Bonds Outstanding	2,250,000	-	-	-	-
Bonds (This Issue)*	5,785,000	-	-	-	-
Debt Authorized But Unissued	2,983,180	-	-	-	-
Total Indebtedness	11,018,180	-	-	-	-

Less:

State School Grants Receivable ²	-	-	-	-	-
Total Net Indebtedness	11,018,180	-	-	-	-

DEBT LIMITATION IN EXCESS

OF OUTSTANDING INDEBTEDNESS	\$ 59,111,820	\$ 140,260,001	\$ 116,883,334	\$ 101,298,889	\$ 93,506,667
------------------------------------	----------------------	-----------------------	-----------------------	-----------------------	----------------------

¹ Unaudited.

² The State of Connecticut will reimburse the Town for eligible principal and interest costs over the life of bonds issued for projects authorized by the General Assembly prior to July 1, 1996. School construction grants receivable stated above are for principal reimbursement only.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$218,182,223.

**Authorized but Unissued Debt
Pro Forma
As of November 1, 2016**

Project	Aggregate Amount Authorized	Previously Bonded	Maturing Notes Due: 11/1/16	Grants Received	New Money / Paydowns Applied	This Issue: The Bonds*	Authorized but Unissued
Five-Year Capital Equipment Program	\$ 2,065,000	\$ -	\$ 1,145,000	\$ -	\$ 150,000	\$ 1,295,000	\$ 770,000
2015 Road Plan	3,605,000	-	1,690,000	-	-	1,690,000	1,915,000
Aquarion Land Purchase	2,650,000	-	-	1,500,000	1,150,000	1,150,000	-
Emergency Services Building Roof	255,000	-	-	-	215,000	215,000	40,000
Pumper Fire Truck Acq.	450,000	366,550	-	-	22,450	-	61,000
Street Sweeper Acq.	190,000	165,300	-	-	8,700	-	16,000
Town Hall Rehabilitation	850,000	427,500	-	-	241,320	-	181,180
Refunding Bonds ¹	2,000,000	-	-	-	1,435,000	1,435,000	-
Total	\$ 12,065,000	\$ 959,350	\$ 2,835,000	\$ 1,500,000	\$ 3,222,470	\$ 5,785,000	\$ 2,983,180

¹ Unaudited. Upon the issuance of the Bonds, the authorized but unissued balance of the Refunding Bonds will be reduced to \$0.

* Preliminary, subject to change.

**Principal Amount of Outstanding General Fund Debt
Last Five Fiscal Years Ending June 30**

Fiscal Year Ended 6/30	Net Assessed Value (000s)	Estimated Full Value ¹ (000s)	Net Long-Term Debt ² (000s)	Ratio of Net Long-Term Debt to Assessed Value (%)	Ratio of Net Long-Term Debt to Estimated Full Value (%)	Population ³	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income ⁴ (%)
2015	\$ 1,128,546	\$ 1,612,209	\$ 4,285	0.38%	0.27%	9,851	\$ 434.98	0.95%
2014	1,237,764	1,768,234	4,675	0.38%	0.26%	9,851	474.57	1.03%
2013	1,231,244	1,758,920	5,145	0.42%	0.29%	9,851	522.28	1.14%
2012	1,222,726	1,746,751	2,255	0.18%	0.13%	9,851	228.91	0.50%
2011	1,213,849	1,734,070	2,480	0.20%	0.14%	9,851	251.75	0.55%

¹ Assessment Ratio: 70%.

² Long-Term debt less school building construction grants receivable.

³ U.S. Department of Commerce, Bureau of Census, American Community Survey 2010-2014.

⁴ Money Income per Capita: American Community Survey 2010-2014 data: \$45,856 used for all calculations.

**Ratios of Annual Long-Term General Fund Debt Service Expenditures
To Total General Fund Expenditures**

Fiscal Year Ended 6/30	Total Debt Service	Total General Fund Expenditures ¹	Ratio of General Fund Debt Service To Total General Fund Expenditures
2016	\$ 814,250	\$ 31,698,133	2.57%
2015	528,750	30,915,371	1.71%
2014	643,960	31,246,280	2.06%
2013	389,053	29,995,412	1.30%
2012	339,015	28,960,378	1.17%
2011	384,647	27,933,075	1.38%
2010	341,068	27,793,516	1.23%

¹ GAAP basis of accounting. Includes Transfers out.

Source: Annual Audited Financial Statements.

SECTION VI – FINANCIAL SECTION

Basis of Accounting

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999, GASB issued Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.” The statement established a new reporting model for governments that is substantially different from prior reporting standards. The government-wide financial statements report information on all of the non-fiduciary activities of the Town. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds.

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The Town has established separate funds for governmental functions under General Fund, Special Revenue Funds, and Capital Projects Funds. The Town’s accounting records for Governmental Funds follow the modified accrual basis of accounting; that is, revenues are recognized in the accounting period in which they become both measurable and available to finance operations of the fiscal period. The major source of revenue that is recognized under the modified accrual basis are funds received from the State of Connecticut and the Federal government. Expenditures are recognized in the accounting period in which the fund liability is incurred. The accrual basis of accounting is used for Agency and Pension Trust Funds. Revenues are recognized when earned and expenses are recognized when incurred. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

See “Notes to Financial Statements” in Appendix A herein for more information.

Budget Procedure

On or before January 15 in each year, each officer and the head of each office, board or commission of the Town that is supported wholly or in part from Town funds, except the Regional School District Number 14 (the “District”), shall file with the Board of Selectmen a proposed budget for that office, board or commission, inclusive of capital items, for the next fiscal year. The Board of Selectmen review and approve individually the proposed budgets submitted by Town supported offices, boards and commissions. Upon completion of their review and approval of the entire budget, the Board of Selectmen present their recommended operating and capital budget (for capital items not paid through bonds or other borrowing) for the next fiscal year to the Board of Finance. The Board of Finance may increase or decrease any line item in the proposed budget.

At least three weeks prior to the Annual Budget Meeting the Board of Finance holds a public hearing on the proposed Annual Budget at which any elector or taxpayer has the opportunity to be heard regarding the appropriations proposed for the next year. After such public hearing the Board of Finance makes changes in the proposed Annual Budget as it deems appropriate and prepares a final proposed annual budget for submission to the Annual Budget Meeting. Within ten days following approval of the Annual Budget, the Board of Finance meets and establishes the tax rate on the taxable property of the Town for the next fiscal year taking into consideration historical collection rates, efforts to collect delinquent taxes, if any, and the appropriate level of undesignated surplus except as provided in Section 12-123 of the General Statutes.

The Annual Budget Meeting has the power, by majority vote of those present, eligible to vote and voting, to decrease or delete any appropriation in the Proposed Budget in full or in part by line item. The Annual Budget Meeting has the power, by a two-thirds vote of those present, eligible to vote and voting, to increase, by line item, any appropriation recommended by the Board of Finance and/or make an appropriation for any public purpose for which no appropriation was recommended in the budget by said Board. In the event that, at the time of the Annual Budget Meeting the District budget has not been approved, the Annual Budget Meeting shall have the power to act upon the Annual Budget with the exception of the portion of the budget attributable to the Town’s share of the District budget (the “Annual Municipal Budget”). The amount of the Town’s share of the District budget shall, when it is determined, be added to the Annual Municipal Budget to establish the Annual Budget.

The Annual Budget meeting adjourns for not less than seven days or more than ten days, at which time the Annual Budget, as revised at the Annual Budget Meeting is submitted to vote by voting machine for approval.

Appropriate notice is required to be given of the place, date and time of the adjourned Annual Budget Meeting. This procedure is repeated as necessary until an annual budget has been approved for the next fiscal year.

Section 207 of Public Act No. 15-244 (Jan. 2015 Reg. Sess.), as amended by Section 42 of Public Act No. 16-2 (May 2016 Spec. Sess.) and Section 189(h) of Public Act No. 16-3 (May 2016 Spec. Sess.), of the Connecticut General Assembly (the “Act”) created 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 Act. For each applicable fiscal year, OPM must determine the municipality’s percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase to 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 Act and if so the amount by which the cap was exceeded. For the fiscal year ending June 30, 2018, 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 32 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 32 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 commencing October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 25.69 mills.

Annual Audit

The Town of Woodbury, pursuant to local ordinance and provisions of the Connecticut General Statutes, is required to undergo an annual audit by an independent public accountant. The auditor is required to conduct the audit under the guidelines outlined by the State of Connecticut, Office of Policy and Management, which also receives a copy of the audit report. For the fiscal year ended June 30, 2015, the financial statements of the various funds of the Town were audited by Cohn Reznick LLP, Certified Public Accountants.

Risk Management

The Town is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; and natural disasters, for which it purchases commercial insurance. Settled claims have not exceeded insurance in any of the past three years, and there have been no significant reductions in insurance coverage from amounts held the prior year.

Compensated Absences

Employees are paid by a prescribed formula for absences due to vacation or sickness. The obligation for vacation pay vests when earned. Sick leave and vacation expenditures are recognized in the fund financial statements in the current year to the extent they are paid during the year or expected to be paid with available resources. The liability for the remainder of the accrued vacation earned is reported in the government-wide statements.

Pensions

The Town of Woodbury administers a single-employer contributory defined benefit pension plan for all eligible elected and appointed officials and full-time employees who meet certain age and length of service requirements. The Town’s policy is to fund its pension contribution at actuarially determined rates sufficient to accumulate assets needed to pay benefits when due. Employees are required to contribute 2% of their compensation. Costs of administering the plan are paid by the earnings of the Pension Trust Fund. Based on a valuation as of July 1, 2016, the actuarial value of assets available for benefits was \$6,547,246, and the actuarial accrued liability was \$10,469,052. The funded ratio was 62.54%.

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Percentage Funded	Covered Payroll	Contribution as a % of Covered Payroll
2017 ¹	\$ 596,038	\$ 575,000	\$ 21,038	103.7%	N/A	N/A
2016 ²	538,868	469,632	69,236	114.7%	\$2,785,050	2.5%
2015	397,969	397,969	-	100.0%	2,506,767	15.9%
2014	397,969	400,000	(2,031)	99.5%	2,365,952	16.9%
2013	351,584	400,000	(48,416)	87.9%	2,204,601	18.1%
2012	329,048	325,248	3,800	101.2%	2,417,030	13.5%
2011	325,248	325,248	-	100.0%	2,535,079	12.8%
2010	353,220	353,220	-	100.0%	2,491,718	14.2%
2009	276,203	250,000	26,203	110.5%	2,045,941	12.2%
2008	232,572	301,359	(68,787)	77.2%	2,221,770	13.6%

¹ Budgeted.

² Subject to audit.

The July 1, 2016 actuarial valuations were prepared using the following actuarial assumptions, among others:

Inflation	1.625%
Salary Increase	3.25% , including inflation
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation
Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar

The following presents the net pension liability, calculated using the discount rate of 7.25% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) of 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
Net pension liability	\$6,825,615	\$5,539,408	\$4,445,936

Other Post-Employment Benefits (OPEB)

The Town has established and provides post-employment health care benefits for retired employees for which the Town pays 75–100% of the premium cost for the retirees, depending on date of hire and department. Health care benefits for retirees' spouses may be continued at the retirees' sole cost.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/2009	\$ -	\$ 1,051,206	\$ (1,051,206)	0.0%	N/A	0.0%
7/1/2011	-	1,445,723	(1,445,723)	0.0%	N/A	0.0%
7/1/2013	-	5,175,133	(5,175,133)	0.0%	\$2,198,986	0.0%
7/1/2014	-	5,199,233	(5,199,233)	0.0%	2,110,953	0.0%
7/1/2015	-	5,654,730	(5,654,730)	0.0%	2,474,105	0.0%
7/1/2016	-	6,846,302	(6,846,302)	0.0%	2,601,825	0.0%

<i>Fiscal Year</i> <i>Ended 6/30</i>	<i>Annual Required Contributions</i>	<i>Actual Contributions</i>	<i>Percentage Contributed</i>
2010	\$ 140,432	\$ 99,447	70.8%
2011	145,250	96,478	66.4%
2012	187,805	116,471	62.0%
2013	187,508	161,304	86.0%
2014	500,831	176,441	35.2%
2015	490,706	167,680	34.2%
2016 ¹	482,784	180,292	37.3%
2017 ²	587,220	193,793	33.0%

¹ Subject to audit.

