

**Town of Stratford  
Connecticut**



**Comprehensive  
Annual Financial Report**

Fiscal Year Ended June 30, 2018

# **Town of Stratford, Connecticut**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2018**

**Town of Stratford, Connecticut  
Comprehensive Annual Financial Report**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2018**

**Finance Department  
Jay Wahlberg  
Finance Director**



# **Introductory Section**

**TOWN OF STRATFORD, CONNECTICUT**  
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**JUNE 30, 2018**

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February 12, 2019

Honorable Laura Hoydick, Mayor  
Honorable Town Council Members  
Town of Stratford, Connecticut

Connecticut law requires that all general-purpose local governments publish at the end of each fiscal year a complete set of audited financial statements. This report fulfills that requirement for the fiscal year ended June 30, 2018.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. The cost of the internal control should never exceed anticipated benefits; therefore, the objective is to provide a reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Town of Stratford, Connecticut’s financial statements for the year ended June 30, 2018. The independent auditors’ report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A is intended to complement this letter of transmittal and should be read in conjunction with it.

### ***Town Profile***

English settlers founded the Town of Stratford in 1639, making it the eighth town in the State of Connecticut. Located thirteen miles west of New Haven and adjacent to Bridgeport to the west, Milford to the east, Long Island Sound to the south and Shelton to the north, the Town is located 65 miles east of New York City and 50 miles southwest of Hartford, Connecticut. The Town encompasses approximately 18.7 square miles within Fairfield County.

The Town is traversed by two major highways, the Merritt Parkway (Route 15) and the Connecticut Turnpike (Interstate 95). Metro-North and Amtrak provide rail service to Boston and New York. Sikorsky Memorial Airport is located within Stratford. It provides various services to both private industry and commuters to New York’s major airports. The Town is a member of the Greater Bridgeport Transit District that operates more than fifty buses on sixteen routes that include the Towns of Stratford, Fairfield, Trumbull and the City of Bridgeport.

Stratford is a balanced community of residential, waterfront and rural areas, retail and commercial development and major industrial plants. The large selection of affordable homes is one reason many companies have located here. The Town has more land zoned for industry than any other town in the State of Connecticut, almost all of which is within five minutes of either Interstate 95 or the Merritt Parkway. The Stratford Industrial Park, a 240 acre site, is located one half mile from Interstate 95 and Sikorsky Airport.

The Town’s public school system provides a balanced curriculum for 7,044 students. There are several vocational training facilities, colleges and universities in close proximity to Stratford, which offer a variety of educational programs. The public school system consists of three schools for pupils in grades Pre-K through 6, five schools for pupils in grades K through 6, two schools for pupils in grades 7-8 and two schools for pupils in grades 9-12. The schools are governed by a seven-member elected Board of Education.

The Town’s location on Long Island Sound provides residents with three public beaches, five marinas, a fishing pier and public launch ramp. In addition, Roosevelt Forest and Boothe Memorial Park are ideal for hiking, picnics and cross-country skiing during winter.



The Town offers a variety of cultural attractions, including the Sterling House Community Center which offer low cost, high quality programs.

The Town provides a full range of services including public safety, street maintenance, sanitation, health and human services, public parks and recreation, library, education, culture, public improvement, planning, zoning, sewer and general administrative services.

### ***Town Local Economy***

Stratford is strategically located between New York City and Boston and has excellent transportation access that has attracted and sustained economic development over the years. Stratford is bisected by both Interstate 95 and Metro North rail service lines. The Merritt Parkway and Routes 8 and 25 offer convenient access to the entire Northeast corridor. Stratford has over 17 miles of coastline, 400 acres of forest, beautiful parks and a rich cultural heritage creating a unique quality of life for our multi-generational residents. Stratford's diverse community of over 52,500 residents offers world class employers, a highly skilled workforce, excellent transportation access and affordable living.

Economic activity is vibrant in the Town of Stratford, the Town continues to attract owners of all types of businesses (from medical, personal and household services to office, retail, wholesale and dining establishments) that choose the Town of Stratford for its diverse zoning, geographic advantages and as an affordable location in Fairfield County. The unemployment rate has dropped from 6.6% in October of 2014 as compared to 4.4% in October of 2018.

On December 4, 2017, Lockheed Martin announced Sikorsky Aircraft workers ratified a new five-year contract covering the Lockheed Martin subsidiary's main helicopter manufacturing plant in here in Stratford. We continue to work with multiple Federal and State agencies in support of Sikorsky Aircraft, Stratford's largest employer, updating road infrastructure in preparation for the expected growth of more than 8,000 new workers within the next decade. Stratford will benefit from Lockheed's agreement to increase its spending of \$350,000,000 a year, solely with Connecticut suppliers. We are aggressively looking to market Sikorsky suppliers knowing they have a major positive economic impact for Stratford.

Stratford's former Army Engine Plant, a 77 acre waterfront property, has received grants of more than \$900,000 from the State of CT for "predevelopment planning and environmental compliance analysis" for the Point Stratford Renewal project. The Army Corps, Department of Defense and Connecticut's Department of Energy & Environmental Protection (DEEP) have a timeline for the remediation of the site and transfer of the property. A Special Tax District has been created as well as a Waterfront Redevelopment District.

Stratford's Transit Oriented District (TOD) has a major development in the heart of downtown, next to the Metro North Railroad. The 3.6 acre former school site received a \$1,200,000 grant from the State of Connecticut Department of Economic and Community Development (DECD) for demolition and abatement which was completed. The new development will include mixed use. Four additional TOD projects include two currently approved developments. These projects will generate major tax revenues.

Two Roads Brewing Company is a major destination not only in Stratford but in the State of Connecticut. In 5 years they have grown to over 100 employees. They are currently building a brand new \$12,000,000, 25,000 square foot building, doubling their size. The new facility will bring in added jobs. Additionally, on Stratford Avenue where Two Roads is located, the Town has a streetscape project underway, creating a whole new corridor along the "doorway to Stratford" with improvements not seen since the industrial revolution.

The United States Environmental Protection Agency's comprehensive cleanup plan for Stratford's Raymark Industries Inc., Superfund Sites is underway with shovels in the ground. The EPA and State of Connecticut have committed to investing \$95,000,000 to clean up the community, opening up tax revenue opportunities for the first time in 25 years.

A 10.5 acre, Town owned brownfield property was awarded a \$2,850,000 grant from Connecticut Department of Economic and Community Development (DECD) to remediate and demolish the site which lies within the TOD. This major site is cleaned up and ready for development.

Ryder's Landing is a major development coming before zoning in 2018 including a hotel/conference center and an open walkway along the Housatonic River. This upcoming project is located next to Lockheed Martin (Sikorsky). Stratford is partnering with CT Department of Transportation to update the state highway along the main corridor including Lockheed Martin and the proposed development.

The aforementioned major developments that have been highlighted in addition to the many businesses that continue to bypass lower Fairfield County and choose Stratford, will positively contribute to our Grand List in coming years.

### ***Recent Town Operations***

The Town, through its elected and administrative officials, continues to take steps to review, redefine and restructure various approaches in policy and management in order to effectively manage critical issues. The following are some of the operational and fiscal control measures implemented in the last several months by the Town.

During budget meetings, every department head was asked to review each program, analyze expenditures and to justify all budget deviations from the prior year to the Chief Administrative Officer, Mayor, Director of Finance and Human Resources Director. On the revenue side of the budget, the final budget incorporated all the changes on the State Intergovernmental Revenues.

Annually the Town prepares a Five Year Capital Improvement & Equipment Program, which is reviewed by the Town Council. The Five Year Capital Improvement and Equipment Program includes various projects and equipment purchases for the five-year period beginning with Fiscal Year 2018 and ending with Fiscal Year 2022.

The Town is currently undertaking a major school improvement project. The school project consists of comprehensive renovations and/or additions at the existing Stratford High School. The project will include complete new or like new construction of building envelope renovation, reconfiguration of existing spaces to maximize efficiency, additional science classrooms, gym facilities, media center, auditorium HVAC, energy efficiency and related site improvements. Renovation to Stratford High School will cost \$126,000,000. The town's portion of the renovation will be \$52,600,000 and the remaining costs will be covered by state reimbursements.

For more information regarding recent Town operations refer to the Management Discussion & Analysis section within.

## **Recent Financial Results**

For the fiscal year ended June 30, 2018, the General Fund ended in a year-end operating deficit of \$3,253,978.

The Town's cost control efforts include the continuance of monitoring all overtime and review of bi-weekly expenses with department heads in order to enhance fiscal operations. Although there are some unknowns heading into Fiscal Year 2018-19, including ongoing union negotiations with Town's collective bargaining units and worker's compensation cases; however, the Town will endeavor to control spending, reach its collection goals, and strive to achieve balanced operations and to manage today into tomorrow.

For more information regarding recent Town operations refer to the Management Discussion & Analysis section within.

## ***Town Organization***

From 1921 until 2005, the Town of Stratford operated under a Council-Manager form of government. In November 2003, the electors of the Town approved a referendum authorizing a revision to the Charter requiring a change to a Mayor-Council form of government. The new form of government took effect on December 12, 2005 when the Town's first Mayor was sworn into office. The Mayor is a full time, compensated, elected official with a term of four (4) years. The Mayor is recognized as the head of the Town and appoints all department heads including the Town Attorney, appoints citizens to commissions, prepares the budget, establishes criteria for evaluation of subordinates, and signs or vetoes legislation passed by the Town Council. This power includes the ability to veto a specific line item within proposed operating budgets. The Mayor's attendance at all Council meetings is required, but the Mayor is not able to vote unless to break a tie vote of the Town Council. A Chief Administrative Officer (the "CAO") is appointed by the Mayor, and assists the Mayor with budget preparation, labor negotiations, and any other areas deemed appropriate by the Mayor. A bipartisan Town Council of ten members, who are elected for two-year terms, performs the legislative function. The Town Council approves the annual budget, supplemental appropriations and bond authorizations.

## ***Policies and Practice***

### Debt

In Fiscal Year 2018, the Town continued to pay principal and interest payments on its Pension Obligation Bonds directly from the General Fund. On January 2, 2019, the Town issued \$70,000,000 of general obligation bonds and \$3,175,000 of general obligation bond anticipation notes. The bonds will mature through 2039 and the issue was all new money. The Bond Anticipation Note will redeem in 2020 with the issue designated funding of capital improvements.

### Taxes

During the fiscal year ended 2018, the Town collected 97.46% of its current tax levy. Property taxes levied increased by \$6,865,055 over the prior year. The current year tax collections totaled \$175,058,251 with the arrear taxes and interest collected was \$4,172,051.

Acknowledgements

I would like to thank Blum, Shapiro & Company, P.C., our independent auditors, for their professional guidance, assistance, and their helpful comments and suggestions. Also, I would like to give special thanks to my staff that put in numerous hours and assistance for the preparation of this report.

In closing, without the leadership and support of the Town administration and the assistance of various Town departments, preparation of this report would not have been possible.

Respectfully Submitted,

*Jay E. Wahlberg*

Jay E. Wahlberg, Finance Director



Government Finance Officers Association

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for Excellence  
in Financial  
Reporting**

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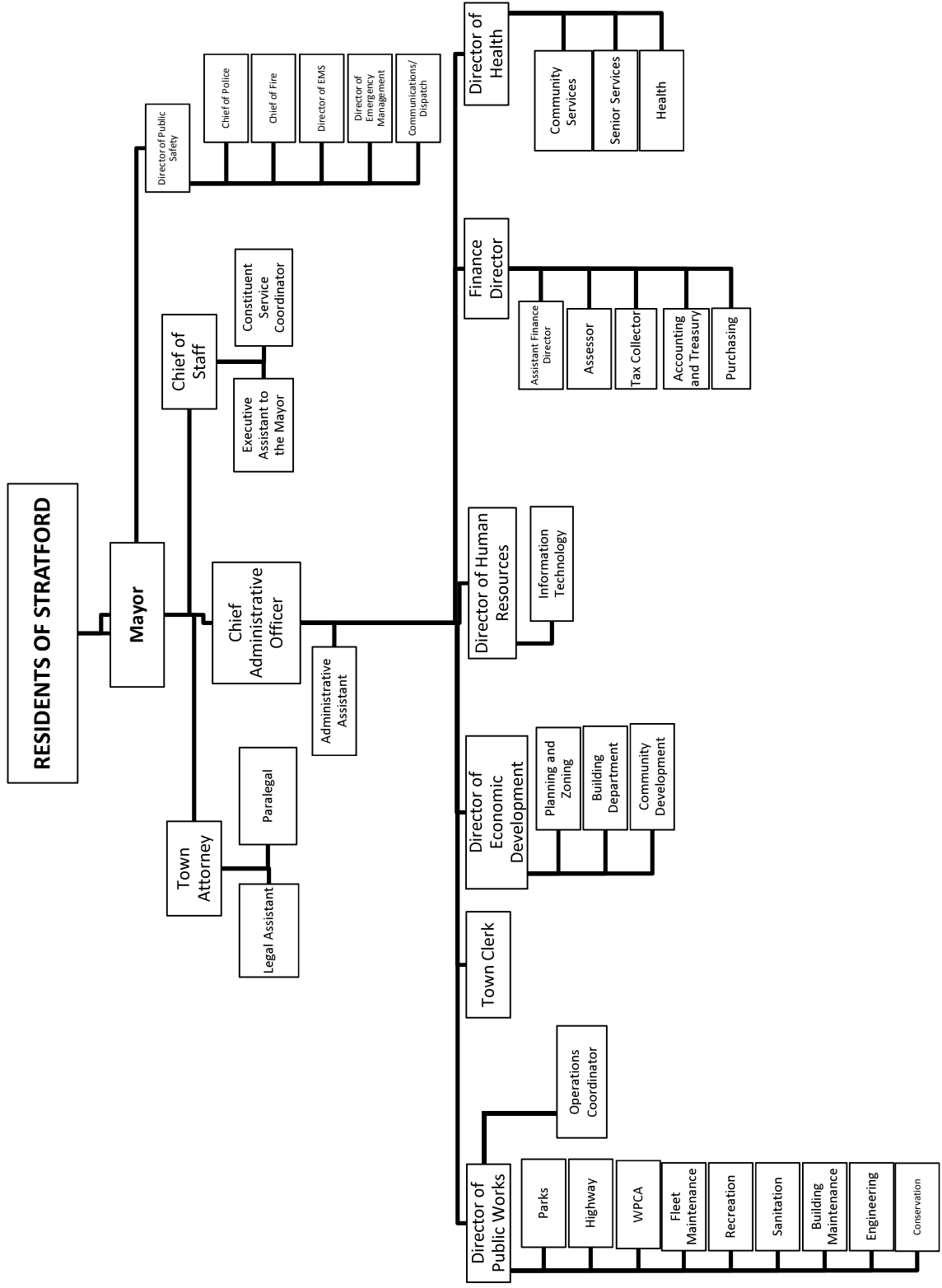
**Town of Stratford  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



**TOWN OF STRATFORD, CONNECTICUT**

**PRINCIPAL TOWN OFFICIALS**

**Laura R. Hoydick, Mayor**

**TOWN COUNCIL**

James Connor, Council Chair  
Gregory Cann  
James Connor  
Laura Dancho  
David L. Harden  
Wali Kadeem  
William O'Brien  
Bill Perillo  
Christopher Pia  
Ken Poisson  
Ronald Tichy

**BOARD OF EDUCATION**

Chairman ..... Eric Lazaro  
Vice-Chairman ..... Susan Lance  
Secretary ..... Maria Buturla  
Board Member ..... Allison DeBene  
Board Member ..... Bob DeLorenzo  
Board Member ..... Vinnie Faggella  
Board Member ..... Karen Rodia

Dr. Janet M. Robinson,  
Superintendent of Schools

**ADMINISTRATION**

Chief Administrative Officer ..... Christopher Tymniak  
Finance Director ..... Jay Wahlberg  
Town Clerk ..... Susan Pawluk  
Treasurer ..... Marie Craig  
Assessor ..... Melinda Fonda  
Tax Collector ..... Deborah Heim  
Town Attorney ..... Christopher Hodgson



# Financial Section



## **Independent Auditors' Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stratford, Connecticut, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Stratford, Connecticut's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stratford, Connecticut, as of June 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As discussed in Note 13 to the financial statements, during the fiscal year ended June 30, 2018, the Town of Stratford, Connecticut, adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The net position of the Town of Stratford, Connecticut, has been restated to recognize the net other postemployment benefit liability in accordance with GASB No. 75. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 Stratford, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2019 on our consideration of the Town of Stratford, 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 solely 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 the effectiveness of the Town of Stratford, Connecticut's 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 Stratford, Connecticut's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
February 12, 2019

**TOWN OF STRATFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

This discussion and analysis of the Town of Stratford, Connecticut's (the Town) financial performance is developed by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2018. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to XI.