² Budgeted.

Investment Practices

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in, among other things, obligations of the United States and its agencies, highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated investment companies (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. The statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut STIF. 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 does not specify permitted investments. Therefore, the laws applicable to fiduciaries and the provisions of the applicable plan generally control investment of such funds.

The Town does not have a formal investment policy that limits investment maturities as a means of managing interest rate risk, nor does it have a policy that limits investment choices other than those specified by State statutes above.

(The remainder of this page intentionally left blank)

Comparative Balance Sheets – General Fund

	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011
Assets					
Cash and cash equivalents	\$ 4,102,613	\$ 4,383,033	\$ 4,327,200	\$ 3,656,928	\$ 3,553,717
Investments	703,849	11,637	689,343	448,824	-
Restricted Investments	270,681	-	-	-	-
Due from other funds	53,691	-	-	45,637	71,887
Receivables:					
Property taxes	1,523,356	1,504,840	1,260,768	1,040,993	1,147,791
Intergovernmental	369,787	178,379	36,596	169,556	33,608
Other	90,771	46,498	30,098	36,293	19,758
Total assets	7,114,748	6,124,387	6,344,005	5,398,231	4,826,761
Liabilities and Fund Balances					
Accounts payable	350,317	155,098	295,370	110,811	190,051
Accrued payroll	56,739	36,000	36,000	36,000	-
Due to other funds	732,147	856,511	1,294,355	945,251	953,227
Unearned revenue	338,963	162,535	-	31,889	-
Performance bonds	270,680	85,935	104,060	266,170	-
Other	-	-	-	-	138,527
Deferred revenue	1,427,262	1,383,468	1,177,982	979,581	1,051,109
Total liabilities	3,176,108	2,679,547	2,907,767	2,369,702	2,332,914
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	559,943	356,733	396,737	457,203	37,904
Unassigned	3,378,697	3,088,107	3,039,501	2,571,326	2,455,943
Total fund balance	3,938,640	3,444,840	3,436,238	3,028,529	2,493,847
Total liabilities and fund balance	\$ 7,114,748	\$ 6,124,387	\$ 6,344,005	\$ 5,398,231	\$ 4,826,761
Analysis of General Fund Balance					
Operating revenues	\$ 31,352,868	\$31,067,032	\$30,446,285	\$29,490,009	\$27,823,632
Fund balance as a percent of					
operating revenues	12.56%	11.09%	11.29%	10.27%	8.96%
Unassigned fund balance as					
a percent of operating revenues	10.78%	9.94%	9.98%	8.72%	8.83%

General Fund Revenues and Expenditures
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis)
and Current Year Budget (Budgetary Basis)

	Adopted Budget ¹ 6/30/2017	Estimated Actual ¹ 6/30/2016	Actual 6/30/2015	Actual 6/30/2014	Actual 6/30/2013	Actual 6/30/2012
Revenues:						
Property taxes	\$ 29,579,518	\$ 29,803,829	\$ 29,274,806	\$ 29,053,641	\$ 28,368,663	\$ 27,646,132
Intergovernmental revenues	1,644,627	1,535,986	1,400,020	1,412,375	1,371,945	1,317,658
Charges for services.....	522,250	628,640	605,711	539,465	614,494	395,103
Investment income	29,000	25,246	20,581	16,612	35,661	55,374
Other revenue	337,100	53,777	51,750	44,939	55,522	75,742
Total.....	\$ 32,112,495	\$ 32,047,478	\$ 31,352,868	\$ 31,067,032	\$ 30,446,285	\$ 29,490,009
Expenditures:						
General Government	\$ 1,692,103	\$ 1,605,962	\$ 1,563,575	\$ 1,597,851	\$ 1,618,255	\$ 1,522,060
Public Safety	1,756,687	1,643,794	1,639,089	1,568,766	1,523,370	1,471,496
Public Works	1,882,027	1,814,725	1,750,677	1,780,948	1,619,920	1,774,346
Health and Welfare	117,995	116,142	114,942	111,964	109,359	105,626
Parks and Recreation	400,314	374,523	354,777	362,729	379,859	263,648
Library.....	632,202	627,813	605,679	608,589	639,190	612,805
Education	22,533,205	22,479,871	22,021,433	22,010,784	20,965,425	20,480,193
Fringe Benefits	1,940,700	1,886,907	1,911,762	1,954,592	1,914,413	1,660,646
Other	193,638	162,772	143,636	194,933	150,784	186,387
Debt Service	814,250	814,250	528,750	643,960	389,053	339,015
Capital Outlay	171,374	171,374	281,051	411,164	685,784	544,156
Total.....	\$ 32,134,495	\$ 31,698,133	\$ 30,915,371	\$ 31,246,280	\$ 29,995,412	\$ 28,960,378
Excess (Deficiency) of Revenues Over Expenditures.....						
	\$ (22,000)	\$ 349,345	\$ 437,497	\$ (179,248)	\$ 450,873	\$ 529,631
Other financing sources (uses):						
Operating transfers in	\$ 22,000	\$ 22,000	\$ 65,123	\$ 200,205	\$ -	\$ 31,960
Bond Proceeds.....	-	-	-	-	-	-
Sale of town property	-	-	4,000	2,880	-	-
Capital Lease Proceeds	-	-	-	-	-	-
Operating transfers out	-	-	(12,820)	(15,235)	(43,164)	(26,909)
Total Other financing sources (uses).....	\$ 22,000	\$ 22,000	\$ 56,303	\$ 187,850	\$ (43,164)	\$ 5,051
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures and other financing uses.....						
	\$ -	\$ 371,345	\$ 493,800	\$ 8,602	\$ 407,709	\$ 534,682
Fund Balance, Beginning of Year.....	4,309,985	3,938,640	3,444,840	3,436,238	3,028,529	2,493,847
Fund Balance, End of Year.....	\$ 4,309,985	\$ 4,309,985	\$ 3,938,640	\$ 3,444,840	\$ 3,436,238	\$ 3,028,529

¹ Budgetary Basis of accounting. Subject to audit. No assurances can be given that subsequent projections and the final result of operations will not change.

² The beginning fund balance of the General Fund was increased \$19,645 to include fund balance assigned for police private duty that was previously included in nonmajor special revenue fund balance.

SECTION VII – ADDITIONAL INFORMATION

Legal Matters

Day Pitney LLP, of Hartford, Connecticut, is serving as Bond Counsel with respect to the authorization and issuance of the Bonds and will render its opinion in substantially the form attached hereto as Appendix B.

Litigation

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

Transcript and Closing Documents

The following documents will be furnished when the Bonds are delivered:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town, signed by the First Selectman and the Treasurer / Chief Fiscal Officer, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that the description and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.
4. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C.
5. The approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut.
6. A copy of the executed Escrow Agreement for the Refunding Bonds.
7. Within seven business days after the bid opening, the Town will furnish the original purchaser of the Bonds 50 copies of the Official Statement as prepared by the Town. Additional copies may be obtained by the original purchaser at its own expense by arrangement with the printer. If the Town's financial advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriters, and the name of the insurer, if any, of the Bonds.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the principal office of U.S. Bank National Association in Hartford, Connecticut, and may be examined upon reasonable request and notice.

Concluding Statement

This Official Statement is submitted only in connection with the sale of the Bonds by the Town, and may not be reproduced or used in whole or in part for any other purpose.

The following officials, in their capacity as officers of the Town, and in the name and on behalf of the Town, do hereby certify in connection with this issue that they have examined this Official Statement, and to the best of their knowledge and belief, the description and statements relating to the Town and its finances were true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

TOWN OF WOODBURY, CONNECTICUT

By: _____

William J. Butterly, *First Selectman*

By: _____

Manuel I. Gomes, *Treasurer / Chief Fiscal Officer*

Dated as of October __, 2016

Appendix A

2015 Financial Statements Excerpted from the Town's Comprehensive Annual Financial Report

The following includes the General Purpose Financial Statements of the Town of Woodbury, Connecticut for the fiscal year ended June 30, 2015. The supplemental data that was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Barry J. Bernabe, Managing Director, Phoenix Advisors, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 283-1110.

Independent Auditor's Report

Board of Finance
Town of Woodbury, 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 Woodbury, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Woodbury, Connecticut, as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and other post-employment benefit schedules on pages 6 through 13 and pages 50 through 55, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Woodbury, Connecticut's basic financial statements. The introductory section, supplemental schedules and trend information section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

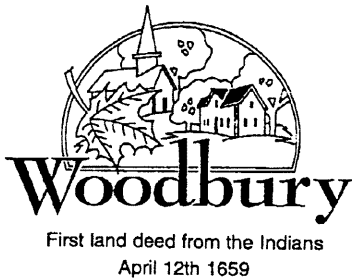
In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2015, on our consideration of the Town of Woodbury, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Woodbury, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cohn Reznick LLP". The signature is written in a cursive, flowing style.

Hartford, Connecticut
November 9, 2015

TOWN OF WOODBURY

281 Main Street South
Woodbury, Connecticut 06798



TELEPHONE: (203) 263-2141
FAX: (203) 263-4755

Management's Discussion and Analysis Year Ended June 30, 2015

As management of the Town of Woodbury, we offer readers of the Town of Woodbury's financial statements this narrative overview and analysis of the financial activities of the Town of Woodbury for the fiscal year ended June 30, 2015.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$18,307,375 (*net position*). Of this amount, \$396,436 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$86,857. The increase is due substantially to a large road donation during the fiscal year offset by increased expenses for other post-employment benefits (OPEB) and pension.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,825,076, an increase of \$437,317 in comparison with the prior year. This increase is a result of positive operations in the general fund. \$2,456,089 of the total fund balance is nonspendable, restricted, committed or assigned, leaving an *unassigned fund balance* in the amount of \$3,368,987.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,378,697, an increase of \$290,590 in comparison with the prior year. This represents 10.7% of total budgetary general fund expenditures and transfers out.
- During the fiscal year, the Town implemented GASB 68 related to pensions. GASB 68 required that the net pension liability be recorded on the government-wide financial statements. The result of implementing GASB 68 was a prior period adjustment as of July 1, 2014 to record the net pension liability of \$4,331,395. The current year pension expense was \$807,931 and the net pension liability at June 30, 2015 was \$5,539,408.

Overview of the Basic Financial Statements

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

Government-wide financial statements. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The *statement of net position* and *statement of activities* report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when the cash is received or paid.

Management's Discussion and Analysis (continued)

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

You will need to consider other nonfinancial factors; however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, public works, health and welfare, parks and recreation, library and education.

Fund financial statements. The fund financial statements provide detailed information about the most significant funds, not the Town as a whole. The Town establishes funds to help it maintain control and manage money that have been segregated for specific activities or objectives. Funds are also established to ensure and demonstrate compliance with finance related legal requirements for using certain grants. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

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

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

The Town maintains 14 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and bonded projects fund, both of which are considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in Schedules 4 and 5 of this report.

The Town adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary funds. The Town is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that, because of a trust agreement, 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 (Exhibits G and H). We exclude these activities 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.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining statements and schedules can be found in Schedules 4 and 5 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. The Town's combined net position increased by less than 0.5% from a year ago – increasing from \$18,220,518 to \$18,307,375 (after the restatement for the net pension liability).