**Financial Highlights**

- In the Statement of Net Position, The Town's net position increased by \$14.3 million inclusive of a change in net OPEB liability or 5.4%, as a result of this year's operations. The net position of our business-type activities decreased by \$3.6 million inclusive of a change in long term liability or 7.8%, as a result of this year's operations.
- During the year, the Town's governmental activities program expenses are \$17.9 million less than the \$267.1 million generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues from charges for services are \$13.5 million while operating expenses are \$17.0 million primarily due to the Water Treatment plant and Emergency Medical Services.
- Total cost of all of the Town's programs decreased by \$12.0 million to \$249.2 million with no major new programs added this year. These decreases consisted of \$1.0 million in human development, \$5.0 in physical development, \$7.2 million in public safety, \$8.2 million in education, \$1.0 million in interest expense and \$0.5 million in business-type expenses offset by an increase of \$10.4 million in general government.
- The General Fund reported a fund balance this year of \$6.1 million, which is a decrease of \$3.3 million from the prior year.
- Revenues in the General Fund totaled \$234.0 million while expenditures totaled \$238.9 million resulting in a deficit of \$3.3 million on a modified accrual basis.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to XI. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

**Government-Wide Financial Statements**

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. The Town's net position, the difference between assets and liabilities, are one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net position and the statement of activities, we divide the Town into two types of activities:

- *Governmental Activities* - Most of the Town's basic services are reported here, including education, public safety, highways and streets, sanitation, economic development and recreation. Property taxes, charges for services and state and federal grants finance most of these activities.
- *Business-Type Activities* - The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's Waste Operating Facility, Town golf facilities and EMS Fund are reported here.

### **Fund Financial Statements**

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town Council establishes many other funds to help control and manage financial activities for particular purposes (like the Capital Projects Fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received for education from the State Department of Education). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

**Governmental funds (Exhibits III to IV):** Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.

**Proprietary Funds (Exhibits V to VII):** When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

**Fiduciary funds (Exhibits VIII and IX):** The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Government-Wide Financial Analysis**

The Town's combined net position decreased from a year ago from \$(206.2) million to \$(387.1) million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

**Table 1  
SUMMARY STATEMENT OF NET  
POSITION  
(In Thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>as restated 2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>as Restated 2017</b>
Current and other assets	\$ 76,138	\$ 85,538	\$ 1,391	\$ 6,572	\$ 77,529	\$ 92,110
Capital assets, net of depreciation	224,320	190,239	44,804	47,903	269,123	238,142
Total assets	<u>300,458</u>	<u>275,777</u>	<u>46,195</u>	<u>54,475</u>	<u>346,652</u>	<u>330,252</u>
Deferred outflows - pension	1,299	6,285			1,299	6,285
Deferred charge on refunding	1,857	1,984			1,857	1,984
Total deferred outflows of resources	<u>3,156</u>	<u>8,269</u>	<u>-</u>	<u>-</u>	<u>3,156</u>	<u>8,269</u>
Current liabilities	81,877	37,194	1,262	829	83,139	38,023
Long-term debt outstanding	609,987	473,128	28,362	33,472	638,349	506,600
Total liabilities	<u>691,864</u>	<u>510,322</u>	<u>29,624</u>	<u>34,301</u>	<u>721,488</u>	<u>544,623</u>
Deferred inflows - pension	4,905	118			4,905	118
Deferred inflows - OPEB	10,512				10,512	-
Total deferred inflows of resources	<u>15,417</u>	<u>118</u>	<u>-</u>	<u>-</u>	<u>15,417</u>	<u>118</u>
Net Position:						
Net investment in capital assets	90,461	85,697	15,411	14,786	105,872	100,483
Restricted	2,755	2,670			2,755	2,670
Unrestricted	<u>(496,884)</u>	<u>(314,761)</u>	<u>1,160</u>	<u>5,388</u>	<u>(495,724)</u>	<u>(309,373)</u>
Total Net Position	<u>\$ (403,667)</u>	<u>\$ (226,394)</u>	<u>\$ 16,571</u>	<u>\$ 20,174</u>	<u>\$ (387,097)</u>	<u>\$ (206,220)</u>

Net position of the Town's governmental activities changed to \$(403.7) million as compared to (\$226.4) million the prior year. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed from \$(314.8) million at June 30, 2017 to \$(496.8) million at the end of this year.

**Table 2**  
**SUMMARY STATEMENT OF**  
**ACTIVITIES**  
**(In Thousands)**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Revenues:						
Program revenues:						
Charges for services	\$ 7,676	\$ 9,770	\$ 13,406	\$ 13,378	\$ 21,082	\$ 23,148
Operating grants and contributions	46,589	51,984			46,589	51,984
Capital grants and contributions	26,657	7,303			26,657	7,303
General revenues:						
Property taxes	179,758	173,323			179,758	173,323
Grants and contributions not restricted to specific purposes	708	1,389			708	1,389
Unrestricted investment earnings	481	489			481	489
Miscellaneous	1,729				1,729	-
Total revenues	<u>263,598</u>	<u>244,258</u>	<u>13,406</u>	<u>13,378</u>	<u>277,004</u>	<u>257,636</u>
Program expenses:						
General government	42,394	32,000			42,394	32,000
Human development	7,731	8,794			7,731	8,794
Physical development	18,709	23,659			18,709	23,659
Public safety	26,839	34,067			26,839	34,067
Education	140,801	148,968			140,801	148,968
Interest expense	12,734	13,696			12,734	13,696
Waste operating			10,570	11,232	10,570	11,232
Short Beach Golf Course			325	2,298	325	2,298
Emergency Medical Services			2,577	440	2,577	440
Total program expenses	<u>249,207</u>	<u>261,184</u>	<u>13,472</u>	<u>13,970</u>	<u>262,679</u>	<u>275,154</u>
Excess before transfers	14,391	(16,926)	(66)	(592)	14,325	(17,518)
Transfers	3,537	700	(3,537)	(700)	-	-
Change in Net Position	17,928	(16,226)	(3,603)	(1,292)	14,325	(17,518)
Net Position at Beginning of Year	(226,394)	(210,168)	20,174	21,466	(206,220)	(188,702)
Restatement for GASB 75	(195,201)				(195,201)	-
Net Position at End of Year	<u>\$ (403,667)</u>	<u>\$ (226,394)</u>	<u>\$ 16,571</u>	<u>\$ 20,174</u>	<u>\$ (387,096)</u>	<u>\$ (206,220)</u>

The Town's total revenues were \$277.0 million. The total cost of all programs and services was \$262.7 million. Our analysis below separately considers the operations of governmental and business-type activities.

### **Governmental Activities**

Approximately 64.9% of the revenues were derived from property taxes; the remaining 35.1% of revenue is made up of operating and capital grants and investment earnings.

Major revenue factors include:

- Property taxes increased by \$6.4 million over the prior year. Current tax collections totaled \$175.1 million or 97.46% of the levy. Arrears taxes and interest collected was \$4.2 million.
- Operating grants for governmental activities decreased by \$5.4 million over the prior year. The State of Connecticut Education Cost Sharing grant, Special education, and Municipal revenue sharing totaled \$24.1 million of the Operating grants total.
- Governmental expenses decreased from \$261.2 million to \$249.2 million with no major new programs added this year. These decreases consisted of \$1.0 million in human development, \$5.0 in physical development, \$7.2 million in public safety, \$8.2 million in education and \$1.0 million in interest expense offset by an increase of \$10.4 million in general government.

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

**TABLE 3  
GOVERNMENTAL ACTIVITIES  
(In Thousands)**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
General government	\$ 42,394	\$ 32,000	\$ 34,851	\$ 29,175
Public safety	26,839	34,067	26,026	32,064
Physical development	18,709	23,659	(1,229)	20,628
Education	140,801	148,968	89,986	90,557
Human development	7,731	8,794	5,917	6,006
All others	12,734	13,696	4,464	13,696
<b>Total</b>	<b>\$ 249,207</b>	<b>\$ 261,184</b>	<b>\$ 160,015</b>	<b>\$ 192,126</b>

### **Business-Type Activities**

Business-type activities decreased the Town's net position by \$3.6 million. The key factors were increase in operating expenses in Waste Operating fund, Short Beach golf course and Emergency Medical Services.



## Town Funds Financial Analysis

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$2.5 million, a decrease of \$30.1 million in comparison with the prior year. This is due to other financing net sources of \$3.5 million and the deficiency of revenues over expenditures of \$33.6 million.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the General Fund total fund balance is \$6.1 million.

General Fund mirrors the general fund activities analysis highlighted in RSI-1 and RSI-2. The fund balance of the Town's General Fund decreased by \$3.3 million during the current fiscal year, with the key factors affecting the General Fund are as follows:

- Decrease of \$(2.7) million in the State Education Cost Sharing grant revenue.
- Town finalized a legal settlement for \$1.7.

The Capital Projects Fund has a fund balance of \$(8.0) million at the end of the year, a decrease of \$(26.3) million from the prior year. The Town has recently issued general obligation bonds on January 2, 2019 for \$70,000,000 to cover the outstanding notes and future remaining funding for the Stratford High School project. Major projects in 2018 are as follows:

- The Stratford High School Project of \$33.1 million.
- Road Resurfacing, sidewalk improvement, street improvement, and bridge improvement of \$2.9 million.
- Other school Improvements, equipment and technology infrastructure Projects have expenditures for \$4.5 million.
- Capital equipment purchases for public works, police and fire of \$1.0 million.

Other nonmajor governmental funds have a total fund balance of \$4.6 million, a decrease of \$0.4 million from the prior year. The increase was attributed to expenses in the school lunch program \$(.2) and miscellaneous grants for advance funding of expenditures for ongoing projects \$(.2).

**Proprietary Funds.** The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Overall enterprise funds net position total \$16.6 million at the end of 2018, decreasing by \$3.6 million from the previous year.

Net position of the Waste Operating Fund at the end of the year is \$17.9 million, 108% of total net position of the proprietary funds. Other non-major activities have net deficit of \$1.4 million or -8% of the total net position. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town's Business-Type Activities.

The internal service funds net position at the end of 2018 totaled (\$5.8) million; thereby, increasing by \$0.3 million from the previous years.

Net position of the Health Benefit Fund and Workers' compensation as of June 30, 2018 is \$1.7 million and (\$7.5) million, respectively. Increase in Health Benefit fund net position is due to health claim activity. Decrease in Workers' Compensation fund net position is due to a small increase in risk management claim liability.

### General Fund Budgetary Highlights

During the year, revenues were under budgetary estimates by \$5.1 million and expenditures were under budgetary estimates by \$1.8 million. The town had a negative revenue variance that was the result of \$2.7 million intergovernmental Education Cost Sharing grant and tax collector's revenue estimated shortfall \$2.4 million. Expenditures were under budget estimates due to decrease in education, debt service, and Town general government costs.

### Capital Asset and Debt Administration

**Capital Assets.** The Town's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2018 amounted to \$224.3 million and \$44.8 million, respectively. This investment in capital assets included land, buildings and system improvements, machinery and equipment, park facilities, roads, highways and bridges. The total increase in the Town's investment in capital assets for the current fiscal year was \$4 million.

**TABLE 4  
CAPITAL ASSETS AT YEAR-END (Net of  
Depreciation) (In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 15,855	\$ 15,919	\$	\$	\$ 15,855	\$ 15,919
Land improvements	9,809	10,581	101	108	9,910	10,689
Buildings and improvements	102,758	102,695	34,580	37,868	137,338	140,563
Infrastructure	32,219	34,017	7,073	7,658	39,292	41,675
Machinery and equipment	12,699	15,182	1,722	2,099	14,421	17,281
Construction in progress	50,980	11,846	1,328	170	52,308	12,016
Total	<u>\$ 224,320</u>	<u>\$ 190,240</u>	<u>\$ 44,804</u>	<u>\$ 47,903</u>	<u>\$ 269,124</u>	<u>\$ 238,143</u>

This year's major additions included (in millions):

- The Stratford High School Project of \$33.1 million.
- Road Resurfacing, sidewalk improvement, street improvement, and bridge improvement of \$2.9 million.
- Other school Improvements, equipment and technology infrastructure Projects have expenditures of \$4.5 million.
- Capital equipment purchases for public works, police and fire of \$1.0 million.
- WPCA major project had expenditures of \$1.2 million

More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

**Long-Term Debt.** At June 30, 2018 the Town had \$303.1 million in bonds and notes outstanding versus \$328.4 million last year, a decrease of 8.2% as shown in Table 5.

**TABLE 5  
OUTSTANDING DEBT, AT YEAR-END  
(In Thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General and pension obligation bonds	\$ 271,210	\$ 293,473	\$ 1,513	\$ 1,646	\$ 272,723	\$ 295,119
Capital leases	1,155	1,831	146	197	1,301	2,028
Notes payable			28,993	31,274	28,993	31,274
Totals	<u>\$ 272,365</u>	<u>\$ 295,304</u>	<u>\$ 30,652</u>	<u>\$ 33,117</u>	<u>\$ 303,017</u>	<u>\$ 328,421</u>

The Town maintains an “AA-” rating from Standard & Poor’s and an “A2” rating from Moody’s for its general obligation debt. The Town provides the rating agencies with ongoing disclosure in the form of independent annual financial reports, adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested from time to time.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior years’ tax collections. The current debt limitation for the Town amounts to \$1,263 million, significantly more than the Town’s outstanding general obligation debt.

More detailed information about the Town’s long-term liabilities is presented in Note 7 to the financial statements.

**Economic Factors and Next Year’s Budgets and Rates**

- Inflationary trends in the region are comparable to the national indices.
- The Town’s unemployment rate has dropped from 6.6% in October of 2014 as compared to 4.4% in October 2018.

All of these factors were considered in preparing the Town’s budget for fiscal year 2019. The fiscal year 2019 General Fund budget calls for \$220,911,375 in revenues with matching expenditures resulting in an increase of \$3,390,104 over fiscal year 2018 or a 1.56% increase. The Grand List increased by 2.02% from 2018; thereby, resulting in a mill rate decrease of 0.16%.

During the current fiscal year, unassigned fund balance in the General Fund decreased by \$4,392,409 for a unassigned balance of \$3,590,793. The Town did not utilize general fund balance for the fiscal year 2019 budget.

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

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the tax and other funding it receives. The report is available on the Town website: ([www.townofstratford.com](http://www.townofstratford.com)) If you have questions about this report or need additional financial information, contact the Finance Director, Town of Stratford at 2725 Main Street, Stratford, Connecticut 06615.



# **Basic Financial Statements**

**TOWN OF STRATFORD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 56,929,160	\$ 108,182	\$ 57,037,342
Investments	2,629,366		2,629,366
Receivables, net	15,137,824	2,684,912	17,822,736
Inventory	38,952		38,952
Advance to other funds	1,402,248	(1,402,248)	-
<b>Capital assets:</b>			
Assets not being depreciated	66,834,611	1,327,816	68,162,427
Assets being depreciated, net	157,485,180	43,475,717	200,960,897
<b>Total assets</b>	<u>300,457,341</u>	<u>46,194,379</u>	<u>346,651,720</u>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to pension	1,299,344		1,299,344
Deferred charges on refunding	1,856,804		1,856,804
<b>Total deferred outflows of resources</b>	<u>3,156,148</u>	<u>-</u>	<u>3,156,148</u>
<b>Liabilities:</b>			
Accounts and other payables	10,488,592	335,064	10,823,656
Accrued liabilities	5,221,633	90,599	5,312,232
Unearned revenue	253,816	43,434	297,250
Internal balances	1,903,421	(1,903,421)	-
Bond anticipation notes	40,000,000		40,000,000
<b>Noncurrent liabilities:</b>			
Due within one year	24,009,773	2,696,019	26,705,792
Due in more than one year	609,986,599	28,362,184	638,348,783
<b>Total liabilities</b>	<u>691,863,834</u>	<u>29,623,879</u>	<u>721,487,713</u>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to pension	4,904,731		4,904,731
Deferred inflows related to OPEB	10,512,040		10,512,040
<b>Total deferred inflows of resources</b>	<u>15,416,771</u>	<u>-</u>	<u>15,416,771</u>
<b>Net Position:</b>			
Net investment in capital assets	90,461,448	15,410,910	105,872,358
<b>Restricted for:</b>			
Nonexpendable trust	2,755,123		2,755,123
Unrestricted	(496,883,687)	1,159,590	(495,724,097)
<b>Total Net Position</b>	<u>\$ (403,667,116)</u>	<u>\$ 16,570,500</u>	<u>\$ (387,096,616)</u>

The accompanying notes are an integral part of the financial statements

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 42,393,509	\$ 3,140,923	\$ 894,331	\$ 3,507,689	\$ (34,850,566)	\$	\$ (34,850,566)
Human development	7,730,735	1,432,908	380,812		(5,917,015)		(5,917,015)
Physical development	18,709,456	1,196,031		18,742,366	1,228,941		1,228,941
Public safety	26,838,547	162,846	649,638		(26,026,063)		(26,026,063)
Education	140,800,800	1,743,247	44,664,285	4,406,803	(89,986,465)		(89,986,465)
Debt service	12,733,997				(12,733,997)		(12,733,997)
Total governmental activities	<u>249,207,044</u>	<u>7,675,955</u>	<u>46,589,066</u>	<u>26,656,858</u>	<u>(168,285,165)</u>	<u>-</u>	<u>(168,285,165)</u>
Business-type activities:							
Waste Operating	10,569,555	11,050,476				480,921	480,921
Emergency Medical Services	2,576,883	2,125,326				(451,557)	(451,557)
Short Beach Golf Course	325,454	230,205				(95,249)	(95,249)
Total business-type activities	<u>13,471,892</u>	<u>13,406,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,885)</u>	<u>(65,885)</u>
Total	<u>\$ 262,678,936</u>	<u>\$ 21,081,962</u>	<u>\$ 46,589,066</u>	<u>\$ 26,656,858</u>	<u>(168,285,165)</u>	<u>(65,885)</u>	<u>(168,351,050)</u>
General revenues:							
Property taxes					179,758,312		179,758,312
Grants and contributions not restricted to specific programs					708,366		708,366
Unrestricted investment earnings					480,764		480,764
Miscellaneous					1,728,531		1,728,531
Total general revenues					<u>182,675,973</u>	<u>-</u>	<u>182,675,973</u>
Transfers					3,537,338	(3,537,338)	-
Total					<u>186,213,311</u>	<u>(3,537,338)</u>	<u>182,675,973</u>
Change in net position					17,928,146	(3,603,223)	14,324,923
Net Position - Beginning of Year, as Restated					<u>(421,595,262)</u>	<u>20,173,723</u>	<u>(401,421,539)</u>
Net Position - End of Year					<u>\$ (403,667,116)</u>	<u>\$ 16,570,500</u>	<u>\$ (387,096,616)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF STRATFORD, CONNECTICUT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2018**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 55,894,040	\$	\$ 955,207	\$ 56,849,247
Investments			2,629,366	2,629,366
Receivables, net	11,967,778	892,217	2,189,424	15,049,419
Inventories and prepaids	3,066		35,886	38,952
Advance to other funds	1,402,248			1,402,248
Due from other funds		41,830,203	2,194,863	44,025,066
Total Assets	<u>\$ 69,267,132</u>	<u>\$ 42,722,420</u>	<u>\$ 8,004,746</u>	<u>\$ 119,994,298</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
Liabilities:				
Accounts and other payables	\$ 3,202,139	\$ 5,855,630	\$ 1,071,910	\$ 10,129,679
Accrued liabilities	898,588		15,845	914,433
Unearned revenue			253,816	253,816
Bond anticipation notes		40,000,000		40,000,000
Due to other funds	48,835,665	4,081,689	335,804	53,253,158
Total liabilities	<u>52,936,392</u>	<u>49,937,319</u>	<u>1,677,375</u>	<u>104,551,086</u>
Deferred Inflows of Resources:				
Unavailable resources	<u>10,270,294</u>	<u>892,217</u>	<u>1,738,571</u>	<u>12,901,082</u>
Fund Balances:				
Nonspendable	1,405,314		35,886	1,441,200
Restricted			3,441,234	3,441,234
Committed		36,118,934	2,022,092	38,141,026
Assigned	1,064,339			1,064,339
Unassigned	3,590,793	(44,226,050)	(910,412)	(41,545,669)
Total fund balances	<u>6,060,446</u>	<u>(8,107,116)</u>	<u>4,588,800</u>	<u>2,542,130</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 69,267,132</u>	<u>\$ 42,722,420</u>	<u>\$ 8,004,746</u>	<u>\$ 119,994,298</u>

(Continued on next page)



**TOWN OF STRATFORD, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2018**

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

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

Fund balances - total governmental funds (Exhibit III)	\$	2,542,130
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$	424,997,038
Less accumulated depreciation		<u>(200,677,247)</u>
Net capital assets		224,319,791
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:		
Property tax receivables greater than 60 days		7,088,908
Interest receivable on property taxes		2,798,044
Assessments receivable		892,217
Housing loans		20,468
Other receivables and deferred amounts		1,746,928
Deferred outflows related to Pension		1,299,344
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.		
		(5,795,503)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds and notes payable		(261,602,673)
Bond premium		(9,607,059)
Capital lease		(1,155,415)
Interest payable on bonds and notes		(4,304,421)
Compensated absences		(11,966,038)
Landfill closure		(7,800,000)
Deferred charges on refunding		1,856,804
Claims and judgments		(1,000,000)
Net pension liability		(54,168,151)
Net OPEB liability		(273,415,719)
Deferred inflows related to Pension		(4,904,731)
Deferred inflows related to OPEB		<u>(10,512,040)</u>
Net Position of Governmental Activities (Exhibit I)	\$	<u>(403,667,116)</u>

The accompanying notes are an integral part of the financial statements

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

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes and assessments	\$ 180,421,843	\$ 188,080	\$	\$ 180,609,923
State and Federal governments	48,171,466	16,580,653	10,045,868	74,797,987
Department revenue	3,001,405		3,255,848	6,257,253
Licenses and permits	1,003,139		246,002	1,249,141
Investment income	303,072		177,692	480,764
Other	1,140,804		652,023	1,792,827
Total revenues	<u>234,041,729</u>	<u>16,768,733</u>	<u>14,377,433</u>	<u>265,187,895</u>
Expenditures:				
Current:				
General government:				
Administration	5,984,350			5,984,350
Contingency	4,733,208			4,733,208
Employee benefits	19,310,201			19,310,201
Finance	2,198,148			2,198,148
Human development	5,923,449		2,319,278	8,242,727
Physical development	12,417,475		1,865,508	14,282,983
Public safety	24,867,450		776,432	25,643,882
Education	128,126,498		8,427,515	136,554,013
Debt service:				
Principal retirements	21,627,239			21,627,239
Interest and other charges	13,733,329	19,804		13,753,133
Capital outlay		45,918,660	572,769	46,491,429
Total expenditures	<u>238,921,347</u>	<u>45,938,464</u>	<u>13,961,502</u>	<u>298,821,313</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,879,618)</u>	<u>(29,169,731)</u>	<u>415,931</u>	<u>(33,633,418)</u>
Other Financing Sources (Uses):				
Transfers in	2,120,254	2,984,195		5,104,449
Transfers out	(494,614)	(210,000)	(862,497)	(1,567,111)
Total other financing sources (uses)	<u>1,625,640</u>	<u>2,774,195</u>	<u>(862,497)</u>	<u>3,537,338</u>
Net Change in Fund Balances	(3,253,978)	(26,395,536)	(446,566)	(30,096,080)
Fund Balances at Beginning of Year	<u>9,314,424</u>	<u>18,288,420</u>	<u>5,035,366</u>	<u>32,638,210</u>
Fund Balances at End of Year	<u>\$ 6,060,446</u>	<u>\$ (8,107,116)</u>	<u>\$ 4,588,800</u>	<u>\$ 2,542,130</u>

(Continued on next page)

**TOWN OF STRATFORD, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

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

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

Net change in fund balances - total governmental funds (Exhibit IV) \$ (30,096,080)

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay 44,903,190  
Depreciation expense (10,758,346)

In the statement of activities, only the gain 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 assets sold. (64,301)

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

Property tax receivable (527,273)  
Property tax interest receivable (236,956)  
Assessments (87,381)  
Housing loans (121,762)  
School building grant receipts (126,418)  
Other receivables and deferred amounts 724,270  
Change in deferred outflows related to Pension (4,985,840)

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 has any effect on net positions. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond principal payments 21,627,239  
Amortization of premiums and discounts 635,747  
Capital lease payments 675,090

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 the governmental funds. The details of the changes in other recorded obligations are as follows:

Compensated absences (556,265)  
Claims and judgments 2,250,000  
Accrued interest 510,651  
Amortization of deferred amount on refunding (127,252)  
Change in net pension liability 6,726,755  
Change in net OPEB liability 2,526,884  
Change in deferred inflows related to Pension (4,786,467)  
Change in deferred inflows related to OPEB (10,512,040)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

334,701

Change in Net Positions of Governmental Activities (Exhibit II)

\$ 17,928,146

The accompanying notes are an integral part of the financial statements

**TOWN OF STRATFORD, CONNECTICUT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2018**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Major Fund</u>			<u>Activities</u>
	<u>Waste</u>	<u>Other</u>		<u>Internal</u>
	<u>Operating</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Service Fund</u>
	<u>Fund</u>	<u>Funds</u>		
Assets:				
Current assets:				
Cash and cash equivalents	\$	\$ 108,182	\$ 108,182	\$ 80,000
Receivables:				
Accounts and other		348,475	348,475	88,405
Sewer usage receivable	2,336,437		2,336,437	
Due from other funds	2,941,915	207,587	3,149,502	7,324,671
Total current assets	<u>5,278,352</u>	<u>664,244</u>	<u>5,942,596</u>	<u>7,493,076</u>
Capital assets:				
Assets not being depreciated	1,327,816		1,327,816	
Assets being depreciated, net	41,220,671	2,255,046	43,475,717	
Total capital assets	<u>42,548,487</u>	<u>2,255,046</u>	<u>44,803,533</u>	<u>-</u>
Total assets	<u>47,826,839</u>	<u>2,919,290</u>	<u>50,746,129</u>	<u>7,493,076</u>
Liabilities:				
Current:				
Accounts payable	228,810	106,254	335,064	7,262
Accrued wages and benefits	90,599		90,599	
Unearned revenue	41,345	2,089	43,434	
Advance from other funds		1,402,248	1,402,248	
Due to other funds		1,246,081	1,246,081	
Risk management claims			-	677,000
Bonds payable	30,122	145,000	175,122	
Serial notes payable	2,327,143		2,327,143	
Capital lease	4,716	67,117	71,833	
Compensated absences	41,400	80,521	121,921	
Total current liabilities	<u>2,764,135</u>	<u>3,049,310</u>	<u>5,813,445</u>	<u>684,262</u>
Noncurrent liabilities:				
Bonds payable	338,876	999,000	1,337,876	
Serial notes payable	26,665,729		26,665,729	
Capital lease payable	26,037	48,061	74,098	
Risk management claims				12,604,317
Compensated absences	96,599	187,882	284,481	
Total noncurrent liabilities	<u>27,127,241</u>	<u>1,234,943</u>	<u>28,362,184</u>	<u>12,604,317</u>
Total liabilities	<u>29,891,376</u>	<u>4,284,253</u>	<u>34,175,629</u>	<u>13,288,579</u>
Net Position:				
Net investment in capital assets	13,155,864	2,255,046	15,410,910	
Unrestricted	4,779,599	(3,620,009)	1,159,590	(5,795,503)
Total Net Position	<u>\$ 17,935,463</u>	<u>\$ (1,364,963)</u>	<u>\$ 16,570,500</u>	<u>\$ (5,795,503)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF STRATFORD, CONNECTICUT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Major Fund</u>			<u>Activities</u>
	<u>Waste</u>	<u>Other</u>		<u>Internal</u>
	<u>Operating</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Service Funds</u>
	<u>Fund</u>	<u>Funds</u>		
Operating Revenues:				
Charges for services	\$ 10,947,426	\$ 2,355,531	\$ 13,302,957	\$ 6,819,666
Other	103,050		103,050	
Total operating revenues	<u>11,050,476</u>	<u>2,355,531</u>	<u>13,406,007</u>	<u>6,819,666</u>
Operating Expenses:				
Operating and maintenance	5,982,908	2,581,956	8,564,864	6,484,965
Depreciation	3,972,028	284,910	4,256,938	
Total operating expenses	<u>9,954,936</u>	<u>2,866,866</u>	<u>12,821,802</u>	<u>6,484,965</u>
Operating Income (Loss)	1,095,540	(511,335)	584,205	334,701
Nonoperating Expenses:				
Interest expense	<u>(614,619)</u>	<u>(35,471)</u>	<u>(650,090)</u>	
Income (Loss) Before Transfers	480,921	(546,806)	(65,885)	334,701
Transfers Out	<u>(3,389,581)</u>	<u>(147,757)</u>	<u>(3,537,338)</u>	
Change in Net Position	(2,908,660)	(694,563)	(3,603,223)	334,701
Net Position - Beginning of Year	<u>20,844,123</u>	<u>(670,400)</u>	<u>20,173,723</u>	<u>(6,130,204)</u>
Net Position - End of Year	<u>\$ 17,935,463</u>	<u>\$ (1,364,963)</u>	<u>\$ 16,570,500</u>	<u>\$ (5,795,503)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF STRATFORD, CONNECTICUT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Major Fund</b>			<b>Internal Service Fund</b>
	<b>Waste Operating Fund</b>	<b>Other Nonmajor Funds</b>	<b>Total</b>	
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 11,050,476	\$ 2,334,163	\$ 13,384,639	\$ 6,819,666
Cash payments to suppliers	(3,710,045)	(753,240)	(4,463,285)	(7,019,537)
Cash payments to employees	(2,447,110)	(1,826,499)	(4,273,609)	
Payments for interfund services	2,601,021	576,070	3,177,091	199,871
Net cash provided by (used in) operating activities	<u>7,494,342</u>	<u>330,494</u>	<u>7,824,836</u>	<u>-</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers to other funds	<u>(3,389,581)</u>	<u>(147,757)</u>	<u>(3,537,338)</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Principal payments on debt	(2,311,224)	(151,161)	(2,462,385)	
Principal payments on capital lease	(2,850)	(35,471)	(38,321)	
Purchase of capital assets	(1,176,068)		(1,176,068)	
Interest paid on debt	(614,619)		(614,619)	
Net cash provided by (used in) capital and related financing activities	<u>(4,104,761)</u>	<u>(186,632)</u>	<u>(4,291,393)</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	-	(3,895)	(3,895)	-
<b>Cash and Cash Equivalents at Beginning of Year</b>	-	112,077	112,077	80,000
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ -</u>	<u>\$ 108,182</u>	<u>\$ 108,182</u>	<u>\$ 80,000</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating income (loss)	\$ 1,095,540	\$ (511,335)	\$ 584,205	\$ 334,701
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	3,972,028	284,910	4,256,938	
Loss on disposition of capital assets		18,539	18,539	
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	118,135	(21,368)	96,767	(88,405)
(Increase) decrease in due from other funds	2,601,021	(207,587)	2,393,434	199,871
Increase (decrease) in accounts payable and accrued expenses	(325,947)	(42,975)	(368,922)	1,673
Increase (decrease) in risk management claim liability		1,322	1,322	(447,840)
Increase (decrease) in unearned revenues	7,183		7,183	
Increase (decrease) in compensated absences	26,382	25,331	51,713	
Increase (decrease) in due to other funds	-	783,657	783,657	
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 7,494,342</u>	<u>\$ 330,494</u>	<u>\$ 7,824,836</u>	<u>\$ -</u>
<b>Noncash Investing and Capital Financing Activities:</b>				
Contributions of Capital Assets from Town	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