By far the largest portion of net position (89.7%) of the Town reflects its investment in capital assets (e.g., land, construction in progress, buildings and improvements, machinery, equipment and vehicles and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary Statement of Net Position
June 30, 2015 and 2014

	2015	2014 (as restated)
Current and other assets	\$ 8,820,081	\$ 7,698,915
Capital assets (net)	<u>20,895,027</u>	<u>20,966,098</u>
Total assets	<u>29,715,108</u>	<u>28,665,013</u>
Deferred outflows of resources	<u>798,051</u>	
Other liabilities outstanding	1,538,586	931,651
Long-term liabilities outstanding	<u>10,667,198</u>	<u>9,512,844</u>
Total liabilities	<u>12,205,784</u>	<u>10,444,495</u>
Net position:		
Net investment in capital assets	16,416,427	16,131,638
Restricted	1,494,512	1,444,133
Unrestricted	<u>396,436</u>	<u>644,747</u>
Total net position	<u><u>\$ 18,307,375</u></u>	<u><u>\$ 18,220,518</u></u>

A portion of the Town's net position (8.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (2.2%) may be used to meet the Town's ongoing obligations to citizens and creditors.

Governmental activities. Governmental activities increased the Town's net position by \$86,857. Key elements of this decrease are as follows:

**Statement of Changes in Net Position
Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,339,364	\$ 865,637
Operating grants and contributions	1,426,779	1,520,212
Capital grants and contributions	761,018	48,705
General revenues:		
Property taxes	29,381,524	29,375,439
Grants and contributions not restricted to specific programs	29,137	6,536
Investment income	55,405	67,798
Miscellaneous	<u>51,750</u>	<u>44,939</u>
Total revenues	<u>33,044,977</u>	<u>31,929,266</u>
Expenses:		
General government	2,407,275	2,365,409
Public safety	3,206,307	2,880,776
Public works	3,376,459	3,373,155
Health and welfare	253,856	232,656
Parks and recreation	542,045	500,201
Library	878,248	883,742
Education	22,021,433	22,010,784
Interest expense	128,861	143,057
Other	<u>143,636</u>	<u>194,933</u>
Total expenses	<u>32,958,120</u>	<u>32,584,713</u>
Change in net position	86,857	(655,447)
Net position - July 1 (as restated)	18,220,518	23,407,850
Restatement for net pension liability	<u>-</u>	<u>(4,531,885)</u>
Net position - June 30	<u>\$ 18,307,375</u>	<u>\$ 18,220,518</u>

- The \$712,313 increase in capital grants and contributions was substantially due to a road donated to the Town in the current year.
- The \$473,727 increase in charges for services was substantially due to increased revenue from police private duty as a result of various road and other projects during the year.

- Public safety expenses increased by \$325,531, which is substantially due to the increase in police salary costs related to increased hours for police private duty work. See above, this expense is offset by increase in revenues.

Financial Analysis of the Town's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,825,076. \$2,456,089 is not available for new spending because it has already been classified as 1) nonspendable as endowments of the permanent trust funds (\$323,045), 2) restricted (\$1,171,467), 3) committed (\$401,634) and 4) assigned (\$559,943).

The total fund balance increased by \$437,317 to \$5,825,076. This increase is substantially due to positive operations in the general fund.

The general fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,378,697. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 10.7% of total general fund budgetary expenditures and transfers out.

The increase in the other governmental funds' fund balance for the fiscal year was largely due to the increase in charges for services related to police private duty.

Bonded Projects Fund. This fund accounts for financial resources to be used for bond funded capital projects. The bonded projects fund had capital outlay expenditures of \$237,673, which were largely for telecommunications system installed during current year. These expenditures had been funded in the prior year.

General Fund Budgetary Highlights

There was \$38,540 of additional appropriations as of June 30, 2015 funded by transfers in from permanent funds for road surveys.

There were budget transfers out from fringe benefits and contingency of \$50,327 and \$80,000, respectively. These budget transfers were used to fund items such as legal, police, and snow removal.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets as of June 30, 2015 amounts to \$20,895,027 (net of accumulated depreciation). This investment in capital assets includes land, collections, buildings and improvements, machinery, equipment and vehicles, infrastructure and construction in progress. The total decrease in the Town's investment in capital assets for the current fiscal year was \$71,071 (0.3%). This decrease is due to depreciation of assets for the fiscal year offset by capital assets acquisitions during the year. Only those assets which cost \$5,000 or more with a useful life exceeding two years are capitalized. Assets costing less than \$5,000 are expensed.

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

- Acceptance of donated road (\$527,605 placed in service)
- Completion of telecommunications/telephone project (\$252,572 placed in service)
- Sale of 2 vehicles and 2 pieces of equipment with an original cost of \$83,590 with a loss on disposal of \$17,080

**Capital Assets
(Net of Accumulated Depreciation)**

	<u>2015</u>	<u>2014</u>
Land	\$ 5,783,350	\$ 5,783,350
Construction in progress	64,966	72,215
Collections	33,900	33,900
Buildings and improvements	6,771,023	6,986,473
Machinery, equipment and vehicles	3,826,762	3,814,568
Infrastructure	<u>4,415,026</u>	<u>4,275,592</u>
Total	<u>\$ 20,895,027</u>	<u>\$ 20,966,098</u>

Additional information on the Town's capital assets can be found in Note III. C.

Management's Discussion and Analysis (continued)

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$4,285,000. The Town did not issue any bonds or BANs during the year. All debt is backed by the full faith and credit of the Town.

Outstanding Debt Long - Term Obligations

	<u>2015</u>	<u>2014</u>
General obligation bonds	<u>\$ 4,285,000</u>	<u>\$ 4,675,000</u>

The Town maintains an "Aa2" rating from Moody's Investor Service.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including tax collections from Woodlake Tax District. The current debt limitation for the Town is \$213,531,654, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note III. E.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the State is currently 5.5%, which is a decrease from a rate of 6.6% a year ago. This is higher than the national average of 5.2%. The Town's inflation rate was 4.1%.
- Inflationary trends in the region compare favorably to national indices.
- Connecticut's economy continues to lag behind the national economy which has affected the amount of intergovernmental revenues the Town will receive in fiscal year 2016 and thereafter.

All of these factors were considered in preparing the Town's budget for the 2016 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fiscal Office, Town of Woodbury, 281 Main Street South, Woodbury, CT 06798.

Basic Financial Statements

Town of Woodbury, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2015

Assets

Current assets:

Cash	\$ 4,418,968
Investments	829,085
Receivables (net):	
Property taxes	663,858
Intergovernmental	369,787
Other	90,771
	<hr/>
Total current assets	6,372,469

Noncurrent assets:

Restricted assets:

Temporarily restricted:

Investments	714,025
-------------	---------

Permanently restricted:

Investments	323,045
-------------	---------

Total restricted assets	<hr/> 1,037,070
-------------------------	-----------------

Receivables (net):

Property taxes	<hr/> 1,410,542
----------------	-----------------

Capital assets (net of accumulated depreciation):

Land	5,783,350
Construction in progress	64,966
Collections	33,900
Buildings and improvements	6,771,023
Machinery, equipment and vehicles	3,826,762
Infrastructure	4,415,026

Total capital assets (net of accumulated depreciation)	<hr/> 20,895,027
--	------------------

Total noncurrent assets	<hr/> 23,342,639
-------------------------	------------------

Total assets	<hr/> 29,715,108
--------------	------------------

Deferred outflows of resources

Deferred outflows related to pension	<hr/> 798,051
--------------------------------------	---------------

(Continued)

Town of Woodbury, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2015

Liabilities

Liabilities:

Current liabilities:

Accounts payable	\$ 350,317
Accrued payroll	56,739
Accrued interest payable	29,260
Performance bonds	270,680
Unearned revenue	338,963
Bonds and notes payable	390,000
Capital leases payable	50,953
Compensated absences	51,674
	<hr/>
Total current liabilities	1,538,586

Noncurrent liabilities:

Bonds, notes and related liability	4,006,350
Capital leases payable	31,297
Compensated absences	206,697
Net pension liability	5,539,408
Net OPEB obligation	883,446
	<hr/>
Total noncurrent liabilities	10,667,198

Total liabilities	<hr/> 12,205,784 <hr/>
-------------------	------------------------

Net Position

Net investment in capital assets	16,416,427
Restricted for:	
Endowments:	
Nonexpendable	323,045
Expendable	443,344
General government	6,005
Public safety	68,140
Public works	454,150
Health and welfare	13,960
Parks and recreation	36,964
Library	148,904
Unrestricted	396,436
	<hr/>
Total net position	\$ 18,307,375

(Concluded)

See Notes to Financial Statements.

Exhibit B

Town of Woodbury, Connecticut

Statement of Activities
Governmental Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net Expenses and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
General government	\$ 2,407,275	\$ 367,170	\$ 76,770	\$ -	\$ (1,963,335)
Public safety	3,206,307	601,115	8,259	-	(2,596,933)
Public works	3,376,459	150,561	354,315	761,018	(2,110,565)
Health and welfare	253,856	25,535	13,800	-	(214,521)
Parks and recreation	542,045	187,251	20,618	-	(334,176)
Library	878,248	7,732	10,091	-	(860,425)
Education	22,021,433	-	942,926	-	(21,078,507)
Interest expense	128,861	-	-	-	(128,861)
Other	143,636	-	-	-	(143,636)
Total	<u>\$ 32,958,120</u>	<u>\$ 1,339,364</u>	<u>\$ 1,426,779</u>	<u>\$ 761,018</u>	<u>\$ (29,430,959)</u>
General revenues:					
Property taxes					\$ 29,381,524
Grants and contributions not restricted to specific programs					29,137
Investment income					55,405
Miscellaneous					<u>51,750</u>
Total general revenues					<u>29,517,816</u>
Change in net position					86,857
Net position - July 1, 2014 (as restated)					<u>18,220,518</u>
Net position - June 30, 2015					<u>\$ 18,307,375</u>

See Notes to Financial Statements.