The accompanying notes are an integral part of the financial statements



**TOWN OF STRATFORD, CONNECTICUT  
STATEMENT OF CHANGES IN PLAN NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Pension and Other Employee Benefit Trust Funds</b>
Additions:	
Contributions:	
Plan members	\$ 1,387,061
Employer	14,120,722
Total contributions	<u>15,507,783</u>
Investment income:	
Net change in fair market value of investments	19,649,520
Interest and dividends	3,624,984
Total investment income	<u>23,274,504</u>
Investment fee	(154,200)
Net investment income	<u>23,120,304</u>
Total additions	<u>38,628,087</u>
Deductions:	
Benefits	30,678,707
Other	416,279
Total deductions	<u>31,094,986</u>
Change in net position	7,533,101
Net Position - Beginning of Year	<u>257,444,500</u>
Net Position - End of Year	<u>\$ 264,977,601</u>

The accompanying notes are an integral part of the financial statements



## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Reporting Entity**

The Town was founded in 1639. The Town covers an area of 18.7 square miles and is located on Long Island Sound, 65 miles east of New York City and 50 miles southwest of Hartford, Connecticut. The Town has operated under a Council/Manager form of government since 1921. Effective December 12, 2005, the Town became a Mayor-Council form of government.

The Town provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning and general administrative services to its residents. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

Accounting principles generally accepted in the United States of America require that the reporting entity include 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by the Codification, Section 2100, have been considered, and, as a result, there are no agencies or entities that should be but are not included in the financial statements of the Town.

### **B. Basis of Presentation**

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

#### **Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus.

Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to capital leases, compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

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

The Capital Projects Fund accounts for the proceeds of specific general obligation bonds for various projects to further develop the Town.

The Town reports the following major proprietary fund:

The Waste Operating Fund accounts for the operations at the Stratford Water Pollution Control Authority.

Additionally, the Town reports the following fund types:

The Internal Service Fund accounts for the Town's health benefit and workers compensation costs.

The Pension and OPEB Trust Funds account for the activities of the Town's defined benefit and defined contribution pension plans, which accumulate resources for pension benefit payments to qualified employees and also the activities of the Stratford nonpension postemployment benefits for certain retirees and their beneficiaries.

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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The Agency Fund is used to account for assets held by the Town in an agent capacity for individuals, private organizations or other governments. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

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

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

**C. Cash Equivalents**

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

**D. Investments**

Investments are stated at fair value.

**E. Inventories**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of United States Department of Agriculture donated commodities are stated at fair market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**F. Receivables and Payables**

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

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

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles.

**G. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Distribution and collection systems	50-65
Public domain infrastructure	50
System infrastructure	30
Machinery and equipment	5-20

**H. Deferred Outflows/Inflows of Resources**

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

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**I. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, 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.

**J. Compensated Absences**

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund 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.

**K. Net Pension Liability and Net Other Post-Employment Benefits (OPEB) Liability**

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

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**L. Equity**

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

**Net Investment in Capital Assets**

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

**Restricted Net Position**

Restricted net position contains assets subject to restrictions that are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position**

This component consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

**Nonspendable Fund Balance**

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

**Restricted Fund Balance**

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

**Committed Fund Balance**

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

**Assigned Fund Balance**

For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as restricted, committed or nonspendable. For the General Fund, includes amounts constrained for the intent to be used for a specific purpose by the Town of Stratford Town Council. Under the Town's adopted policy, the Town Council has the authority to authorize the Director of Finance to assign amounts for specific purposes.

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**Unassigned Fund Balance**

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

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**M. Property Taxes**

The Town's property tax is levied on the Grand List of October 1 each year and is due and payable in two installments on the following July 1 and January 1. Supplemental motor vehicle taxes are due in full January 1.

The Town files liens against property in April, if taxes that are due July 1 remain unpaid on the following June 30.

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 to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in unavailable revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

**N. Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

**General Fund**

The Town's general budget policies are as follows:

Not later than March 12, the Mayor prepares and submits to the Town Council an annual budget for the next fiscal year based on detailed estimated revenues and expenditures for the Town.

The Town's charter requires the Town Council to hold public hearings prior to the adoption of the final budget, at which time taxpayers' comments are obtained.

Prior to May 13, the Town Council adopts the budget and sets the tax rate for the fiscal year through the passage of ordinances.

All interdepartmental appropriations and budget transfers must be approved by the Town Council. The Mayor approves all intradepartmental transfers.

Formal budgetary integration is employed as a management control device during the year for the General Fund.

The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.

Budgeted amounts reported are as originally adopted, or as amended by the Town Council during the course of the year. No supplemental appropriations were approved for year ended June 30, 2018, however the original budget was decreased by \$2,818,429.

**B. Expenditures Exceeding Appropriations**

The following line items exceeded appropriations for the year ended June 30, 2018:

Town Attorney	\$	158,659
Department of Planning		730
Registrar of Voters		20,667
Town buildings		63,890
Employee benefits		489,370
Community services		3,746
Health Department		4,113
Administration		789
Fire prevention		411,284
Investigation		218,625
Patrol		292,666
Transfer Out		494,614



**TOWN OF STRATFORD, CONNECTICUT  
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**C. Deficit Fund Equity**

The following funds had fund deficits at June 30, 2018:

Major Fund:		
Capital Projects Fund***	\$	8,107,116
Nonmajor and Other Funds:		
School Lunch Program*		499,250
Community Development*		30,208
Miscellaneous Grants*		345,068
Short Beach Golf Course*		1,134,979
Emergency Medical Services*		229,984
Internal Service**		5,795,503

\* Deficit will be eliminated through future charges for services.

\*\* Deficit will be eliminated through future appropriations.

\*\*\*Deficit will be eliminated through future bonding.

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

**TOWN OF STRATFORD, CONNECTICUT  
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**Deposits**

**Deposit Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$54,041,482 of the Town's bank balance of \$54,979,624 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 48,565,034
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>5,476,448</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 54,041,482</u></u>

**Cash Equivalents**

At June 30, 2018, the Town's cash equivalents amounted to \$7,761,323. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<b>Standard &amp; Poor's</b>
Wells Fargo Money Market	AAAm
Fairfield County Bank Money Market	AAAm
Milford Bank Money Market	AAAm

**TOWN OF STRATFORD, CONNECTICUT  
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**Investments**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2018:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level:				
Mutual funds	\$ 81,589,738	\$ 81,589,738	\$ -	\$ -
Pooled, common and collective funds	<u>98,914,807</u>	<u>98,914,807</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	<u>180,504,545</u>	<u>\$ 180,504,545</u>	<u>\$ -</u>	<u>\$ -</u>
Investments not recorded at net asset value (NAV):				
Equity hedge funds	25,963,405			
Real estate investment funds	<u>57,446,714</u>			
Total Investments	<u>\$ 263,914,664</u>			

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

Venture capital investments classified in Level 3 are valued using either a discounted cash flow or market comparable companies technique.

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

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Equity hedge funds	\$ 25,963,405	\$ -	Quarterly	Various
Real estate investment funds	<u>57,446,714</u>	<u>-</u>	Quarterly	Various
Total Investments Measured at NAV	<u>\$ 83,410,119</u>	<u>\$ -</u>		

**Interest Rate Risk**

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

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**Credit Risk - Investments**

The Town does not have an investment policy that would limit its investment choices due to credit risk, other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

**Concentration of Credit Risk**

The Town’s investment policy does not allow for an investment in any one issuer that is in excess of 5% of the Town’s investments.

**Custodial Credit Risk**

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2018, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent, that were not in the Town’s name.

**4. RECEIVABLES**

Receivables as of June 30, 2018 for the Town’s individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Waste Operating</u>	<u>Nonmajor Enterprise Funds</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 11,457,350					\$ 11,457,350
Accounts and other	1,063,984			528,794	245,261	1,838,039
Special assessments		892,217				892,217
Sewer usage			2,336,437			2,336,437
Intergovernmental	<u>96,444</u>				<u>2,032,568</u>	<u>2,129,012</u>
Gross receivables	12,617,778	892,217	2,336,437	528,794	2,277,829	18,653,055
Less allowance for uncollectibles	<u>650,000</u>			<u>180,319</u>		<u>830,319</u>
Net Total Receivables	<u>\$ 11,967,778</u>	<u>\$ 892,217</u>	<u>\$ 2,336,437</u>	<u>\$ 348,475</u>	<u>\$ 2,277,829</u>	<u>\$ 17,822,736</u>

Note: Does not include accrued interest on property taxes of \$2,798,044.

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**5. CAPITAL ASSETS**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 15,918,830	\$	\$ 64,301	\$ 15,854,529
Construction in progress	11,845,847	39,134,235		50,980,082
Total capital assets not being depreciated	<u>27,764,677</u>	<u>39,134,235</u>	<u>64,301</u>	<u>66,834,611</u>
Capital assets being depreciated:				
Land improvements	17,914,494			17,914,494
Buildings and improvements	175,565,336	4,850,344	26,302	180,389,378
Machinery and equipment	43,679,254	592,304	324,938	43,946,620
Infrastructure	115,585,628	326,307		115,911,935
Total capital assets being depreciated	<u>352,744,712</u>	<u>5,768,955</u>	<u>351,240</u>	<u>358,162,427</u>
Less accumulated depreciation for:				
Land improvements	7,333,691	771,966		8,105,657
Buildings and improvements	72,870,822	4,786,489	26,302	77,631,009
Machinery and equipment	28,497,347	3,075,142	324,938	31,247,551
Infrastructure	81,568,281	2,124,749		83,693,030
Total accumulated depreciation	<u>190,270,141</u>	<u>10,758,346</u>	<u>351,240</u>	<u>200,677,247</u>
Total capital assets being depreciated, net	<u>162,474,571</u>	<u>(4,989,391)</u>	<u>-</u>	<u>157,485,180</u>
Governmental Activities Capital Assets, Net	<u>\$ 190,239,248</u>	<u>\$ 34,144,844</u>	<u>\$ 64,301</u>	<u>\$ 224,319,791</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 170,287	\$ 1,157,529	\$	\$ 1,327,816
Capital assets being depreciated:				
Land improvements	2,179,777			2,179,777
Buildings and improvements	71,582,497			71,582,497
Machinery and equipment	14,589,466		56,496	14,532,970
Infrastructure	22,012,956		307,816	21,705,140
Total capital assets being depreciated	<u>110,364,696</u>	<u>-</u>	<u>364,312</u>	<u>110,000,384</u>
Less accumulated depreciation for:				
Land improvements	2,071,716	7,195		2,078,911
Buildings and improvements	33,715,157	3,287,864		37,003,021
Machinery and equipment	12,490,637	376,534	56,496	12,810,675
Infrastructure	14,354,531	585,345	307,816	14,632,060
Total accumulated depreciation	<u>62,632,041</u>	<u>4,256,938</u>	<u>364,312</u>	<u>66,524,667</u>
Total capital assets being depreciated, net	<u>47,732,655</u>	<u>(4,256,938)</u>	<u>-</u>	<u>43,475,717</u>
Business-Type Activities Capital Assets, Net	<u>\$ 47,902,942</u>	<u>\$ (3,099,409)</u>	<u>\$ -</u>	<u>\$ 44,803,533</u>

**TOWN OF STRATFORD, CONNECTICUT  
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Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
General government	\$ 618,161
Human development	376,664
Physical development	3,600,252
Public safety	1,605,405
Education	<u>4,557,864</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 10,758,346</u>
Business-type activities:	
Waste operating	\$ 3,972,028
Short Beach Golf Course	25,030
Emergency medical services	<u>259,880</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 4,256,938</u>

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2018 is as follows:

	<u>Due From Other Funds</u>	<u>Due to Other funds</u>
General Fund	\$	\$ 48,835,665
Nonmajor Governmental Funds:		
Reserve	336,832	
Community development		29,045
Shellfish and oysters	236,640	
Counseling center	55,113	
Redevelopment agency	77,410	
Railroad property	623,866	
Miscellaneous grant		306,759
Harbor management	229,282	
Department of children and family services	81,030	
Recreation	69,776	
Town aid road	376,040	
Senior citizens	73,298	
Sewer maintenance	35,576	
Capital Project Funds:		
Capital improvements	34,711,150	
Capital equipment		3,958,802
Capital special projects	5,711,269	
Sidewalk and roads		15,511
Sewer revolving	1,407,784	
Water hookup		107,376
Enterprise Funds:		
Waste operating fund	2,941,915	
Short beach golf course	207,587	
Emergency medical services		1,246,081
Internal Service Funds:		
Health benefit fund	2,314,045	
Workers' compensation fund	5,010,626	
	<u>\$ 54,499,239</u>	<u>\$ 54,499,239</u>

Interfund balances are a result of temporary loans to various funds. Not included in above is an interfund from the General Fund to the Emergency Medical Services Fund in the amount of \$1,402,248. This amount is shown as an advance to/from other funds due to a lack of commitment to pay by the Emergency Medical Services fund.

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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Interfund transfers for the year ended June 30, 2018 are as follows:

	<b>Transfers In</b>		
	<b>General</b>	<b>Capital Projects</b>	<b>Total Transfers Out</b>
Transfers out:			
General Fund	\$	\$ 494,614	\$ 494,614
Capital Projects	210,000		210,000
Waste Operating Fund	900,000	2,489,581	3,389,581
Nonmajor Governmental Funds	862,497		862,497
Nonmajor Enterprise Funds	147,757		147,757
	<u>          </u>	<u>          </u>	<u>          </u>
Total Transfers In	\$ <u>2,120,254</u>	\$ <u>2,984,195</u>	\$ <u>5,104,449</u>

All transfers are for regularly recurring operational transfers. These transfers represent revenue sources from the General Fund and enterprise funds for capital improvement program, and transfer of unrestricted revenue from enterprise funds and railroad to the General Fund to finance various programs in accordance with budget authorizations.



**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**7. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds and notes	\$ 283,229,912		\$ 21,627,239	\$ 261,602,673	\$ 19,125,239
Premium on general obligation bonds	10,242,806		635,747	9,607,059	
Capital leases	1,830,505		675,090	1,155,415	617,723
Claims and judgments	3,250,000		2,250,000	1,000,000	
Compensated absences	11,409,773	6,115,325	5,559,060	11,966,038	3,589,811
Landfill monitoring closure and postclosure costs	7,800,000			7,800,000	
Net pension liability	60,894,906		6,726,755	54,168,151	
Net OPEB liability*	275,942,603		2,526,884	273,415,719	
Risk management	13,729,157		447,840	13,281,317	677,000
	<u>\$ 668,329,662</u>	<u>\$ 6,115,325</u>	<u>\$ 40,448,615</u>	<u>\$ 633,996,372</u>	<u>\$ 24,009,773</u>
Governmental Activities Long-Term Liabilities					
Business-type activities:					
General obligation bonds payable	\$ 1,646,121		\$ 133,123	\$ 1,512,998	\$ 175,122
Notes payable	31,273,973		2,281,101	28,992,872	2,327,143
Capital leases	196,942		51,011	145,931	71,833
Compensated absences	354,689	254,469	202,756	406,402	121,921
	<u>\$ 33,471,725</u>	<u>\$ 254,469</u>	<u>\$ 2,667,991</u>	<u>\$ 31,058,203</u>	<u>\$ 2,696,019</u>
Business-Type Activities Long-Term Liabilities					

For governmental activities, claims and judgments, compensated absences, landfill closure and post-closure costs, risk management, net pension and OPEB liabilities are generally liquidated by the General Fund.

\*Beginning balance has been restated, see Note 13

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**General Obligation Bonds**

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

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. The Town is liable for all outstanding bonds. General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Balance Outstanding June 30, 2018</u>
School bonds with interest rates ranging from 2.0% to 5.125% and varying expiration dates ranging from July 2024 to December 2033	\$ 46,742,660
General obligation pension bonds with interest rates ranging from 0.5% to 5.037% and varying expiration dates from June 2019 to August 2038	136,650,000
General obligation bonds with interest rates ranging from 2.0% to 5.125% and expiration dates from July 2024 to December 2033	<u>78,210,013</u>
	<u>\$ 261,602,673</u>

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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Annual debt service requirements to maturity for general obligation bonds are as follows:

**Governmental Activities:**

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 19,125,239	\$ 11,904,908	\$ 31,030,147
2020	18,528,239	11,237,389	29,765,628
2021	17,886,239	10,580,452	28,466,691
2022	17,583,239	9,888,200	27,471,439
2023	17,706,239	9,129,087	26,835,326
2024-2028	67,454,193	35,522,063	102,976,256
2029-2033	55,474,285	20,869,687	76,343,972
2034-2038	41,395,000	7,510,525	48,905,525
2039	6,450,000	193,500	6,643,500
Total	<u>\$ 261,602,673</u>	<u>\$ 116,835,811</u>	<u>\$ 378,438,484</u>

**Business-type Activities:**

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 175,122	\$ 54,982	\$ 230,104
2020	177,122	47,736	224,858
2021	169,122	40,820	209,942
2022	187,122	33,734	220,856
2023	189,122	26,048	215,170
2024-2028	547,611	43,659	591,270
2029-2033	67,777	2,928	70,705
Total	<u>\$ 1,512,998</u>	<u>\$ 249,907</u>	<u>\$ 1,762,905</u>

The State of Connecticut reimburses the Town for eligible principal and interest costs of the portion of the capital improvement bond issues used for school construction. The amount of such reimbursement for the year ended June 30, 2018 was approximately \$126,000. No additional payments are expected in future years.

**Bonds Authorized but Unissued**

The total of authorized but unissued bonds at June 30, 2018 are as follows:

General Purpose	\$ 5,697,960
School	84,468,556
Sewers	<u>1,327,141</u>
Total	<u>\$ 91,493,657</u>

**TOWN OF STRATFORD, CONNECTICUT  
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**Waste Operating Fund Notes Payable**

**Clean Water Fund Notes**

The State of Connecticut under the Clean Water Fund Program issued these project loan obligations. The loan proceeds financed the Water Pollution Control Facility. The obligation will be paid from future user fees.

Project loan obligations payable to the State of Connecticut mature as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,327,143	\$ 558,602	\$ 2,885,745
2020	2,374,115	511,630	2,885,745
2021	2,422,035	463,710	2,885,745
2022	2,470,922	414,823	2,885,745
2023	2,520,796	364,949	2,885,745
2024-2028	13,229,417	1,042,787	14,272,204
2029-2033	<u>3,648,444</u>	<u>51,901</u>	<u>3,700,345</u>
Total	\$ <u>28,992,872</u>	\$ <u>3,408,402</u>	\$ <u>32,401,274</u>

**Debt Limitation**

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 390,204,799	\$ 84,711,973	\$ 305,492,826
Schools	780,409,598	98,535,748	681,873,850
Sewer and Water	650,341,331	30,689,012	619,652,319
Urban Renewal	563,629,154	-	563,629,154
Unfunded Pension Benefit Obligation	520,273,065	136,650,000	383,623,065

The total overall statutory debt limit for the Town does not exceed the legal debt limitation that is equal to seven times annual receipts from taxation (\$1.2 billion).

**Capital Leases**

The Town has entered into lease agreements as lessee for financing the acquisition of building improvements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

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**Bond Anticipation Notes Payable**

On January 3, 2018, the Town issued \$40,000,000 of bond anticipation notes bearing interest at 2.35%, maturing on January 2, 2019.

The assets acquired through capital leases are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Building and improvements	\$ 1,333,978	\$ 104,051
Machinery and equipment	3,251,811	294,566
Less accumulated depreciation	<u>(2,489,171)</u>	<u>(159,837)</u>
Net Book Value	<u>\$ 2,096,618</u>	<u>\$ 238,780</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2019	\$ 645,573	\$ 74,664
2020	214,732	49,529
2021	170,343	15,346
2022	171,246	10,854
Total minimum lease payments	<u>1,201,894</u>	<u>150,393</u>
Less amount representing interest	<u>(46,479)</u>	<u>(4,462)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,155,415</u>	<u>\$ 145,931</u>

**Landfill Post-Closure Care Costs**

State and federal laws and regulations require that the Town place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The estimated total current cost of the landfill closure and postclosure care, aggregating approximately \$7.8 million, is based on the amount estimated to be paid for all equipment, facilities and services required to close, monitor and maintain the landfills as of June 30, 2018. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through the issuance of general obligation bonds and state and federal grants. The Town is currently in discussions with the Department of Environmental Protection to develop and implement a superfund site plan, which needs to occur prior to the capping process. Therefore, there is no current portion of the liability reflected in the financial statements. Once an agreement is established the current portion will be reported.

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**8. FUND BALANCE**

The components of fund balance for the governmental funds as of June 30, 2018 are as follows:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory and prepaids	\$ 3,066	\$	\$ 35,886	\$ 38,952
Advances to other funds	1,402,248			1,402,248
Restricted for:				
Grants			69,112	69,112
Education			3,005,849	3,005,849
Physical development			366,273	366,273
Committed to:				
Human development			1,048,929	1,048,929
Physical development			319,330	319,330
Public safety			295,972	295,972
Education			97,689	97,689
Capital projects		36,118,934	260,172	36,379,106
Assigned to:				
Education encumbrances	1,064,339			1,064,339
Unassigned	<u>3,590,793</u>	<u>(44,226,050)</u>	<u>(910,412)</u>	<u>(41,545,669)</u>
 Total Fund Balances	 <u>\$ 6,060,446</u>	 <u>\$ (8,107,116)</u>	 <u>\$ 4,588,800</u>	 <u>\$ 2,542,130</u>

Encumbrances of \$1,051,779, \$75,384,495 and \$286,104 at June 30, 2018 are contained in the above table in the assigned category of the General Fund, the committed category of the Capital Projects Fund and the restricted and committed categories of the Nonmajor Governmental funds, respectively.

**9. EMPLOYEE RETIREMENT PLAN**

**Employee Defined Benefit Pension Plan**

**A. Plan Description**

The Town is the administrator of a single-employer defined benefit public employee retirement system (PERS) established and administered by the Town to provide pension benefits for its employees. The PERS is considered to be a part of the Town’s financial reporting entity and is included in the Town’s financial reports as the Defined Benefit Pension Trust Fund. Stand-alone plan reports are not available.

As of July 1, 2017, the date of the most recent actuarial valuation, membership consisted of the following:

Actives	229
Terminated vested and other inactive	10
Retirees and beneficiaries	<u>657</u>
 Total	 <u><u>896</u></u>

Town covers all full-time salaried Town employees, noncertified employees of the Board of Education and all full-time uniformed and investigative employees classified as Police Officers and Firefighters. The Town provides all retirement, death and disability benefits through a single employer, contributory, defined benefit plan. Under the plan, all employees are eligible to join after their probationary period.

**B. Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of Accounting**

Plan financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are funded with investment earnings of the plan.

**Method Used to Value Investments**

Investments are reported at fair value. Investment income is recognized when earned and gains and losses on sales or exchanges of investments are recognized on the transaction date. Unrealized gains and losses due to appreciation and depreciation of Plan assets are also recognized at fiscal year end.

**C. Funding Policy**

The PERS is a contributory defined benefit plan. Participants in the State Teachers’ Retirement System and officials elected by popular vote are excluded. Employees hired after age 45 are also excluded, but included in a separate defined contribution plan. Also, police and firefighters are included in a separate defined contribution annuity plan as well as the defined benefit plan.

Under the Town’s defined benefit plan, all employees hired and working 20 hours or more per week are eligible. Employees are 100% vested after 10 years of service. The retirement benefit is calculated at 2.4% of average compensation during the 24 months immediately prior to retirement multiplied by up to 25 years of service. The calculation for service over 25 years varies by union contract. Employees are

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required to contribute 8% of their salaries to the defined benefit plan except for Police hired after October 17, 1996 who contribute 7%. If an employee leaves covered employment or dies before 10 years of service, accumulated employee contributions and related investment earnings are refunded. The Town is required to contribute the remaining amounts necessary to finance the coverage for its employees. Benefits and contributions are established by the Town and may be amended only by the Town Council and Union negotiations.

**Investments**

**Investment Policy**

The pension plan's policy, in regard to the allocation of invested assets, is established and may be amended by the Pension Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2018.

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 are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation as of June 30, 2018, and are also summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
US Core Fixed Income	30.0%	2.65%
US Large Caps	22.5%	4.57%
US MidCap Growth	10.0%	5.99%
US MidCap Value	10.0%	4.78%
Non-U.S. Equity	10.0%	6.06%
Private Real Estate Property	15.0%	3.85%
Timber	2.5%	4.06%
	<u>100%</u>	

**Concentrations**

The following investments have a fair market value of more than 5% of the Town's PERS.

BR Russell 2500 Index	13%
SSGA S&P 500 R Flagship NL Fund	26%
Prime Property Fund LLC	7%
U.S. Real Estate Inv Fund LLC	9%
Ernest Partners International	10%

**Rate of Return**

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.11%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.



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**Net Pension Liability of the Town**

The components of the net pension liability of the Town at June 30, 2018 were as follows:

Total pension liability	\$	314,123,128
Plan fiduciary net position		<u>259,954,977</u>
Net Pension Liability	\$	<u>54,168,151</u>
Plan fiduciary net position as a percentage of the total pension liability		82.76%

**Actuarial Assumptions**

The total pension liability for the plan was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	4.00% for Police and Fire, rates that vary by age for all others
Investment rate of return	6.75%

Pension plan mortality rates were based on the RP-2000 Combined Healthy Mortality Table with generational projection per scale AA; other mortality assumptions apply to disabled lives and pre-retirement.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. 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.