Town of Woodbury, Connecticut

Balance Sheet
Governmental Funds
June 30, 2015

	General	Bonded Projects	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash	\$ 4,102,613	\$ -	\$ 316,355	\$ 4,418,968
Investments	703,849	-	891,625	1,595,474
Restricted investments	270,681	-	-	270,681
Due from other funds	53,691	6,791	728,087	788,569
Receivables:				
Property taxes	1,523,356	-	-	1,523,356
Intergovernmental	369,787	-	-	369,787
Other	90,771	-	-	90,771
Total assets	<u>\$ 7,114,748</u>	<u>\$ 6,791</u>	<u>\$ 1,936,067</u>	<u>\$ 9,057,606</u>
<u>Liabilities</u>				
Accounts payable	\$ 350,317	\$ -	\$ -	\$ 350,317
Accrued payroll	56,739	-	-	56,739
Due to other funds	732,147	15,151	41,271	788,569
Unearned revenue	338,963	-	-	338,963
Performance bonds	270,680	-	-	270,680
Total liabilities	<u>1,748,846</u>	<u>15,151</u>	<u>41,271</u>	<u>1,805,268</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	<u>1,427,262</u>	<u>-</u>	<u>-</u>	<u>1,427,262</u>
<u>Fund Balances</u>				
Nonspendable	-	-	323,045	323,045
Restricted	-	-	1,171,467	1,171,467
Committed	-	-	401,634	401,634
Assigned	559,943	-	-	559,943
Unassigned	3,378,697	(8,360)	(1,350)	3,368,987
Total fund balances	<u>3,938,640</u>	<u>(8,360)</u>	<u>1,894,796</u>	<u>5,825,076</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,114,748</u>	<u>\$ 6,791</u>	<u>\$ 1,936,067</u>	<u>\$ 9,057,606</u>

(Continued)

Town of Woodbury, Connecticut

Reconciliation of Fund Balance
to Net Position of Governmental Activities
June 30, 2015

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

Total fund balance (Exhibit C, Page 1)	\$ 5,825,076
--	--------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets	20,966,098
Current year additions (net of construction in progress)	1,103,208
Depreciation expense	(1,153,199)
Disposal of assets	(21,080)

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

Property tax interest and lien accrual	688,044
Property tax - accrual basis change	1,427,262
Allowance for doubtful accounts	(137,000)
Deferred outflows related to pension	798,051

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

Bonds, notes and related liability	(4,396,350)
Capital leases	(82,250)
Compensated absences	(258,371)
Net pension liability	(5,539,408)
Net OPEB obligations	(883,446)
Accrued interest payable	(29,260)

Net position of governmental activities	<u>\$ 18,307,375</u>
---	----------------------

(Concluded)

Town of Woodbury, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015

	<u>General</u>	<u>Bonded Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 29,274,806	\$ -	\$ -	\$ 29,274,806
Intergovernmental	1,400,020	31,807	214,413	1,646,240
Charges for services	605,711	-	733,653	1,339,364
Contributions	-	-	43,089	43,089
Income from investments	20,581	584	15,641	36,806
Net change in fair value of investments	-	-	18,599	18,599
Other	51,750	-	-	51,750
Total revenues	<u>31,352,868</u>	<u>32,391</u>	<u>1,025,395</u>	<u>32,410,654</u>
Expenditures:				
Current:				
General government	1,563,575	-	151,958	1,715,533
Public safety	1,639,089	-	380,183	2,019,272
Public works	1,750,677	-	1,467	1,752,144
Health and welfare	114,942	-	26,065	141,007
Parks and recreation	354,777	-	28,745	383,522
Library	605,679	-	8,191	613,870
Education	22,021,433	-	-	22,021,433
Fringe benefits	1,911,762	-	-	1,911,762
Other	143,636	-	-	143,636
Debt service	528,750	-	-	528,750
Capital outlay	281,051	237,673	322,710	841,434
Total expenditures	<u>30,915,371</u>	<u>237,673</u>	<u>919,319</u>	<u>32,072,363</u>
Excess (deficiency) of revenues over expenditures	<u>437,497</u>	<u>(205,282)</u>	<u>106,076</u>	<u>338,291</u>
Other financing sources (uses):				
Sale of town property	4,000	-	-	4,000
Capital leases	-	-	95,026	95,026
Transfers in	65,123	-	12,820	77,943
Transfers out	(12,820)	(3,826)	(61,297)	(77,943)
Net other financing sources (uses)	<u>56,303</u>	<u>(3,826)</u>	<u>46,549</u>	<u>99,026</u>
Net change in fund balances	493,800	(209,108)	152,625	437,317
Fund balances - July 1, 2014	<u>3,444,840</u>	<u>200,748</u>	<u>1,742,171</u>	<u>5,387,759</u>
Fund balances - June 30, 2015	<u>\$ 3,938,640</u>	<u>\$ (8,360)</u>	<u>\$ 1,894,796</u>	<u>\$ 5,825,076</u>

See Notes to Financial Statements.

Town of Woodbury, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to Statement of Activities
Year Ended June 30, 2015

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

Net change in fund balances - total governmental funds (Exhibit D)	\$ 437,317
--	------------

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	575,603
Depreciation expense	<u>(1,153,199)</u>
Total	<u>(577,596)</u>

The net effect of various miscellaneous transactions involving capital assets (i. e., sales, trade-ins and donations) is to increase net position. In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

Loss on disposal of assets	(21,080)
Capital asset donations	<u>527,605</u>
Total	<u>506,525</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in property tax - accrual basis change	43,794
Change in property tax interest and lien revenue	96,424
Change in property tax interest and lien allowance for doubtful accounts	<u>(33,500)</u>
Total	<u>106,718</u>

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:

Debt incurred:	
Capital leases	(95,026)
Principal repayments:	
General obligation bonds	390,000
Capital leases	<u>54,336</u>
Total	<u>349,310</u>

(Continued)

Town of Woodbury, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to Statement of Activities
Year Ended June 30, 2015**

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:

Bond premium	\$ 6,550
Compensated absences	(12,318)
Pension expense	(409,962)
Net OPEB obligation	(323,026)
Accrued interest payable	<u>3,339</u>
Total	<u>(735,417)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 86,857</u>
	(Concluded)

Town of Woodbury, Connecticut

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property taxes	\$ 29,083,381	\$ 29,083,381	\$ 29,274,806	\$ 191,425
Intergovernmental revenues	1,429,748	1,429,748	1,400,020	(29,728)
Charges for services	523,940	523,940	605,711	81,771
Income from investments	44,000	44,000	20,581	(23,419)
Other	35,000	35,000	51,750	16,750
Total revenues	31,116,069	31,116,069	31,352,868	236,799
Expenditures:				
Current:				
General government	1,606,771	1,677,081	1,594,238	82,843
Public safety	1,659,143	1,664,554	1,622,115	42,439
Public works	1,755,759	1,930,705	1,859,764	70,941
Health and welfare	114,398	115,893	115,066	827
Parks and recreation	408,182	405,430	351,393	54,037
Library	640,189	632,142	607,616	24,526
Education	22,085,290	22,085,290	22,021,433	63,857
Fringe benefits	1,963,037	1,912,710	1,911,762	948
Other expenditures	224,374	151,878	143,636	8,242
Contingency	80,000	-	-	-
Debt service	528,750	528,750	528,750	-
Capital appropriations	296,176	283,356	281,051	2,305
Total expenditures	31,362,069	31,387,789	31,036,824	350,965
Excess (deficiency) of revenues over expenditures	(246,000)	(271,720)	316,044	587,764
Other financing sources (uses):				
Appropriation of fund balance	225,000	225,000	-	(225,000)
Sale of town property	-	-	4,000	4,000
Cancellation of encumbrances	-	-	13,982	13,982
Transfers in	21,000	59,540	65,123	5,583
Transfers out	-	(12,820)	(12,820)	-
Net other financing sources (uses)	246,000	271,720	70,285	(201,435)
Net change in fund balance	\$ -	\$ -	386,329	\$ 386,329
Fund balance - July 1, 2014			3,313,107	
Fund balance - June 30, 2015			\$ 3,699,436	

See Notes to Financial Statements.

Town of Woodbury, Connecticut
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Pension Trust Fund	Private- Purpose Trust Funds
	<u> </u>	<u> </u>
<u>Assets</u>		
Investments:		
Mutual funds:		
Equity	\$ 3,261,884	\$ -
Money market	207,938	-
Bond	2,067,381	-
Pooled fixed income	<u>-</u>	<u>147,645</u>
Total investments	<u>5,537,203</u>	<u>147,645</u>
Total assets	<u>5,537,203</u>	<u>147,645</u>
<u>Net Position</u>		
Net position held in trust for pension benefits and other purposes	<u>\$ 5,537,203</u>	<u>\$ 147,645</u>

Town of Woodbury, Connecticut
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2015

	Pension Trust Fund	Private- Purpose Trust Funds
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Employer	\$ 397,969	\$ -
Employees	52,899	-
	<u> </u>	<u> </u>
Total contributions	450,868	-
	<u> </u>	<u> </u>
Investment income (loss):		
Net change in fair value of investments	106,612	-
Interest and dividends	100,759	5,257
	<u> </u>	<u> </u>
Total investment income (loss)	207,371	5,257
Investment expenses	(21,793)	-
	<u> </u>	<u> </u>
Net investment income (loss)	185,578	5,257
	<u> </u>	<u> </u>
Total additions	636,446	5,257
	<u> </u>	<u> </u>
Deductions:		
Benefits, including refunds of member contributions:	457,492	-
Awards	-	450
	<u> </u>	<u> </u>
Total deductions	457,492	450
	<u> </u>	<u> </u>
Change in net position	178,954	4,807
Net position - July 1, 2014	5,358,249	142,838
	<u> </u>	<u> </u>
Net position - June 30, 2015	<u>\$ 5,537,203</u>	<u>\$ 147,645</u>

See Notes to Financial Statements.

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015**History and organization**

The Town of Woodbury, Connecticut (the "Town") operates under a local charter effective December 7, 2001. The legislative power of the Town is vested in a Board of Selectmen, Town Meeting and Board of Finance. The Town provides the following services: General Government, Public Safety, Public Works, Health and Welfare, Parks and Recreation and Library.

I. Summary of significant accounting policies**A. 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. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. 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 fiduciary fund financial statements. 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 revenues 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. Tax revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. For reimbursement grants, the Town considers revenues to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015

Property taxes, expenditure reimbursement type grants, certain intergovernmental revenues, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

The Bonded Projects Fund accounts for resources to be used for capital projects.

Additionally, the Town reports the following fund types:

The Pension Trust Fund accounts for the activities of the Town Employees' Retirement System, which accumulates resources for pension benefit payments to qualified employees.

The Private-Purpose Trust Funds are used to account for resources legally held in trust for the benefits of individuals and private organization.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town of Woodbury pension plan have been determined on the same basis as they are reported by the Town of Woodbury pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity

1. Deposits and investments

Deposits - The Town considers cash as cash on hand, demand deposits and money market accounts.

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015

Investments - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investment income is recorded in the fund in which it was earned.

Allowable investments under the pension fund's investment policy consist of marketable equity and fixed income securities conforming to investment guidelines that include mutual funds, exchange traded funds or other comingled investment vehicles that invest in such securities. Funds may also be invested in the high yield sector (bonds below investment grade) provided the investment is made in mutual funds and does not comprise more than 5% of the equity portion of the portfolio. Professional money managers are employed to manage the assets allocated to them. Woodbury's Town Retirement and Pension Board are responsible for overall investment policy. Any change in investment manager must have their approval.

Investments for the Town are reported at fair value. The State Treasurers Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

2. Receivables and payables**a. Interfunds**

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

b. Property taxes and other receivables

In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 3% to 14% percent of outstanding receivable balances and are calculated based upon prior collection history.

In the fund financial statements, all property taxes receivable at June 30, which have not been collected within 60 days of June 30, have been recorded as deferred inflows of resources since they are not considered to be available to finance expenditures of the current year. Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicle taxes are due in full 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.

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015**3. Restricted assets**

The restricted assets of the Town are restricted for performance bonds and endowment purposes determined by the donor requests.

4. Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported 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 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Town has chosen to capitalize collections consisting primarily of art. The collections are not being depreciated as they are considered inexhaustible works of art.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	50-75
Building improvements	10-40
Machinery, equipment and vehicles	5-20
Infrastructure	10-25

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows of resources related to pension for experience losses, changes in assumptions, and return on investments.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government only has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenue from several sources: property taxes, grants, user charges and loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015**6. Net position flow assumption**

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

7. Compensated absences

Employees accumulate, by prescribed formula, vacation, sick and personal days for subsequent use or for payment upon termination or retirement. Expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for amounts expected to be paid with available resources; for example, as a result of employee resignations and retirements.

8. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities' 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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.

9. Fund equity and net position

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets

This category presents the net position that reflects capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes is excluded.

Restricted Net Position

This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Position

This category presents the net position of the Town, which is not restricted.

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable

This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted

This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed

This category presents amounts that can be used only for specific purposes determined by a formal action by the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded through resolutions approved by Town Meeting, Board of Finance or contractual obligations.

Assigned

This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the passage of a resolution by the Board of Finance or by a properly approved purchase order.

Unassigned

This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless Board of Selectmen or Board of Finance has provided otherwise in its commitment or assignment actions.

The Town adopted a minimum fund balance policy for the general fund. The policy requires the Board of Finance to prepare annual budgets that provide for the unassigned fund balance to be approximately 10% of the total operating general fund expenditures.

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015**10. Estimates**

The preparation of the 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 including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Accordingly, actual results could differ from those estimates.

11. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. Stewardship, compliance and accountability**A. Budgets and budgetary accounting**

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The general fund is the only fund for which a legal budget is adopted.

- The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to the annual Town Meeting at which taxpayer comments are obtained. The operating budget includes proposed expenditures and the means of financing them.
- Prior to July 1, the proposed budget is submitted for approval to vote by voting machine. This process is repeated until the annual budget is approved.
- Each office, board or commission may, subject to the approval of the First Selectman, transfer budgeted amounts within departments not to exceed \$5,000. Transfers of budgeted amounts between departments greater than \$5,000 must be approved by the Board of Finance.
- The Board of Finance can approve additional appropriations for a department, provided such additional appropriations do not exceed .2% of the total annual budget. Appropriations in excess of .2% of the total annual budget must be approved by vote of a Town Meeting. There was \$38,540 of additional appropriations as of June 30, 2015 funded from transfers in from permanent funds.
- Formal budgetary integration is employed as a management control device during the year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- 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 (Exhibit F) as expenditures in the current year. Generally, aside from the capital projects funds, all unencumbered appropriations lapse at year end. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015**B. Budget - GAAP reconciliation**

A reconciliation of expenditures and fund balance between the accounting treatment required by GAAP (Exhibit D), and budgetary requirements (Exhibit F), is as follows:

	<u>Expenditures</u>	<u>Fund Balance</u>
Balance, budgetary basis (Exhibit F) June 30, 2015	\$ 31,036,824	\$ 3,699,436
Encumbrances outstanding at June 30, 2014 liquidated during the year ended June 30, 2015	109,990	-
Encumbrances outstanding at June 30, 2014 and 2015	-	7,761
Encumbrances outstanding at June 30, 2015 charged to budgetary expenditures	(252,182)	252,182
Accrued payroll	<u>20,739</u>	<u>(20,739)</u>
Balance, GAAP basis (Exhibit D), June 30, 2015	<u>\$ 30,915,371</u>	<u>\$ 3,938,640</u>

C. Donor-restricted endowments

The Town has received certain endowments for the public library. The amounts are reflected in fund balance as restricted for permanent funds. Investment income (including appreciation) is approved for expenditure by the Library Board. At June 30, 2015, the amount of appreciation included in restricted fund balance for the library funds totaled \$233,657.

D. Capital project authorizations

The following is a summary of certain capital projects at June 30, 2015:

<u>Capital Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance June 30, 2015</u>
Appropriations continued in force	\$ 226,269	\$ 213,449	\$ 12,820
Bonded projects	<u>1,850,000</u>	<u>1,937,459</u>	<u>(87,459)</u>
	<u>\$ 2,076,269</u>	<u>\$ 2,150,908</u>	<u>\$ (74,639)</u>

E. Deficit fund balance

The following individual fund had a deficit balance at June 30, 2015:

Signs Fund	\$ 1,350
------------	----------

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015

III. Detailed Notes

A. Cash and investments

Deposits - Custodial Credit Risk - Custodial credit risk is risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2015, \$510,763 of the Town's bank balance of \$4,471,698 (including certificates of deposit and money market funds) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 434,687
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>76,076</u>
Total amount subject to custodial credit risk	<u>\$ 510,763</u>

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceed the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

At June 30, 2015, the Town's investments (including restricted investments) consisted of the following investment types and maturities. Specific identification was used to determine the maturities.

Type of Investment	Fair Value	Investment Maturities (in years)			
		N/A	Less Than 1	1-5 Years	5-10 Years
Mutual funds:					
Equity	\$ 3,789,425	\$ 3,789,425	\$ -	\$ -	\$ -
Money market	295,083	-	295,083	-	-
Bond	2,067,381	-	-	516,597	1,550,784
Pooled fixed income	1,154,961	-	1,154,961	-	-
Common stock	<u>244,153</u>	<u>244,153</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,551,003</u>	<u>\$ 4,033,578</u>	<u>\$ 1,450,044</u>	<u>\$ 516,597</u>	<u>\$ 1,550,784</u>

Interest rate risk - To minimize interest rate risk, the Town's policy requires the structuring of the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Operating funds should primarily be invested in shorter-term securities, money market mutual funds or similar investment pools.

Credit risk - The Town's policy states that credit risk will be minimized by limiting investments to the safest types of securities and pre-qualifying the financial institutions with which the Town will do business. The Town is only allowed to invest in those types of investments that are covered by the State of Connecticut Municipal Investment Act. The investment portfolio must be diversified so that potential losses on individual securities will be minimized.

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015

The Town's investments subject to credit risk have average ratings by Standard & Poor's as follows:

<u>Average Rating</u>	<u>Pooled Fixed Income</u>	<u>Bond Mutual Funds</u>	<u>Money Market Funds</u>
AAA	\$ 974,530	\$ -	\$ -
AA	-	1,032,378	-
BBB	-	1,035,003	-
Unrated	<u>180,431</u>	<u>-</u>	<u>295,083</u>
Total	<u>\$ 1,154,961</u>	<u>\$ 2,067,381</u>	<u>\$ 295,083</u>

Custodial credit risk - The Town does not have a formal policy with respect to 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 of its investment or collateral securities that are in the possession of an outside party.

The investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

The following Town investments are held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk.

	<u>Total</u>	<u>Less Insured Amounts</u>	<u>Amount Subject to Custodial Credit Risk</u>
Common stock	<u>\$ 244,153</u>	<u>\$ 244,153</u>	<u>\$ -</u>

B. Receivables

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the Town's government-wide financial statements with allowances for uncollectible accounts as of June 30, 2015, including the applicable allowances for uncollectible accounts, are presented below.

	<u>Property Taxes</u>		
	<u>Taxes</u>	<u>Interest & Lien Fees</u>	<u>Total</u>
Current portion	<u>\$ 487,474</u>	<u>\$ 176,384</u>	<u>\$ 663,858</u>
Long-term portion	<u>\$ 1,035,882</u>	<u>\$ 511,660</u>	<u>\$ 1,547,542</u>
Less allowance for uncollectibles	<u>(37,500)</u>	<u>(99,500)</u>	<u>(137,000)</u>
Net long-term portion	<u>\$ 998,382</u>	<u>\$ 412,160</u>	<u>\$ 1,410,542</u>
Total receivable	<u>\$ 1,485,856</u>	<u>\$ 588,544</u>	<u>\$ 2,074,400</u>

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015**C. Capital assets**

Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 5,783,350	\$ -	\$ -	\$ 5,783,350
Construction in progress	72,215	245,323	252,572	64,966
Collections	<u>33,900</u>	<u>-</u>	<u>-</u>	<u>33,900</u>
Total capital assets, not being depreciated	<u>5,889,465</u>	<u>245,323</u>	<u>252,572</u>	<u>5,882,216</u>
Capital assets, being depreciated:				
Buildings and improvements	9,994,953	-	-	9,994,953
Machinery, equipment and vehicles	8,019,411	540,457	83,590	8,476,278
Infrastructure	<u>13,259,048</u>	<u>570,000</u>	<u>-</u>	<u>13,829,048</u>
Total capital assets, being depreciated	<u>31,273,412</u>	<u>1,110,457</u>	<u>83,590</u>	<u>32,300,279</u>
Total capital assets	<u>37,162,877</u>	<u>1,355,780</u>	<u>336,162</u>	<u>38,182,495</u>
Less accumulated depreciation for:				
Buildings and improvements	3,008,480	215,450	-	3,223,930
Machinery, equipment and vehicles	4,204,843	507,183	62,510	4,649,516
Infrastructure	<u>8,983,456</u>	<u>430,566</u>	<u>-</u>	<u>9,414,022</u>
Total accumulated depreciation	<u>16,196,779</u>	<u>1,153,199</u>	<u>62,510</u>	<u>17,287,468</u>
Total capital assets, being depreciated, net	<u>15,076,633</u>	<u>(42,742)</u>	<u>21,080</u>	<u>15,012,811</u>
Capital assets, net	<u>\$ 20,966,098</u>	<u>\$ 202,581</u>	<u>\$ 273,652</u>	<u>\$ 20,895,027</u>

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

General government	\$ 148,438
Public safety	319,741
Public works	557,566
Health and welfare	92,155
Parks and recreation	17,997
Library	<u>17,302</u>
Total depreciation expense	<u>\$ 1,153,199</u>

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015**D. Interfund accounts****1. Interfund payables and receivables**

The amounts due from and due to other funds were as follows:

	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due To</u>
Major funds:			
General fund:			
Bonded projects	N/A	\$ 15,151	\$ 6,791
Road projects fund	N/A	-	1,417
Open space fund	N/A	-	407,759
Energy projects fund	N/A	-	1,410
Capital nonrecurring fund	N/A	-	12,899
General government fund	N/A	-	33,985
Public safety fund	N/A	-	267,886
Permanent fund	N/A	<u>38,540</u>	<u>-</u>
Total general fund		<u>53,691</u>	<u>732,147</u>
Bonded projects	General fund	<u>6,791</u>	<u>15,151</u>
Nonmajor funds:			
Health and welfare fund	Signs fund	1,350	-
Public safety fund	General fund	267,886	-
Parks and recreation fund	General government fund	1,381	-
Signs fund	Health and welfare fund	-	1,350
General government fund	Parks and recreation fund	-	1,381
General government fund	General fund	33,985	-
Road projects fund	General fund	1,417	-
Open space fund	General fund	407,759	-
Energy projects fund	General fund	1,410	-
Capital nonrecurring fund	General fund	12,899	-
Permanent fund	General fund	<u>-</u>	<u>38,540</u>
Total nonmajor funds		<u>728,087</u>	<u>41,271</u>
Grand total		<u>\$ 788,569</u>	<u>\$ 788,569</u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for short-term internal financing.

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015**2. Interfund transfers**

A summary of interfund transfers for the year ended June 30, 2015 is as follows:

	<u>Corresponding Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund:			
Public safety fund	N/A	\$ 22,352	\$ -
Bonded projects	N/A	3,826	-
Capital nonrecurring fund	N/A	405	12,820
Permanent fund		<u>38,540</u>	<u>-</u>
Total general fund		<u>65,123</u>	<u>12,820</u>
Bonded projects	General Fund	<u>-</u>	<u>3,826</u>
Nonmajor funds:			
Public safety fund	General Fund	-	22,352
Capital nonrecurring fund	General Fund	12,820	405
Permanent fund		<u>-</u>	<u>38,540</u>
Total nonmajor funds		<u>12,820</u>	<u>61,297</u>
Grand total		<u>\$ 77,943</u>	<u>\$ 77,943</u>

Transfers are used to account for the financing by the general fund of various programs and activities in the bonded projects and nonmajor funds.

E. Changes in long-term obligations**1. Summary of changes**

The following is a summary of changes in long-term obligations during the fiscal year:

<u>Description</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance July 1, 2014 (as restated)</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>	<u>Current Portion</u>
<u>Bonds/Notes</u>									
General obligation bonds:									
General purpose	2,795,000	12/01/06	12/01/26	3.5-5.5%	\$ 1,815,000	\$ -	\$ 140,000	\$ 1,675,000	\$ 140,000
General purpose	3,110,000	11/15/12	08/15/30	2-3%	<u>2,860,000</u>	<u>-</u>	<u>250,000</u>	<u>2,610,000</u>	<u>250,000</u>
Total bonds/notes					4,675,000	-	390,000	4,285,000	390,000
Other liability:									
Bond premium					<u>117,900</u>	<u>-</u>	<u>6,550</u>	<u>111,350</u>	<u>-</u>
Total bonds/notes and related liability					4,792,900	-	396,550	4,396,350	390,000
Capital leases payable					41,560	95,026	54,336	82,250	50,953
Compensated absences					246,053	271,383	259,065	258,371	51,674
Net pension liability					4,331,395	1,844,459	636,446	5,539,408	
Net OPEB obligation					<u>560,420</u>	<u>490,706</u>	<u>167,680</u>	<u>883,446</u>	
Total long-term obligations					<u>\$ 9,972,328</u>	<u>\$ 2,701,574</u>	<u>\$ 1,514,077</u>	<u>\$ 11,159,825</u>	<u>\$ 492,627</u>

All long-term liabilities are generally liquidated by the general fund.