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**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2017	\$ 313,896,866	\$ 253,001,960	\$ 60,894,906
Changes for the year:			
Service cost	3,143,349		3,143,349
Interest on total pension liability	20,661,484		20,661,484
Effect of economic/demographic gains or losses	(1,326,952)		(1,326,952)
Employer contributions		5,643,634	(5,643,634)
Member contributions		1,387,061	(1,387,061)
Net investment income		22,479,794	(22,479,794)
Benefit payments, including refund of employee contributions	(22,251,619)	(22,251,619)	-
Administrative expenses		(305,853)	305,853
Net changes	<u>226,262</u>	<u>6,953,017</u>	<u>(6,726,755)</u>
Balances as of June 30, 2018	<u>\$ 314,123,128</u>	<u>\$ 259,954,977</u>	<u>\$ 54,168,151</u>

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

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower, 5.75%, or 1 percentage point higher, 7.75%, than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 88,496,958	\$ 54,168,151	\$ 26,134,947

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

For the year ended June 30, 2018, the Town recognized pension expense of \$8,689,186. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,299,344	\$ 816,586
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>4,088,145</u>
Total	<u>\$ 1,299,344</u>	<u>\$ 4,904,731</u>

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

<u>Year Ending June 30,</u>	
2019	\$ 1,966,770
2020	(551,588)
2021	(3,834,069)
2022	<u>(1,186,500)</u>
Total	<u>\$ (3,605,387)</u>

**Teachers Retirement**

**Plan Description**

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

**Benefit Provisions**

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

**Normal Retirement**

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

**Early Retirement**

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

**Disability Retirement**

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

**Contributions**

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

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*Employer (School Districts)*

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

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

*Employees*

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

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

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

At June 30, 2018, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>169,755,214</u>
Total	\$	<u>169,755,214</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2018, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2018, the Town recognized pension expense and revenue of \$19,635,719 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**Actuarial Assumptions**

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

Inflation	2.75%
Salary increases	3.25%-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

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Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

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

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Large Cap U.S. Equities	21%	5.80%
Developed Non-U.S.	18%	6.60%
Emerging Markets (non-U.S.)	9%	8.30%
Core Fixed Income	7%	1.30%
Inflation Linked Bond Fund	3%	1.00%
Emerging Market Bond	5%	3.70%
High Yield Bonds	5%	3.90%
Real Estate	7%	5.10%
Private Equity	11%	7.60%
Alternative Investments	8%	4.10%
Cash	6%	0.40%
	<u>100%</u>	

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**Discount Rate**

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

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

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

**Other Information**

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

**Defined Contribution Pension Plan**

The Town administers a defined contribution pension plan that was opened to new members and contributions beginning in 1999. In a defined contribution plan, benefits depend solely on the amounts contributed to the plan plus investment earnings. Employees are vested after five years of service with the Town and contribute between 6-8% annually, depending on the union. Plan investments are reported at fair value. Benefits and contributions are established by the Town and may be amended by the Town Council and union negotiations. The Town's contribution for the fiscal year ended June 30, 2018 was \$1,449,219.

**10. OTHER POST EMPLOYMENT BENEFITS PLAN**

**A. Plan Description**

The Town, in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The single-employer plan covers Town, Board of Education, Police and Fire employees as further defined in collective bargaining agreements and other written materials. Eligibility and premium sharing information is detailed in the various collective bargaining agreements. The Town does not issue separate stand-alone financial statements for the plan. At July 1, 2016, plan membership consisted of the following:

Active members	981
Retired members	861
Beneficiaries	69
Spouses of retired members	<u>229</u>
Total Participants	<u><u>2,140</u></u>

**B. Funding Policy**

The Town has established an OPEB Trust Fund and makes contributions to the fund from various other fund types. This trust fund was opened for the purpose of segregating balances for post-employment benefits. The contribution requirements of plan members and the Town are negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

**Town Hall**

Generally, retirees and their dependents are covered after 23 years of continuous service by the retiree and, if hired after July 1, 1977, age 50, or 5 years of service and age 55.

**Medical Benefits:**

Retire prior to July 1, 1986 - Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Retire after July 1, 1986 and prior to signing of 1987-1990 collective bargaining agreement - Town pays 75% of the cost for the retiree and 50% of the cost for the dependents.

Retire after signing of 1987-1990 collective bargaining agreement - Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

**Life Insurance:**

Retire before September 1, 1999 - \$5,000 until age 65.

Retire after September 1, 1999 - \$25,000 until age 70, \$5,000 thereafter.

**Police**

Generally, retirees and their dependents are covered after 25 years of service.

**Medical Benefits:**

Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

**Life Insurance:**

\$5,000 until age 65.

**Firefighters**

Generally, retirees and their dependents are covered after 25 years of service.

**Medical Benefits:**

Retire prior to July 1, 1987 - Benevolent Society pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Retire after July 1, 1987 and prior to July 1, 1989 - Town pays 50% of the cost for the retiree and 50% of the cost for the dependents.

Retire on or after July 1, 1989 - Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

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**Public Works**

Generally, retirees and their dependents are covered after 23 years of continuous service by retiree and, if hired after July 1, 1985, age 50, or 5 years of service and age 55.

**Medical Benefits:**

Retire prior to July 1, 1985 - Town pays 50% of the cost for the retiree and 50% of the cost for the dependents.

Retire after July 1, 1985 and prior to July 1, 1986 - Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Retire after July 1, 1986 and prior to July 1, 1987 - Town pays 75% of the cost for the retiree and 50% of the cost for the dependents.

Retire on or after July 1, 1987 - Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

**Life Insurance:**

\$5,000 until age 65.

**Supervisors**

Generally, retirees and their dependents are covered after 23 years of continuous service by retiree and, if hired after April 1, 1985, age 50, or 5 years of service and age 55.

**Medical Benefits:**

Retire prior to July 2, 1985 - Town pays 50% of the cost for the retiree and 50% of the cost for the dependents.

Retire after July 2, 1985 and prior to March 31, 1986 - Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Retire after April 1, 1986 and prior to September 4, 1987 - Town pays 75% of the cost for the retiree and 50% of the cost for the dependents.

Retire on or after September 4, 1987 - Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

**Life Insurance:**

Retire after August 2, 1985, \$5,000 until age 65.

**BOE Custodians**

Generally, retirees and their dependents are covered after 23 years of continuous service by retiree and, if hired after April 1, 1985, age 50, or 5 years of service and age 55.

**Medical and Dental Benefits:**

Board pays 100% of the cost for the retiree and 50% of the cost for the dependents.

**Life Insurance:**

\$15,000.



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**BOE Nurses**

Generally, retirees and their dependents are covered after 23 years of continuous service by retiree and, if hired after July 1, 1977, age 50, or 5 years of service and age 55.

**Medical and Dental Benefits:**

Board pays 50% of the cost for the retiree only.

**BOE Administrators**

Generally, an administrator retiring under the Connecticut State Teachers Retirement System shall be eligible to receive health benefits for self and spouse.

Normal retirement for administrators is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.

**Medical and Dental Benefits:**

Board pays 50% of the cost for the retiree only.

**BOE Paraprofessional/Cafeteria Workers**

Generally, retirees and their dependents are covered after 23 years of continuous service by retiree and, if hired after April 1, 1985, age 50, or 5 years of service and age 55.

**Medical and Dental Benefits:**

Board pays 100% of the cost for the retiree and 50% of the cost for the dependents.

**Life Insurance:**

\$7,000

**BOE Secretaries**

Generally, retirees and their dependents are covered after 23 years of continuous service by retiree and, if hired after April 1, 1985, age 50, or 5 years of service and age 55.

**Medical and Dental Benefits:**

Board pays 100% of the cost for the retiree and 50% of the cost for the dependents.

**Life Insurance:**

\$15,000.

**BOE Teachers**

Generally, a teacher retiring under the Connecticut State Teachers Retirement System shall be eligible to receive benefits for self and spouse at the earliest age of 60 with 20 years of service, or completion of 35 years of service regardless of age. Early retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.

**Medical and Dental Benefits:**

Board pays 50% of the cost for the retirees only.

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**C. Investments**

**Investment Policy**

The OPEB Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan.

**Rate of Return**

For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 12.83%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the Town**

The components of the net OPEB liability of the Town at June 30, 2018, were as follows:

Total OPEB Liability	\$ 278,438,343
Plan fiduciary net position	<u>5,022,624</u>
 Net OPEB Liability	 <u><u>\$ 273,415,719</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	  1.80%

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Discount rate	4.00%
Healthcare cost trend rates	5.20% to 4.60% over 60 years

Mortality rates were based on the RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, separate tables for nonannuitants and annuitants, projected to the valuation date with Scale AA, and separate tables for healthy and disabled lives.

The actuarial assumptions used in the July 1, 2016 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. A full actuarial experience study has not been completed.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2018 are summarized in the following table:

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
U.S. Core Fixed Income	30%	2.65%
U.S. Large Caps	20%	4.57%
U.S. Midcap Growth	10%	5.99%
U.S. Midcap Value	10%	4.78%
Non-U.S. Equity	10%	6.06%
Private Real Estate Property	15%	3.85%
Timber	5%	4.06%
	<u>100%</u>	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in OPEB Liability:**

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a)-(b)</u>
Balances as of July 1, 2017	\$ 280,385,144	\$ 4,442,541	\$ 275,942,603
Changes for the year:			
Service cost	9,287,596		9,287,596
Interest on total OPEB liability	10,220,766		10,220,766
Effect of assumptions/changes or inputs	(13,028,075)		(13,028,075)
Employer contributions		8,477,088	(8,477,088)
Net investment income		573,009	(573,009)
Benefit payments, including refund of employee contributions	(8,427,088)	(8,427,088)	-
Administrative expenses		(42,926)	42,926
Net changes	<u>(1,946,801)</u>	<u>580,083</u>	<u>(2,526,884)</u>
Balances as of June 30, 2018	<u>\$ 278,438,343</u>	<u>\$ 5,022,624</u>	<u>\$ 273,415,719</u>

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

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

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(2.87%)</b>	<b>Discount Rate</b>	<b>(4.87%)</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net OPEB Liability	\$ 322,435,927	\$ 273,415,719	\$ 234,630,907

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

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

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<u>                    </u>	<b>Healthcare Cost</b>	<u>                    </u>
	<u>                    </u>	<b>Trend Rates</b>	<u>                    </u>
Net OPEB Liability	\$ 227,017,276	\$ 273,415,719	\$ 333,675,591

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the Town recognized OPEB expense of \$16,462,244. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred</b>	<b>Deferred</b>
	<b>Outflows of</b>	<b>Inflows of</b>
	<b>Resources</b>	<b>Resources</b>
	<u>                    </u>	<u>                    </u>
Changes of assumptions	\$	\$ 10,195,885
Net difference between projected and actual earnings on OPEB plan investments		<u>316,155</u>
Total	<u>\$ -</u>	<u>\$ 10,512,040</u>

**TOWN OF STRATFORD, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2018**

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

<u>Year Ending June 30,</u>	
2019	\$ (2,911,229)
2020	(2,911,229)
2021	(2,911,229)
2022	<u>(1,778,353)</u>
Total	\$ <u>(10,512,040)</u>

**State Teachers Retirement Plan**

**D. Plan Description**

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

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

**E. Benefit Provisions**

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

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

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

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below:

Medicare Supplement with Prescriptions	\$ 92
Medicare Supplement with Prescriptions and Dental	136
Medicare Supplement with Prescriptions, Dental, Vision & Hearing	141

Those participants electing vision, hearing and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the plan for these benefits.

**Survivor Health Care Coverage**

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

**F. Eligibility**

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

**Credited Service**

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

**Normal Retirement**

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

**Early Retirement**

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

**Proratable Retirement**

Age 60 with 10 years of Credited Service.

**Disability Retirement**

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

**Termination of Employment**

Ten or more years of Credited Service.

**TOWN OF STRATFORD, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2018**

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**G. Contributions**

*State of Connecticut*

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

*Employer (School Districts)*

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

*Employees*

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

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

At June 30, 2018, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>43,693,067</u>
Total	<u>\$ 43,693,067</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2016. At June 30, 2018, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the Town recognized OPEB expense and revenue of \$2,024,957 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**I. Actuarial Assumptions**

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

Inflation	2.75%
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2018

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

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

The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.04%).

**J. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination.



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

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

**L. Other Information**

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

**11. OTHER INFORMATION**

**A. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Town purchases commercial property, boiler, and machinery insurance for losses in excess of \$50,000 to the Town's real estate, third party liability insurance up to \$10,000,000 for claims above a \$1,000,000 self-insured retention. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2018.

The Town is self-insured for medical, dental, workers' compensation and heart and hypertension. The Town has opted to manage certain of its risks internally and has set aside assets for claim settlement in its Internal Service Fund. The Internal Service Fund services employee health and workers' compensation claims for risk of loss. Under the program, the Town is obligated for claim payments. The Town has purchased a stop loss policy for individual claims exceeding \$500,000 for hospital and major medical. All departments of the Town participate in the program and make payments to the Internal Service Fund based on estimates of the amount needed to provide for normal occurrence of claims.

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**Health Benefit Fund:**

<u>Fiscal Year</u>	<u>Claims Payable July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Payment of Claims</u>	<u>Claims Payable June 30,</u>
2017	\$ 728,000	\$ 4,335,732	\$ 4,326,732	\$ 737,000
2018	737,000	3,912,355	3,972,355	677,000

**Workers Compensation Fund:**

<u>Fiscal Year</u>	<u>Claims Payable July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Payment of Claims</u>	<u>Claims Payable June 30,</u>
2017	\$ 12,097,324	\$ 4,789,276	\$ 3,894,443	\$ 12,992,157
2018	12,992,157	2,124,770	2,512,610	12,604,317

**B. Contingent Liabilities and Commitments**

**Lawsuits**

There are several personal injury, negligence and personnel related lawsuits pending against the Town. The outcome and eventual liability of the Town, if any, in these cases is not known at this time. Based upon consultation with legal counsel, the Town's management estimates that potential claims against the Town not covered by insurance resulting from such litigation would not materially affect the financial position of the Town. The Town has recorded in the government-wide financial statements \$1,00,000 to cover claims not covered by insurance. At this time, the Town has determined that none of the claims outstanding are due within the next 12 months.

**TOWN OF STRATFORD, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2018**

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**Municipal Solid Waste Service Agreement**

The Town has entered into a Greater Bridgeport Regional Solid Waste Interlocal Agreement which creates the Greater Bridgeport Regional Solid Waste Committee (Operating Committee) as a public body comprised of various southwest Connecticut municipalities for the purpose of, and with the authority to, contract with a solid waste facility for the disposal of municipal solid waste. Wheelabrator agreed to contract terms of \$61.22 per ton for a term of up to 20 years with a \$1.00 per ton decrease for each new 25,000 tons the Operating Committee attracts and an annual Consumer Price Index escalator at 75% of the change, subject to an executable contract and Wheelabrator Board approvals.

**Federal and State Assistance Programs - Compliance Audits**

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

**12. SUBSEQUENT EVENTS**

On December 19, 2018, the Town issued General Obligation Bonds in the amount of \$70 million. The General Obligation Bonds are due January 1, 2039 and have interest rates ranging from 4.0% to 5.0%.

On January 2, 2019, the Town issued General Obligation Bond Anticipation Notes in the amount of \$3,175,000. The notes are due December 19, 2019 and have an interest rate of 3%.