In September 2015, the Town issued bond anticipation notes in the amount of \$1,060,000 with a coupon rate of 1.250% and a true interest cost of .509% maturing May 2016.

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015

The following is a summary of debt maturities:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 390,000	\$ 124,250
2017	390,000	110,712
2018	390,000	98,137
2019	355,000	86,000
2020	985,000	67,825
2021	140,000	52,700
2022	140,000	47,100
2023	140,000	41,500
2024	240,000	34,900
2025	240,000	27,300
2026	240,000	19,700
2027	235,000	12,200
2028	100,000	7,500
2029	100,000	5,438
2030	100,000	3,313
2031	<u>100,000</u>	<u>1,124</u>
Totals	<u>\$ 4,285,000</u>	<u>\$ 739,699</u>

2. Statutory debt limitations

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 68,635,175	\$ 5,108,446	\$ 63,526,729
Schools	137,270,349	214,822	137,055,527
Sewers	114,391,958	-	114,391,958
Urban renewal	99,139,697	-	99,139,697
Pension deficit	91,513,566	-	91,513,566

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$213,531,654.

As a member of Regional School District No. 14 (the "District"), the Town is contingently liable for its pro rata share of the District's debt. At June 30, 2015, the District's debt was \$283,500. The Town's pro rata share was \$214,822.

Debt of the Woodlake Tax District, a special taxing district located within the Town, is legally considered underlying debt of the Town. At June 30, 2015, the Woodlake Tax District had \$823,446 in outstanding debt.

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015**3. Authorized/unissued debt**

The Town had authorized unissued debt for general purposes in the amount of \$6,217,500.

4. Capital leases

The Town has entered into a lease agreement for the purchase of police vehicles. The annual payments for the agreement are provided for by annual general fund appropriations.

The assets acquired through capital leases are as follows:

Asset:	
Machinery, equipment and vehicles	\$ 218,691
Less accumulated depreciation	<u>(29,638)</u>
Total	<u>\$ 189,053</u>

This year, \$16,578 was included in depreciation expense.

The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The following is a schedule of the minimum lease payments under the lease and the present value of the future minimum lease payments at June 30, 2015:

Year Ending	
<u>June 30,</u>	
2016	\$ 55,370
2017	33,018
Less amount representing interest	<u>(6,138)</u>
Present value of minimum lease payments	<u>\$ 82,250</u>

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015**F. Fund balances**

Fund Balance Component	General Fund	Bonded Projects	Nonmajor Funds	Total
<u>Nonspendable:</u>				
Permanent fund principal	\$ -	\$ -	\$ 323,045	\$ 323,045
<u>Restricted:</u>				
General government	-	-	6,005	6,005
Public safety	-	-	68,140	68,140
Public works:				
Open space	-	-	418,125	418,125
Road maintenance	-	-	133,441	133,441
Pomperaug River project	-	-	29,888	29,888
Other	-	-	6,137	6,137
Health and welfare:				
Support of the poor	-	-	28,208	28,208
Other	-	-	13,960	13,960
Parks and recreation	-	-	36,964	36,964
Education - science and music	-	-	91,767	91,767
Library	-	-	338,832	338,832
Total restricted	-	-	1,171,467	1,171,467
<u>Committed:</u>				
General government:				
Records preservation	-	-	33,985	33,985
Public safety:				
Private duty police	-	-	268,863	268,863
Other	-	-	1,355	1,355
Public works:				
Capital replacement	-	-	12,820	12,820
Other	-	-	15,338	15,338
Health and welfare - elderly programs	-	-	67,581	67,581
Parks and recreation	-	-	1,692	1,692
Total committed	-	-	401,634	401,634
<u>Assigned:</u>				
Subsequent year's budget	300,000	-	-	300,000
General government - Finance computers	16,788	-	-	16,788
General government - Other	24,454	-	-	24,454
Public safety - Animal control	5,511	-	-	5,511
Public works - Road maintenance	182,638	-	-	182,638
Health and welfare	150	-	-	150
Parks and recreation - Program expenses	2,633	-	-	2,633
Library - Books and software	27,769	-	-	27,769
Total assigned	559,943	-	-	559,943
<u>Unassigned</u>	3,378,697	(8,360)	(1,350)	3,368,987
Total	\$ 3,938,640	\$ (8,360)	\$ 1,894,796	\$ 5,825,076

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015**IV. Other information****A. Risk management**

The Town is exposed to various risks of loss related to public official liability, police liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Coverage has not been significantly reduced and settled claims have not exceeded commercial coverage in any of the last three fiscal years.

The Town of Woodbury is a member of the Connecticut Interlocal Risk Management Agency ("CIRMA"), an unincorporated association of Connecticut local public agencies, which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes.

The Town is a member of CIRMA's workers' compensation pool, a risk sharing pool, which began on July 1, 1980. The workers' compensation pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. CIRMA's workers' compensation pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10 million per occurrence. Settled claims have not exceeded commercial coverage in any of the past three years, and there have not been any significant reductions in insurance coverage from amounts held in prior years.

B. Commitments and litigation

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. In the opinion of the Town's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Town of Woodbury, Connecticut

Notes to Financial Statements

June 30, 2015

C. Pension plan**1. Plan description****Plan administration**

The Town administers the Town of Woodbury Employees' Pension Plan - a single-employer defined benefit pension plan that provides pensions for all permanent full-time employees of the Town, including elected and appointed officials who receive a salary from the Town and work more than twenty weeks for the Town, and police officers. The Pension Plan Article XI grants the authority to establish and amend the benefit terms to the Board of Selectmen, which only become effective after approval at a Town Meeting. The plan is considered to be a part of the Town's financial reporting entity and is included in the Town's financial statements as a pension trust fund. The plan does not issue stand-alone financial statements.

Management of the plan is vested in the Retirement Board, which consists of five members, one of whom shall be a member of the Board of Finance, appointed by the Board of Selectmen.

Plan membership

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

Inactive plan members or beneficiaries currently receiving benefits	35
Inactive plan members entitled to but not yet receiving benefits	12
Active plan members	<u>48</u>
Total	<u><u>95</u></u>

2. Benefit provisions

The plan provides retirement, disability and death benefits. Retirement benefits for Town and Police employees are calculated as 2 percent of the member's final average salary times the member's years of service. Town plan members with 15 years of continuous service are eligible to retire at age 55 at a reduced benefit amount. Police plan members can retire at full benefits when their age and year of service total 75 (rule of 75). Police with 15 years of continuous service are also eligible to retire at age 55 at a reduced benefit amount.

All plan members, who are determined to have a total and permanent disability, are eligible for disability benefits after 15 years of service. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits will be paid, if a member reached their 55th birthday and had at least 5 years of service and if survived by a spouse to whom they had been married for at least 12 months, equal to the joint and survivor option benefit calculation.

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015

A plan member who leaves Town service may withdraw his or her contributions, or if they have completed 5 years of service, will be entitled to an accrued termination benefit at normal retirement date.

Benefit terms have previously provided for annual cost-of-living adjustments to member's retirement allowance subsequent to the member's retirement date for retirees who have retired before certain dates as follows: prior to July 1, 2002, 2% for each year retired before July 1, 2002 up to 10%; prior to December 31, 1991, 2% for each year retired before December 31, 1991 up to 8%; and prior to July 1, 1980, 2% for each year retired before July 1, 1980 up to 20%.

3. Contributions

Article VIII of the pension plan provides that after July 1, 2000, members will contribute 2% of their annual base compensation (excluding overtime and any other extra compensation).

The Town is required to contribute the amount determined by the actuary, considering the member contributions.

For the year ended June 30, 2015, the average active member contribution rate was 2.0% of annual base compensation, and the Town's average contribution rate was 15.88% of annual payroll.

4. Investments

Investment policy. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Town's Retirement 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 following was the Board's adopted asset allocation policy as of June 30, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>
Equities	60%
Fixed income	35%
Cash equivalents	<u>5%</u>
Total	<u>100%</u>

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015**5. Concentrations**

There were no investments in any one organization that represents 5% or more of the pension plan's net position.

6. Rate of return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.8%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

7. Net pension liability

The components of the net pension liability at June 30, 2015, were as follows:

Total pension liability	\$ 11,076,611
Plan fiduciary net position	<u>(5,537,203)</u>
Net pension liability	<u>\$ 5,539,408</u>
Plan fiduciary net position as percentage of the total pension liability	<u>49.99%</u>

8. Actuarial assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Asset valuation method	Fair value
Post-retirement increases	Ad hoc (none for 2015)
Inflation	1.625%
Salary increase	3.25%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Mortality rates	1994 Group Annuity Mortality Table, with current and future mortality improvement estimated by projecting improvement to the valuation year using scale AA.

Town of Woodbury, Connecticut

Notes to Financial Statements

June 30, 2015

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, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Mutual funds:	
Domestic equity	9.25%
International equity	9.75%
Fixed income (bonds)	4.25%

The total weighted average expected rate of return is 7.4%.

9. Discount rate

The discount rate used to measure the total pension liability was 7.25%. 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.

10. Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 7.25% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (<u>6.25%</u>)	Current Discount (<u>7.25%</u>)	1% Increase (<u>8.25%</u>)
Net pension liability	\$ 6,825,615	\$ 5,539,408	\$ 4,445,936

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015**11. Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions**

For the year ended June 30, 2015, the Town recognized pension expense of \$807,931. The Town reported deferred outflows of resources related to pensions from the following sources:

Differences between expected and actual experience	\$ 170,766
Changes of assumptions	492,375
Net difference between projected and actual earnings on pension plan investments	<u>134,910</u>
Total	<u>\$ 798,051</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive, which was also 5 years.

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

Year Ending June 30:	
2016	\$ 199,513
2017	199,513
2018	199,513
2019	<u>199,512</u>
Total	<u>\$ 798,051</u>

D. Other post-employment benefits plan**1. Plan description**

The Town administers one single-employer, post retirement healthcare plan for certain employees of the Town. The plan provides medical and dental benefits to eligible retirees and their spouses. The plan does not issue stand alone financial reports.

2. Benefit provisions and contributions**a. Benefit provisions**

The Town plan provides for medical and dental benefits for all eligible Public works, Police, Supervisors and White Collar retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations. Administration costs are financed from investment earnings.

Town of Woodbury, Connecticut

Notes to Financial Statements

June 30, 2015

b. Employer contributions

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town's total plan contributions were \$167,680.

c. Employee contributions

There are no employee contributions to the plan.