**13. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT**

The following restatements were recorded to the beginning of year net position of the governmental activities as a result of implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*:

	<b><u>Governmental Activities</u></b>
Net position at June 30, 2017, as previously reported	\$ (226,393,967)
Adjustments:	
Eliminate net OPEB obligation reported per GASB No. 45	80,741,308
Record total OPEB liability per GASB No. 75	<u>(275,942,603)</u>
Net position at July 1, 2017, as Restated	<u>\$ (421,595,262)</u>



**Required  
Supplementary  
Information**

**TOWN OF STRATFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes:				
Current levy	\$ 175,705,672	\$ 177,899,257	\$ 175,050,725	\$ (2,848,532)
Arrears	2,765,000	3,515,000	3,650,432	135,432
Interest and lien fees	1,571,500	1,745,000	1,720,686	(24,314)
Payments in lieu of taxes	167,000	200,000	183,965	(16,035)
Total property taxes	<u>180,209,172</u>	<u>183,359,257</u>	<u>180,605,808</u>	<u>(2,753,449)</u>
Intergovernmental revenues:				
State:				
Education equalization grant	19,204,491	18,567,523	18,548,660	(18,863)
School bond principal	256,999	256,999	905,267	648,268
School bond interest	18,527	18,527	28,335	9,808
Special education	9,326,861	2,149,111	2,048,312	(100,799)
Veterans' additional relief	145,000	145,000	130,717	(14,283)
In lieu of State property tax	256,082	111,926	111,926	-
State disability exemption	9,500	9,900	8,177	(1,723)
Elderly exemption and circuit breaker	550,000	560,000		(560,000)
Elderly freeze	6,000	6,000	2,000	(4,000)
State health CGS	80,000	83,530	60,327	(23,203)
State telecom personal property	145,630	145,000	101,676	(43,324)
Municipal sales tax sharing	1,627,064			-
Municipal revenue sharing		3,507,689	3,507,689	-
Municipal stabilization grant		117,569	117,569	-
Airplane registration	55,000	55,000	46,930	(8,070)
Mashantucket grant	169,374	160,760	160,760	-
Motor vehicle property tax grant	1,500,915	327,746		(327,746)
Total state	<u>33,351,443</u>	<u>26,222,280</u>	<u>25,778,345</u>	<u>(443,935)</u>
Federal:				
Civil preparedness	19,200	19,200		(19,200)
In lieu of Federal property tax	1,500	1,500	1,429	(71)
FEMA			477,221	477,221
Total federal	<u>20,700</u>	<u>20,700</u>	<u>478,650</u>	<u>457,950</u>
Total intergovernmental revenues	<u>33,372,143</u>	<u>26,242,980</u>	<u>26,256,995</u>	<u>14,015</u>

(Continued on next page)

**TOWN OF STRATFORD, CONNECTICUT  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Departmental revenues:				
Education	\$ 25,200	\$ 25,200	\$ 92,542	\$ 67,342
Finance	300,000	375,000	133,597	(241,403)
Fire Department	35,000	55,000	43,946	(11,054)
Health Department	216,060	217,980	111,600	(106,380)
Inland Wetlands	16,000	16,000	12,197	(3,803)
Planning and Zoning	110,000	160,000	102,990	(57,010)
Police Department	183,000	418,000	298,059	(119,941)
Public Works	530,000	530,000	580,239	50,239
Recreation	255,000	255,000	170,376	(84,624)
Sanitation	330,000	330,000	445,408	115,408
Senior services	9,000	9,000	6,426	(2,574)
Town Attorney			81,227	81,227
Town Clerk	914,200	1,009,200	1,160,954	151,754
Total departmental revenues	<u>2,923,460</u>	<u>3,400,380</u>	<u>3,239,561</u>	<u>(160,819)</u>
Licenses and permits:				
Building permits	741,400	741,400	831,964	90,564
Boothe Memorial Park income	36,000	36,000	38,419	2,419
Street and sewer permits	12,500	12,500	24,555	12,055
Beach stickers/concessions	90,000	90,000	106,594	16,594
Total licenses and permits	<u>879,900</u>	<u>879,900</u>	<u>1,001,532</u>	<u>121,632</u>
Investment income	<u>275,000</u>	<u>275,000</u>	<u>304,223</u>	<u>29,223</u>
Other:				
Miscellaneous rental:				
Cell tower rentals	115,000	162,000	152,808	(9,192)
Baldwin rental	3,000	3,000	4,140	1,140
Beach house rental		25,000	19,000	(6,000)
Medicare reimbursement	125,000	125,000		(125,000)
Health reimbursements	1,684,149			-
Social Security reimbursements	35,000	147,500		(147,500)
Medical examination reimbursements	16,000	16,000	13,829	(2,171)
Workers' compensation reimbursement	224,515			-
Workers' compensation recovery	50,000	50,000	50,000	-

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**TOWN OF STRATFORD, CONNECTICUT  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Other (continued):				
Insurance recovery	\$ 50,000	\$ 50,000	\$ 110,481	\$ 60,481
Miscellaneous	218,000	318,000	181,345	(136,655)
Police special duty - administration	100,000	100,000	122,648	22,648
Town property sales	200,000	200,000	200,000	-
Boothe Estates	67,000	67,000	92,397	25,397
Reserves			618	618
Total other	<u>2,887,664</u>	<u>1,263,500</u>	<u>947,266</u>	<u>(316,234)</u>
Fund balance appropriation		<u>2,014,926</u>		<u>(2,014,926)</u>
Total revenues	220,547,339	217,435,943	212,355,385	(5,080,558)
Other financing sources:				
Transfers in	<u>1,827,287</u>	<u>2,120,254</u>	<u>2,120,254</u>	<u>-</u>
Total	<u>\$ 222,374,626</u>	<u>\$ 219,556,197</u>	214,475,639	<u>\$ (5,080,558)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf pension contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted	19,635,719
State of Connecticut on-behalf OPEB contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted	2,024,957
Dog Fund revenue not budgeted in the General Fund	<u>25,668</u>

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

\$ 236,161,983

**TOWN OF STRATFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Administration:				
Council Clerk	\$ 142,804	\$ 97,088	\$ 86,499	\$ 10,589
Office of the Mayor	280,106	280,106	279,688	418
Human resources	676,640	676,640	642,402	34,238
Town Attorney	1,194,936	2,944,936	3,103,595	(158,659)
Chief Administrative Officer	191,440	185,662	184,828	834
Department of Planning	296,190	261,440	262,170	(730)
Registrar of Voters	302,620	302,620	323,287	(20,667)
Town Clerk	359,287	359,287	354,985	4,302
Town buildings	641,935	529,935	593,825	(63,890)
Agencies	242,515	317,015	153,070	163,945
Information Technology	504,292	504,292	491,344	12,948
Total	<u>4,832,765</u>	<u>6,459,021</u>	<u>6,475,693</u>	<u>(16,672)</u>
Contingency	<u>5,393,906</u>	<u>4,826,149</u>	<u>4,733,206</u>	<u>92,943</u>
Employee benefits	<u>42,366,099</u>	<u>40,514,441</u>	<u>41,003,811</u>	<u>(489,370)</u>
Finance:				
Administration	171,151	171,151	170,431	720
Accounting	535,165	535,165	504,221	30,944
Purchasing	165,239	165,239	160,979	4,260
Tax Assessor	484,012	484,012	450,673	33,339
Tax Collector	525,109	492,109	420,502	71,607
Total	<u>1,880,676</u>	<u>1,847,676</u>	<u>1,706,806</u>	<u>140,870</u>
Human development:				
Community services	475,094	475,094	478,840	(3,746)
Economic Community Development	293,726	293,726	287,958	5,768
Health Department	621,410	656,160	660,273	(4,113)
Recreation Department	719,078	699,078	692,905	6,173
Senior Services	608,452	608,452	571,888	36,564
Sterling House	161,483	161,483	161,483	-
Stratford Library Association	3,101,679	3,101,679	2,881,301	220,378
Short Beach	199,720	189,716	188,801	915
Total	<u>6,180,642</u>	<u>6,185,388</u>	<u>5,923,449</u>	<u>261,939</u>

(Continued on next page)



**TOWN OF STRATFORD, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Physical development:				
Public works:				
Administration	\$ 473,783	\$ 473,783	\$ 474,572	\$ (789)
Building inspection	246,006	246,006	236,663	9,343
Building maintenance	2,178,882	1,734,994	1,669,987	65,007
Engineering	370,598	349,905	349,307	598
Parks	2,387,021	2,186,555	2,175,135	11,420
Highways	2,564,578	2,628,272	2,624,627	3,645
Town garage	734,399	618,401	618,173	228
Sanitation/refuse	4,290,959	4,146,816	4,135,802	11,014
Total	<u>13,246,226</u>	<u>12,384,732</u>	<u>12,284,266</u>	<u>100,466</u>
Public safety:				
Fire Department:				
Administration	491,365	493,992	493,526	466
Fire prevention	11,661,555	11,463,555	11,874,839	(411,284)
Fire suppression	370,198	325,042	324,292	750
Communications center	1,086,337	1,086,337	1,031,865	54,472
Police Department:				
Administration	677,004	702,173	684,390	17,783
Investigation	1,830,914	1,830,914	2,049,539	(218,625)
Patrol	6,282,101	6,162,101	6,454,767	(292,666)
Traffic	659,050	659,050	656,106	2,944
Professional Standards	617,412	617,412	611,265	6,147
Police records	403,057	403,057	403,032	25
Total	<u>24,078,993</u>	<u>23,743,633</u>	<u>24,583,621</u>	<u>(839,988)</u>
Board of Education	<u>109,679,844</u>	<u>108,979,682</u>	<u>107,320,671</u>	<u>1,659,011</u>
Debt service:				
Bonds payable:				
Principal and interest	<u>14,351,944</u>	<u>14,251,944</u>	<u>13,666,970</u>	<u>584,974</u>
Total	<u>14,351,944</u>	<u>14,251,944</u>	<u>13,666,970</u>	<u>584,974</u>
Total expenditures	<u>222,011,095</u>	<u>219,192,666</u>	<u>217,698,493</u>	<u>1,494,173</u>

(Continued on next page)

**TOWN OF STRATFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing uses:				
Transfers out	\$ _____	\$ _____	\$ 494,614	\$ (494,614)
Total	\$ <u>222,011,095</u>	\$ <u>219,192,666</u>	218,193,107	\$ <u>999,559</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf pension contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted	19,635,719
State of Connecticut on-behalf OPEB contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted	2,024,957
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes	(854,849)
Dog Fund expenditures not budgeted in the general fund	<u>417,027</u>

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

\$ 239,415,961

**TOWN OF STRATFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST FIVE FISCAL YEARS\***

(In Thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total pension liability:					
Service cost	\$ 3,739	\$ 3,386	\$ 3,338	\$ 3,169	\$ 3,143
Interest	19,881	19,991	20,161	20,268	20,662
Effect of economic/demographic gains or losses	(462)	(1,301)	1,019	4,548	(1,327)
Benefit payments	<u>(20,286)</u>	<u>(20,807)</u>	<u>(21,504)</u>	<u>(22,019)</u>	<u>(22,252)</u>
Net change in total pension liability	2,872	1,269	3,014	5,966	226
Total pension liability - beginning	<u>300,776</u>	<u>303,648</u>	<u>304,917</u>	<u>307,931</u>	<u>313,897</u>
Total pension liability - ending	<u>303,648</u>	<u>304,917</u>	<u>307,931</u>	<u>313,897</u>	<u>314,123</u>
Plan fiduciary net position:					
Contributions - employer	162,209	5,221	5,393	5,385	5,644
Contributions - member	1,683	1,578	1,661	1,447	1,387
Net investment income (loss)	26,333	9,918	(1,004)	28,887	22,479
Benefit payments, including refunds of member contributions	<u>(20,286)</u>	<u>(20,807)</u>	<u>(21,504)</u>	<u>(22,019)</u>	<u>(22,252)</u>
Administrative expense	<u>(239)</u>	<u>(400)</u>	<u>(264)</u>	<u>(295)</u>	<u>(305)</u>
Net change in plan fiduciary net position	169,700	(4,490)	(15,718)	13,405	6,953
Plan fiduciary net position - beginning	<u>90,105</u>	<u>259,805</u>	<u>255,315</u>	<u>239,597</u>	<u>253,002</u>
Plan fiduciary net position - ending	<u>259,805</u>	<u>255,315</u>	<u>239,597</u>	<u>253,002</u>	<u>259,955</u>
Net Pension Liability - Ending	\$ <u>43,843</u>	\$ <u>49,602</u>	\$ <u>68,334</u>	\$ <u>60,895</u>	\$ <u>54,168</u>
Plan fiduciary net position as a percentage of the total pension liability	85.56%	83.73%	77.81%	80.60%	82.76%
Covered payroll	\$ 22,771	\$ 22,237	\$ 20,317	\$ 19,912	\$ 18,756
Net pension liability as a percentage of covered payroll	192.54%	223.06%	336.34%	305.82%	288.80%

\*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**TOWN OF STRATFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 5,622,712	\$ 7,233,412	\$ 8,526,398	\$ 8,521,128	\$ 10,264,676	\$ 12,720,477	\$ 5,185,559	\$ 5,212,079	\$ 5,470,701	\$ 5,830,217
Contributions in relation to the actuarially determined contribution	<u>5,240,187</u>	<u>7,233,452</u>	<u>8,526,398</u>	<u>8,493,774</u>	<u>9,778,500</u>	<u>162,209,000</u>	<u>5,220,969</u>	<u>5,393,200</u>	<u>5,385,385</u>	<u>5,643,634</u>
Contribution Deficiency (Excess)	\$ <u>382,525</u>	\$ <u>(40)</u>	\$ <u>-</u>	\$ <u>27,354</u>	\$ <u>486,176</u>	\$ <u>(149,488,523)</u>	\$ <u>(35,410)</u>	\$ <u>(181,121)</u>	\$ <u>85,316</u>	\$ <u>186,583</u>
Covered payroll	\$ 24,494,790	\$ 24,001,108	\$ 24,238,011	\$ 23,991,550	\$ 23,551,913	\$ 22,770,569	\$ 22,237,216	\$ 20,317,247	\$ 19,912,480	\$ 18,755,885
Contributions as a percentage of covered payroll	21.39%	30.14%	35.18%	35.40%	41.52%	712.36%	23.48%	26.54%	27.05%	30.09%

**Notes to Schedule**

Valuation date: July 1, 2017  
Measurement date: June 30, 2018

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	4% for Police and Fire; rates vary by age for all others
Investment rate of return	6.75%
Retirement age	Rates vary by length of service for Police and Fire; rates vary by age for all others
Mortality	Based on RP-2000 Combined Healthy Mortality with generational projection Scale AA

**TOWN OF STRATFORD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
LAST FIVE FISCAL YEARS\***

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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	13.03%	3.91%	-0.40%	12.38%	9.11%

\*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>127,624,060</u>	<u>138,076,507</u>	<u>179,093,051</u>	<u>169,755,214</u>
Total	<u>\$ 127,624,060</u>	<u>\$ 138,076,507</u>	<u>\$ 179,093,051</u>	<u>\$ 169,755,214</u>
Town's covered payroll	\$ 47,921,000	\$ 49,711,000	\$ 51,654,000	\$ 53,337,000
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%

**Notes to Schedule**

Changes in benefit terms Changes of assumptions	None During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.  During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method Amortization method Remaining amortization period Asset valuation method Investment rate of return	Entry age Level percent of salary, closed 20.4 years 4-year smoothed market 8.50%, net of investment related expense

\*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**TOWN OF STRATFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**LAST TWO FISCAL YEARS\***

(In Thousands)

	<u>2017</u>	<u>2018</u>
Total OPEB liability:		
Service cost	\$ 10,903	\$ 9,287
Interest	8,890	10,221
Changes of assumptions	(36,171)	(13,028)
Benefit payments	<u>(8,447)</u>	<u>(8,427)</u>
Net change in total OPEB liability	(24,825)	(1,947)
Total OPEB liability - beginning	<u>305,210</u>	<u>280,385</u>
Total OPEB liability - ending	<u>280,385</u>	<u>278,438</u>
Plan fiduciary net position:		
Contributions - employer	8,497	8,477
Net investment income	611	573
Benefit payments	(8,447)	(8,427)
Administrative expense	<u>(2)</u>	<u>(43)</u>
Net change in plan fiduciary net position	659	580
Plan fiduciary net position - beginning	<u>3,784</u>	<u>4,443</u>
Plan fiduciary net position - ending	<u>4,443</u>	<u>5,023</u>
Net OPEB Liability - Ending	<u>\$ 275,942</u>	<u>\$ 273,415</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.58%	1.80%
Covered payroll	\$ 71,201	\$ 71,201
Net OPEB liability as a percentage of covered payroll	387.55%	384.00%

\*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**TOWN OF STRATFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OPEB  
LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution (1)	\$ 10,247,500	\$ 14,021,800	\$ 14,651,000	\$ 10,901,300	\$ 11,643,400	\$ 13,330,000	\$ 20,482,200	\$ 19,699,700	\$ 21,050,753	\$ 20,679,264
Contributions in relation to the actuarially determined contribution	<u>4,758,000</u>	<u>5,132,500</u>	<u>5,339,800</u>	<u>6,518,400</u>	<u>7,012,000</u>	<u>3,076,900</u>	<u>7,635,300</u>	<u>8,139,200</u>	<u>8,496,506</u>	<u>8,477,088</u>
Contribution Deficiency	\$ <u>5,489,500</u>	\$ <u>8,889,300</u>	\$ <u>9,311,200</u>	\$ <u>4,382,900</u>	\$ <u>4,631,400</u>	\$ <u>10,253,100</u>	\$ <u>12,846,900</u>	\$ <u>11,560,500</u>	\$ <u>12,554,247</u>	\$ <u>12,202,176</u>
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 75,985,000	\$ 75,985,000	\$ 71,200,894	\$ 71,200,894
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	10.05%	10.71%	11.93%	11.91%

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

**Notes to Schedule**

Valuation date July 1, 2016

Measurement date June 30, 2018

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Healthcare cost trend rates	5.20 %, 4.60% over 60 years
Salary increases	4.0% for Police and Fire, rates vary by age for all others
Investment rate of return	4.00%
Retirement age	Retirement ages and rates vary
	Teachers and Administrators: RP-2000 Combined Healthy Mortality Table for males and females projected forward 19 years using Scale AA, with a two-year age setback.