3. Funded status and funding progress

The funded status of the plan as of July 1, 2015 was as follows:

Actuarial Valuation Date	(A) Actuarial Value of Assets	(B) Actuarial Accrued Liability (AAL)	(A-B) Over (Under) Funded AAL	(A/B) Funded AAL Ratio	(C) Covered Payroll	[(A-B)/C] Over (Under) Funded AAL as a Percentage of Covered Payroll
July 1, 2015	\$ -	\$5,654,730	\$(5,654,730)	0.0%	N/A	-

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress ("RSI"), immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

4. Actuarial methods and assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The data presented in the schedule of funding progress and schedule of contributions were determined as part of the actuarial valuation at the date indicated. Additional information for the plan as of the latest valuation date is as follows:

Valuation date	July 1, 2015
Actuarial cost method	Projected unit credit
Amortization method	Level dollar
Remaining amortization period	26 years
Actuarial assumptions:	
Investment rate of return	4.00%
Healthcare inflation rate:	
Initial	5.00%
Ultimate	5.00%
Projected salary increases	N/A

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015**5. Annual OPEB cost and net OPEB obligation (NOO)**

The changes in the NOO were as follows:

	<u>Town</u>
Annual required contribution	\$ 500,068
Interest on net OPEB obligation	22,417
Adjustment to annual required contribution	<u>(31,779)</u>
Annual OPEB cost	490,706
Contributions made	<u>167,680</u>
Change in net OPEB obligation	323,026
Net OPEB obligation - July 1, 2014	<u>560,420</u>
Net OPEB obligation - June 30, 2015	<u><u>\$ 883,446</u></u>

6. Three year trend information

<u>Year Ending June 30</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 490,706	34.2%	\$ 883,446
2014	500,831	35.2%	560,420
2013	183,422	87.9%	236,030

The July 1, 2015 actuarial valuation report reflects a best estimate of the potential impact of the Patient Protection and Affordable Care Act. Consideration has been made for provisions of the law that are effective as of the valuation date as well as those provisions that will take effect in the future. Specifically, the valuation reflects the anticipated Cadillac Tax that will go into effect in 2018. The excise tax has been valued as 40% of the difference between the trended per capita claims cost and the excise tax threshold.

Town of Woodbury, Connecticut

Notes to Financial Statements
June 30, 2015**E. Prior period adjustment**

The government-wide net position was restated as follows:

Net position, as previously reported as of June 30, 2014	\$ 22,752,403
To remove net pension asset previously recorded	(200,490)
To record beginning net pension liability (NPL)	<u>(4,331,395)</u>
Net position, as restated as of July 1, 2014	<u>\$ 18,220,518</u>

**Required
Supplementary
Information**

Supplemental Schedules

Town of Woodbury, Connecticut

Town of Woodbury Employees' Pension Plan

Required Supplementary Information
Schedule of Changes in Net Pension Liability

Last Two Years

	2015	2014
Total pension liability:		
Service cost	\$ 291,476	\$ 300,651
Interest	724,057	583,884
Difference between expected and actual experience	213,457	
Changes in assumptions	615,469	
Benefit payments, including refunds of member contributions	(457,492)	(462,130)
Net change in total pension liability	1,386,967	422,405
Total pension liability - July 1	9,689,644	9,267,239
Total pension liability - June 30 (a)	11,076,611	9,689,644
Plan fiduciary net position:		
Contributions - employer	397,969	400,000
Contributions - member	52,899	46,330
Net investment income	185,578	724,619
Benefit payments, including refunds of member contributions	(457,492)	(462,130)
Net change in plan fiduciary net position	178,954	708,819
Plan fiduciary net position - July 1	5,358,249	4,649,430
Plan fiduciary net position - June 30 (b)	5,537,203	5,358,249
Net pension liability (asset) - June 30 (a)-(b)	\$ 5,539,408	\$ 4,331,395

Town of Woodbury, Connecticut**Town of Woodbury Employees' Pension Plan****Required Supplementary Information
Schedule of Net Pension Liability****Last Two Years**

	<u>2015</u>	<u>2014</u>
Total pension liability	\$ 11,076,611	\$ 9,689,644
Plan fiduciary net position	<u>(5,537,203)</u>	<u>(5,358,249)</u>
Net pension liability	<u>\$ 5,539,408</u>	<u>\$ 4,331,395</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>49.99%</u>	<u>55.30%</u>
Covered-employee payroll	<u>\$ 2,506,767</u>	<u>\$ 2,365,952</u>
Net pension liability as a percentage of covered-employee payroll	<u>220.98%</u>	<u>183.07%</u>

Schedule of Investment Returns

	<u>2015</u>	<u>2014</u>
Annual Money weighted rate of return, net investment expense	<u>3.80%</u>	<u>15.82%</u>

Town of Woodbury, Connecticut

Town of Woodbury Employees' Pension Plan

Required Supplementary Information
Schedule of ContributionsLast 10 Fiscal Years

Fiscal year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution excess (deficiency)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2015	\$ 397,969	\$ 397,969	\$ -	\$ 2,506,767	15.88%
2014	397,969	400,000	(2,031)	2,365,952	16.91%
2013	351,584	400,000	(48,416)	2,204,601	18.14%
2012	329,048	325,248	3,800	2,417,030	13.46%
2011	325,248	325,248	-	2,535,079	12.83%
2010	353,220	353,220	-	2,491,718	14.18%
2009	276,203	250,000	26,203	2,045,941	12.22%
2008	232,572	301,359	(68,787)	2,221,770	13.56%
2007	231,904	270,006	(38,102)	1,824,245	14.80%
2006	201,870	210,005	(8,135)	1,688,216	12.44%

Town of Woodbury, Connecticut

Town of Woodbury Employees' Pension Plan

Notes to Required Supplementary Information

June 30, 2015

2015

Changes of benefit terms.	None
Changes of assumptions.	<p>2015 - The discount rate increased from 6.50% per annum to 6.57% per annum.</p> <p>2015 - The mortality assumption was changed from the 1951 Group Annuity Mortality Table projected to 1970 using male rates for males and male rates with a 5 year setback for females as of June 30, 2014 to the 1994 Group Annuity Mortality Table projected to 2015 using Scale AA as of June 30, 2015 to better reflect future mortality expectations.</p> <p>2014 - None</p>
Method and assumptions used in calculations of actuarially determined contribution	<p>2014 - The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, 2014, one year prior to the end of the fiscal year in which contributions are reported.</p>

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar
Asset Valuation Method	Fair value
Inflation	1.625%
Salary Increases	3.25%
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation

Town of Woodbury, Connecticut

Town of Woodbury Other Post-Employment Benefit Plan

Required Supplementary Information
Schedule of Funding Progress

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over/Under Funded AAL as a Percentage of Covered Payroll
2009	\$ -	\$ 1,051,206	\$ (1,051,206)	0.0%	N/A	-
2011	-	1,445,723	(1,445,723)	0.0%	N/A	-
2013	-	5,175,133	(5,175,133)	0.0%	N/A	-
2014	-	5,199,233	(5,199,233)	0.0%	N/A	-
2015	-	5,654,730	(5,654,730)	0.0%	N/A	-

Schedule of Employer Contributions

Fiscal Year End June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2010	\$ 140,432	\$ 99,447	70.8%
2011	145,250	96,478	66.4%
2012	187,805	116,471	62.0%
2013	187,805	161,304	85.9%
2014	504,774	176,441	35.0%
2015	500,068	167,680	33.5%

Town of Woodbury, Connecticut

Town of Woodbury Other Post-Employment Benefit Plan

Notes to Required Supplementary Information
June 30, 2015

Changes of benefit terms.	None
Changes of assumptions.	<p>2014: The July 1, 2013 actuarial valuation report reflects a best estimate of the potential impact of the Patient Protection and Affordable Care Act. Consideration has been made for provisions of the law that are effective as of the valuation date as well as those provisions that will take effect in the future. Specifically, the valuation reflects the anticipated Cadillac Tax that will go into effect in 2018. The excise tax has been valued as 40% of the difference between the trended per capita claims cost and the excise tax threshold.</p>

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Projected unit credit
Amortization Method	Level dollar
Remaining Amortization Period	26 years
Investment Rate of Return	4.00%
Healthcare Inflation rate - Initial	5.00%
Healthcare Inflation rate - Ultimate	5.00%

Appendix B

Opinion of Bond Counsel and Tax Exemption

APPENDIX B - OPINION OF BOND COUNSEL AND TAX EXEMPTION

The following information has been prepared by Bond Counsel in connection with this bond issue. Bond Counsel are not passing upon and do not assume responsibility for the accuracy or completeness of the statements made in the Official Statement (other than matters in this Appendix), and they make no representation that they have independently verified the same.

BOND COUNSEL OPINION

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

The opinion of Day Pitney LLP with respect to the Bonds will be substantially in the following form:

[FORM OF BOND COUNSEL OPINION]

(date of closing)

Town of Woodbury
Woodbury, Connecticut

We have represented the Town of Woodbury, Connecticut as Bond Counsel in connection with the issuance by the Town of \$5,785,000* General Obligation Bonds, Issue of 2016, dated as of November 1, 2016.

We have examined a record of proceedings authorizing the Bonds, and based on our examination, we are of the opinion that the Town of Woodbury is authorized to issue the Bonds; the Town is duly and legally organized; all proper proceedings for the issuance and delivery of the Bonds have been taken; no limitation of indebtedness under the laws of the State of Connecticut has been exceeded in the issuance of the Bonds; the Bonds will be valid and binding general obligations of the Town when certified as provided thereon by a duly authorized official of U.S. Bank National Association; and the Town has the power to levy ad valorem taxes to pay the Bonds against all the taxable property in the Town without limit as to rate or amount except certified forest land taxable at a limited rate and dwelling houses of qualified elderly people of low income or of qualified disabled persons taxable at limited amounts.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met in order that interest on the Bonds is excluded from gross income for Federal income tax purposes. The Town officials authorized to issue the Bonds have executed written representations and agreements on behalf of the Town relating to compliance with such provisions of the Code to ensure that the interest on the Bonds will be excluded from gross income for Federal income tax purposes. The representations and agreements also provide that the Bonds are designated or deemed designated 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.

Based on such representations and agreements and on the record of proceedings authorizing the Bonds, and assuming the accuracy of such representations and compliance with such agreements, it is our opinion that, under

* Preliminary, subject to change.

existing statutes: (1) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; (2) the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; and (3) the Bonds are "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.

Based on the record of proceedings authorizing the Bonds, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax.

Very truly yours,

Day Pitney LLP

FEDERAL INCOME TAX.

Interest Excluded From Gross Income. The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met in order that interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes. Some of these requirements must be continuously met subsequent to delivery of the Bonds. Failure to comply with any of these requirements may cause the interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs.

The Town officials authorized to issue the Bonds will enter into a Tax Compliance Agreement in connection with the delivery of the Bonds, which will contain certain representations and covenants on behalf of the Town relating to compliance with such requirements of the Code to ensure that the interest on the Bonds will be excluded from the gross income of the owners thereof for federal income tax purposes.

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

The Code provides, however, that for most corporations a portion of the excess of adjusted current earnings (which includes certain tax-exempt interest) over other alternative minimum taxable income will be included in alternative minimum taxable income for purposes of calculating the corporation's 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 Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds will be "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Additional Federal Income Tax Matters. In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, taxpayers otherwise eligible for the earned income credit, recipients of Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt

obligations, financial institutions, certain insurance companies, certain S corporations and foreign corporations subject to the branch profits tax. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

STATE OF CONNECTICUT TAX ON INTEREST.

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts, and estates; and (2) interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

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

ORIGINAL ISSUE DISCOUNT.

The initial public offering price of certain of the Bonds may be less than the amount payable on the Bonds at maturity. The excess of the amount payable at maturity over the initial public offering price at which a substantial amount of such Bonds are sold constitutes original issue discount. Any prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

The discussion in this paragraph applies to those Bonds having original issue discount. Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any such bond during each day it is owned by a taxpayer is added to the cost basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such bond by such owner. Accrued original issue discount on a bond is excluded from gross income of the owners thereof for federal income tax purposes. Accrued original issue discount on a bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest payable on such bond during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Owners of Bonds having original issue discount, and especially any owner who is not an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the federal and state income tax consequences of the disposition of such bonds.

ORIGINAL ISSUE PREMIUM.

The initial public offering price of certain of the Bonds may be greater than the amount payable on the Bonds at maturity. The excess of the initial public offering price at which a substantial amount of such Bonds are sold over the amount payable thereon at maturity constitutes original issue premium. Any prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

The discussion in this paragraph applies to those Bonds having original issue premium. Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as having amortized with respect to any bond during each day it is owned by a taxpayer is subtracted from the cost basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such bond by such owner. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity on such bond using the taxpayer's cost basis and a constant semiannual compounding method. As a consequence of the resulting cost basis reduction, under certain circumstances an owner of a bond acquired with original issue premium may realize a taxable gain upon disposition thereof even though it is sold or redeemed for an amount equal to or less than such owner's original cost of acquiring the bond. Amortized original issue premium on a bond is not allowed as a deduction from gross income for federal income tax purposes. Amortized original issue premium on a bond also does not reduce Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and does not reduce amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Owners of the Bonds having original issue premium, and especially any owner who is not an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the federal and state income tax consequences of the disposition of such the bonds.

GENERAL.

The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention, or any changes in law or the interpretation thereof that may occur after the date of its opinion. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. No assurance can be given that pending federal legislation, if any, or federal legislation enacted or proposed after the date of issuance of the Bonds will not have an effect on the federal tax status or the market price of the Bonds or will not change the effect of other federal tax law consequences, including those discussed above, of owning and disposing of the Bonds, and Bond Counsel expresses no opinion thereon. No assurance can be given that future legislation or amendments to the income tax law of the State of Connecticut, if enacted into law, will not contain provisions that could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and Bond Counsel expresses no opinion thereon. Prospective owners of the Bonds are advised to consult their tax advisors regarding the potential tax consequences of proposed federal or State of Connecticut tax legislation, if any, affecting municipal bonds.

The discussion above does not purport to address all aspects of federal, state, or local taxation that may be relevant to a particular owner of the Bonds. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their tax advisors regarding the federal, state, and local tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any other state or other taxing jurisdiction.

[Remainder of page intentionally blank]

Appendix C

Form of Continuing Disclosure Agreement

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR BONDS

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

Continuing Disclosure Agreement for Bonds

This Continuing Disclosure Agreement for Bonds ("Agreement") is made as of November 1, 2016 by the Town of Woodbury, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$5,785,000* General Obligation Bonds, Issue of 2016, dated as of November 1, 2016 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

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

"Final Official Statement" means the official statement of the Issuer dated October 19, 2016 prepared in connection with the Bonds.

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" means the MSRB or any other information repository established pursuant to the Rule as amended from time to time.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Financial Information.

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2016) as follows:

(i) Financial statements of the Issuer's general fund and, any open space, internal service and trust or agency funds, for the prior fiscal year which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.

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

(A) amounts of the 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,

* Preliminary, subject to change.

- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,
- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total direct debt and total overall net debt as of the close of the fiscal year,
- (F) total direct debt and total overall net debt of the Issuer per capita,
- (G) ratios of the total direct debt and total overall net debt of the Issuer to the net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the pension benefit obligation.

(b) The financial information and operating data described above will be provided on or before the date eight months after the close of the fiscal year for which such information is being provided (the "Filing Due Date"). The Issuer's fiscal year currently ends on June 30. The Issuer reserves the right to provide unaudited financial statements if audited financial statements are not available as of the Filing Due Date, provided that the Issuer shall promptly provide audited financial statements when available.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents available to the public on the MSRB's Internet Web site referenced in the Rule as amended from time to time or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

Section 3. Notice of Certain Events.

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;

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

Events (d) and (e). The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds, unless the Issuer applies for or participates in obtaining the enhancement.

Event (f). Event (f) is relevant only to the extent interest on the Bonds is excluded from gross income for federal income tax purposes.

Event (h). The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not otherwise contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Bonds will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Bonds to be redeemed as required under the terms of the Bonds, and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Bond purchases.

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

The Issuer agrees to provide or cause to be provided, in a timely manner, to each Repository notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

Section 6. Termination.

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

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Treasurer,

or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Treasurer is Town Office Building, 275 Main Street South, P.O. Box 369, Woodbury, Connecticut 06798.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 8. Miscellaneous.

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Sections 2, 3 and 4 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Issuer elects to provide any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

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

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds, and (ii) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF WOODBURY

By _____
William J. Butterly, Jr.
First Selectman

By _____
Manuel I. Gomes
Treasurer

[Remainder of page intentionally blank]

Appendix D

Notice of Sale

NOTICE OF SALE
\$5,785,000*
Town of Woodbury, Connecticut
General Obligation Bonds
(BOOK-ENTRY)

ELECTRONIC BIDS via PARITY® will be received by the Town of Woodbury, Connecticut at the First Selectman's Office, Woodbury Town Hall, 281 Main Street South, Woodbury, Connecticut, until **11:30 A.M. Eastern Time on WEDNESDAY,**

OCTOBER 19, 2016

for the purchase, when issued, at not less than par and accrued interest from the date of the Bonds to the date of delivery, of the whole of

\$5,785,000* General Obligation Bonds, Issue of 2016
Payable annually on November 1 as follows:

\$455,000* in 2017 to 2018
\$450,000* in 2019 to 2020
\$435,000* in 2021 to 2022
\$430,000* in 2023
\$420,000* in 2024 to 2025
\$410,000* in 2026
\$285,000* in 2027 to 2031

The Bonds will be dated November 1, 2016, with interest payable on May 1, 2017 and thereafter semiannually on each November 1st and May 1st.

The Bonds will be general obligations of the Town payable from ad valorem taxes levied on all taxable property in the Town without limitation as to rate or amount except classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Principal Adjustments. Following the receipt of bids, annual principal amounts of the Bonds may be reduced or increased in \$5,000 increments by the Town in its sole discretion to adjust the refunding portion of the Bonds. The aggregate principal adjustment shall not exceed 25% of the \$5,785,000 aggregate principal amount of the Bonds. The successful bidder will be notified of any adjustments in the annual principal amounts of the Bonds made in accordance with this Notice of Sale not later than 3:00 P.M. Eastern Time on the sale date. The successful bidder may not withdraw its bid as a result of any adjustments made in the annual principal amounts of the Bonds within the terms described herein.

DTC Book Entry. The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates

* Preliminary, subject to change.

with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, 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, redemption premium, if any, and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal, redemption premium, if any, 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.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Town fails to identify another qualified securities depository to replace DTC, or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Town as of the close of business on the record date preceding each interest payment date. The record dates will be the fifteenth day of April and October (or the preceding business day if such fifteenth day is not a business day).

Redemption. Bonds maturing after November 1, 2023 are subject to redemption prior to maturity, at the option of the Town, on or after November 1, 2023, at any time, either in whole or in part, in such amounts and in such order of maturity (but by lot within a maturity) as the Town may determine, following notice mailed by first class mail at least 30 days prior to the redemption date to the registered owners of the Bonds to be redeemed, at the following redemption price, expressed as a percentage of the principal amount, plus accrued interest to the date set for redemption:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
November 1, 2023 and thereafter	100%

Proposals. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth or one eighth of one percent the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than two (2%) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on PARITY® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, as described under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

Electronic Proposals Bidding Procedure. Electronic bids for the purchase of the Bonds must be submitted through the facilities of PARITY®. Any prospective bidder must be a subscriber of I-Deal's Bidcomp competitive bidding system. Further information about PARITY®, including any fee charged, may be obtained from PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: parity@i-deal.com). The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of PARITY® is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. By submitting a bid for the Bonds via PARITY®, the bidder represents and warrants to the Town that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Town shall not be responsible for any malfunction or**

mistake made by, or as a result of the use of the facilities of PARITY®, the use of such facilities being the sole risk of the prospective bidder.

Disclaimer - Each PARITY® prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY® shall be responsible for a bidder's failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The Town is using PARITY® as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via PARITY® are the sole responsibility of the bidders; and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone PARITY® at (212) 849-5021. If any provision of this Notice shall conflict with information provided by PARITY®, this Notice of Sale shall control.

All electronic bids shall be deemed to incorporate the provisions of this Notice and the form of Proposal for Bonds.

Basis of Award. As between proposals which comply with this Notice, the Bonds will be sold to the responsible bidder offering to purchase the Bonds at the lowest true interest cost to the Town based on the principal maturity structure for the Bonds set out above, without regard to any permitted changes to the annual principal amounts as described in "Principal Adjustments" above. 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 November 1, 2016, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Town further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including internet difficulties. the Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. If the sale is postponed, an alternative bid date will be published on Bloomberg at least 48 hours prior to such alternative bid date. Upon the establishment of an alternative bid date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

Certifying and Paying Agent. The Bonds will be authenticated by U.S. Bank National Association, Hartford, Connecticut. U.S. Bank National Association will act as Registrar and Paying Agent.

Delivery. At or prior to the delivery of the Bonds the successful bidder shall be furnished, without cost, with (a) the approving opinion of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, substantially in the form set out in Appendix B to the Official Statement; (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Town Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds. U.S. Bank National Association will keep the original opinion and certificates and copies of the supporting documents, which may be examined at its principal office in Hartford, Connecticut, upon reasonable notice.

Bond Counsel Opinion. The opinion of Bond Counsel will cover the following matters: (1) that the Bonds will be valid general obligations of the Town when duly certified; (2) that, assuming the accuracy of and compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended, under existing statutes, interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; and the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; and the Bonds are "qualified tax-exempt obligations"; and (3) that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax.

Official Statement. The Town of Woodbury has prepared a preliminary Official Statement for the Bond issue which is dated October 11, 2016. The Town deems such preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment. The Town will make available to the winning purchaser 50 copies of the Official Statement as prepared by the Town at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser at the office of the Town's financial advisor, Phoenix Advisors, LLC, Milford, Connecticut, by the delivery of the Bonds or by the seventh business day after the day bids on the Bonds are received if earlier. If the Town's financial advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, on the Bonds and any corrections. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement. The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to the Official Statement (the "Continuing Disclosure Agreement for Bonds"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for Bonds. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for Bonds.

CUSIP Numbers. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the purchaser to apply for CUSIP numbers for the Bonds prior to delivery. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Town; provided, however, that the Town assumes no responsibility for any CUSIP 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.

Reoffering Prices. **IT SHALL BE THE RESPONSIBILITY OF THE PURCHASER TO FURNISH TO THE TOWN IN WRITING BEFORE THE DELIVERY OF THE BONDS THE REOFFERING PRICES AT WHICH A SUBSTANTIAL PORTION OF EACH MATURITY OF THE BONDS WERE SOLD.** The successful bidder may specify that the Bonds as "not reoffered" if the successful bidder certifies that it purchased the specified Bonds for its own account (or the account of a related party) without any present intention of reoffering such Bonds to any other investor.

Delivery Date and Payment. It is expected that the closing on the Bonds will occur on or about November 1, 2016 through the facilities of the Depository Trust Company, New York, New York, against payment in immediately available Federal funds.

More Information. For more information regarding this issue and the Town reference is made to the Official Statement. Proposal forms and copies of the Official Statement may be obtained from Mr. Barry J. Bernabe, Managing Director, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460 (telephone: (203) 283-1110) or from Mr. Manuel I. Gomes, Chief Fiscal Officer and Treasurer, Town of Woodbury, Town Office Building, P.O. Box 369, 275 Main Street South, Woodbury, Connecticut 06798 (telephone: (203) 263-2449).

WILLIAM J. BUTTERLY, JR.,
First Selectman

MANUEL I. GOMES,
Treasurer

October 11, 2016

[Remainder of page intentionally blank]

(This page intentionally left blank)