Mortality  
All others pre-retirement: 1994 Group Annuity Mortality. 80% of deaths among active Firefighters and Police are assumed to occur in the line of duty. 5% of deaths among all others are assumed to occur in the line of duty.

All others post-retirement: RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA, with separate tables for males and females.



**TOWN OF STRATFORD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
OPEB  
LAST TWO FISCAL YEARS\***

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	<u>2017</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	15.98%	12.83%

\*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.


**TOWN OF STRATFORD, CONNECTICUT  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHERS RETIREMENT PLAN  
LAST FISCAL YEAR\***

	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>43,693,067</u>
Total	<u>\$ 43,693,067</u>
Town's covered payroll	\$ 53,337,000
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate.  Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations.  As a result of the experience study for the five-year period ended June 30, 2015, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

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



# **Combining and Individual Fund Statements and Schedules**



# General Fund

## **GENERAL FUND**

The General Fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund.

**TOWN OF STRATFORD, CONNECTICUT  
GENERAL FUND  
REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2018**

Grand List	Uncollected Taxes July 1, 2017	Current Levy	Lawful Corrections	Transfers To Suspense	Adjusted Taxes Collectible	Collections				Total Collected	Uncollected Taxes June 30, 2018
						Taxes Paid	Interest	Lien	Other		
2016	\$	\$ 179,736,754	\$ (116,256)	\$	\$ 179,620,498	\$ 175,058,251	\$ 574,742	\$ 2,280	\$ 2,081	\$ 175,637,354	\$ 4,562,247
2015	3,994,094		(33,167)	(58,961)	3,901,966	2,077,040	503,133	5,770	30,062	2,616,005	1,824,926
2014	2,012,303		(27,128)	(55,921)	1,929,254	665,673	341,398	2,112	28,397	1,037,580	1,263,581
2013	1,210,296		40,864	(682,854)	568,306	220,319	124,682	1,110	11,392	357,503	347,987
2012	325,454		(38,312)	(73,009)	214,133	1,187	36,012	444	4,517	42,160	212,946
2011	260,509		11,685	(96,889)	175,305	30,310	29,556	240	84	60,190	144,995
2010	185,401		11,589	(63,678)	133,312	25,112	25,542	360	57	51,071	108,200
2009	148,369		67	(52,003)	96,433	66	(377)	336	26	51	96,367
2008	96,145		(1,412)	(46,735)	47,998	(305)	(348)	288	26	(339)	48,303
2007	75,348			(44,549)	30,799	318	5,792	240	17	6,367	30,481
2006	61,707		494	(50,076)	12,125	503	876	48		1,427	11,622
2005	49,439			(42,484)	6,955						6,955
2004	39,654			(39,486)	168						168
2003	46,571			(46,043)	528			1	13	14	528
2002	50,524			(50,524) *	-				22	22	
2001	89,282			(89,282) *	-						
	\$ 8,645,096	\$ 179,736,754	\$ (151,576)	\$ (1,492,494)	\$ 186,737,780	\$ 178,078,474	\$ 1,641,008	\$ 13,229	\$ 76,694	\$ 179,809,405	\$ 8,659,306

\* Operation of law



# **Nonmajor Governmental Funds**

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Fund	Funding Source	Function
School Lunch Program	Sale of food and grants	School lunch program
Community Development	Federal grant - DHUD and program income	Community development programs
Education Federal and State Programs	State and Federal grant	Education programs
Shellfish and Oysters	Grants and local contributions	Activities of Shellfish Commission
Counseling Center	State grants and contributions	Drug addiction counseling
Continuing Education	State and Federal grants	Continuing education
Redevelopment Agency	Grants and local contributions	Stratford Redevelopment Agency
Railroad Property	Collection of fees	Railroad station parking
Miscellaneous Grants	Federal and state grants	Health and social services program
Department of Children and Family Services	Grants and local contributions	Department of Children and Families
Recreation	Program fees	Recreation programs
Town Aid Road	State grants	Improvements of local roads
Senior Citizens	Grants and program fees	Baldwin Senior Citizen Center
Police Special Services	Grants and local contributions	State Drug Enforcement Grant
Harbor Management	Collection of fees	Harbor management program
Recycling	Collection of fees	Recycling program
Gas Pipeline	Donation from Duke Energy	Various projects
Sewer Maintenance	Collection of fees	Miscellaneous maintenance of sewer functions
Reserve	Donations	Miscellaneous reserve funds

### Permanent Funds

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Fund	Funding Source	Function
Stratford High School	Donations	Student activities
Bunnell High School	Donations	Student activities
Stephen Boothe	Donations	Boothe Memorial Park
David Boothe	Donations	Boothe Memorial Park



**TOWN OF STRATFORD, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	Special Revenue Funds							
	School Lunch Program	Community Development	Education Federal and State Programs	Shellfish and Oysters	Counseling Center	Continuing Education	Redevelopment Agency	Railroad Property
<b>Assets</b>								
Cash and cash equivalents	\$	\$	\$ 259,851	\$	\$	\$ 273,627	\$	\$
Investments								
Accounts receivable		20,468	120,210			12,000		35
Intergovernmental	351,128							
Due from other funds				236,640	55,113		77,410	623,866
Inventory	35,886							
<b>Total Assets</b>	<b>\$ 387,014</b>	<b>\$ 20,468</b>	<b>\$ 380,061</b>	<b>\$ 236,640</b>	<b>\$ 55,113</b>	<b>\$ 285,627</b>	<b>\$ 77,410</b>	<b>\$ 623,901</b>
<b>Liabilities, Deferred Inflows and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 886,264	\$ 647	\$	\$	\$ 325	\$ 34,901	\$	\$ 9,276
Accrued liabilities		516						1,901
Unearned revenue			222,162					
Due to other funds		29,045						
<b>Total liabilities</b>	<b>886,264</b>	<b>30,208</b>	<b>222,162</b>	<b>-</b>	<b>325</b>	<b>34,901</b>	<b>-</b>	<b>11,177</b>
<b>Deferred Inflows of Resources:</b>								
Unavailable resources		20,468	60,210					
<b>Fund balances:</b>								
Nonspendable	35,886							
Restricted						250,726		
Committed			97,689	236,640	54,788		77,410	612,724
Unassigned	(535,136)	(30,208)						
<b>Total fund balances</b>	<b>(499,250)</b>	<b>(30,208)</b>	<b>97,689</b>	<b>236,640</b>	<b>54,788</b>	<b>250,726</b>	<b>77,410</b>	<b>612,724</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 387,014</b>	<b>\$ 20,468</b>	<b>\$ 380,061</b>	<b>\$ 236,640</b>	<b>\$ 55,113</b>	<b>\$ 285,627</b>	<b>\$ 77,410</b>	<b>\$ 623,901</b>

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**TOWN OF STRATFORD, CONNECTICUT  
 COMBINING BALANCE SHEET (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2018**

	Special Revenue Funds							
	Miscellaneous Grants	Department of Children and Family Services	Recreation	Town Aid Road	Senior Citizens	Police Special Services	Harbor Management	Recycling
<b>Assets</b>								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$ 295,972	\$	\$
Investments							4,143	
Accounts receivable								
Intergovernmental	1,681,440							
Due from other funds		81,030	69,776	376,040	73,298		229,282	
Inventory								
<b>Total Assets</b>	<u>\$ 1,681,440</u>	<u>\$ 81,030</u>	<u>\$ 69,776</u>	<u>\$ 376,040</u>	<u>\$ 73,298</u>	<u>\$ 295,972</u>	<u>\$ 233,425</u>	<u>\$ -</u>
<b>Liabilities, Deferred Inflows and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 58,563	\$ 6,362	\$ 9,347	\$ 9,767	\$ 5,727	\$	\$ 5,725	\$
Accrued liabilities	3,293	5,556	3,257		204		1,118	
Unearned revenue								
Due to other funds	306,759							
<b>Total liabilities</b>	<u>368,615</u>	<u>11,918</u>	<u>12,604</u>	<u>9,767</u>	<u>5,931</u>	<u>-</u>	<u>6,843</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>								
Unavailable resources	1,657,893							
<b>Fund balances:</b>								
Nonspendable								
Restricted		69,112		366,273				
Committed			57,172		67,367	295,972	226,582	
Unassigned	(345,068)							
<b>Total fund balances</b>	<u>(345,068)</u>	<u>69,112</u>	<u>57,172</u>	<u>366,273</u>	<u>67,367</u>	<u>295,972</u>	<u>226,582</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 1,681,440</u>	<u>\$ 81,030</u>	<u>\$ 69,776</u>	<u>\$ 376,040</u>	<u>\$ 73,298</u>	<u>\$ 295,972</u>	<u>\$ 233,425</u>	<u>\$ -</u>

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**TOWN OF STRATFORD, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	Permanent Funds							Total Nonmajor Governmental Funds
	Gas Pipeline	Sewer Maintenance	Reserve	Stratford High School	Bunnell High School	Stephen Boothe	David Boothe	
<b>Assets</b>								
Cash and cash equivalents	\$	\$	\$	\$ 54,697	\$ 35,019	\$ 11,285	\$ 24,756	\$ 955,207
Investments				203,115	88,552	734,700	1,602,999	2,629,366
Accounts receivable								156,856
Intergovernmental								2,032,568
Due from other funds		35,576	336,832					2,194,863
Inventory								35,886
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 35,576</b>	<b>\$ 336,832</b>	<b>\$ 257,812</b>	<b>\$ 123,571</b>	<b>\$ 745,985</b>	<b>\$ 1,627,755</b>	<b>\$ 8,004,746</b>
<b>Liabilities, Deferred Inflows and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts payable	\$	\$	\$ 45,006	\$	\$	\$	\$	\$ 1,071,910
Accrued liabilities								15,845
Unearned revenue			31,654					253,816
Due to other funds								335,804
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>76,660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,677,375</b>
<b>Deferred Inflows of Resources:</b>								
Unavailable resources								1,738,571
<b>Fund balances:</b>								
Nonspendable								35,886
Restricted				257,812	123,571	745,985	1,627,755	3,441,234
Committed		35,576	260,172					2,022,092
Unassigned								(910,412)
<b>Total fund balances</b>	<b>-</b>	<b>35,576</b>	<b>260,172</b>	<b>257,812</b>	<b>123,571</b>	<b>745,985</b>	<b>1,627,755</b>	<b>4,588,800</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ -</b>	<b>\$ 35,576</b>	<b>\$ 336,832</b>	<b>\$ 257,812</b>	<b>\$ 123,571</b>	<b>\$ 745,985</b>	<b>\$ 1,627,755</b>	<b>\$ 8,004,746</b>

**TOWN OF STRATFORD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds							
	School Lunch Program	Community Development	Education Federal and State Programs	Shellfish and Oysters	Counseling Center	Continuing Education	Redevelopment Agency	Railroad Property
Revenues:								
Intergovernmental	\$ 1,917,612	\$ 547,830	\$ 3,599,619	\$	\$ 7,227	\$	\$	\$
Departmental revenue	1,610,631			122,186	52,178	489,025		276,347
Licenses and permits								246,002
Investment income								
Other			301,124					
Total revenues	<u>3,528,243</u>	<u>547,830</u>	<u>3,900,743</u>	<u>122,186</u>	<u>59,405</u>	<u>489,025</u>	<u>-</u>	<u>522,349</u>
Expenditures:								
Current:								
Education	3,672,757		3,947,914			502,664		
Human development		(2)			59,908			
Physical development		480,963					340,664	433,052
Public safety								
Capital outlay								
Total expenditures	<u>3,672,757</u>	<u>480,961</u>	<u>3,947,914</u>	<u>-</u>	<u>59,908</u>	<u>502,664</u>	<u>340,664</u>	<u>433,052</u>
Excess (Deficiency) of Revenues over Expenditures	(144,514)	66,869	(47,171)	122,186	(503)	(13,639)	(340,664)	89,297
Other Financing Uses:								
Transfers out								(250,000)
Net Change in Fund Balances	(144,514)	66,869	(47,171)	122,186	(503)	(13,639)	(340,664)	(160,703)
Fund Balances at Beginning of Year	(354,736)	(97,077)	144,860	114,454	55,291	264,365	418,074	773,427
Fund Balances at End of Year	<u>\$ (499,250)</u>	<u>\$ (30,208)</u>	<u>\$ 97,689</u>	<u>\$ 236,640</u>	<u>\$ 54,788</u>	<u>\$ 250,726</u>	<u>\$ 77,410</u>	<u>\$ 612,724</u>

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**TOWN OF STRATFORD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds							
	Miscellaneous Grants	Department of Children and Family Services	Recreation	Town Aid Road	Senior Citizens	Police Special Services	Harbor Management	Recycling
Revenues:								
Intergovernmental	\$ 3,054,289	\$ 171,146	\$	\$ 602,017	\$ 3,286	\$	\$ 40,114	\$
Departmental revenue	77,125	246,023	256,388		75,235		50,710	
Licenses and permits						669		
Investment income						138,548		
Other								
Total revenues	<u>3,131,414</u>	<u>417,169</u>	<u>256,388</u>	<u>602,017</u>	<u>78,521</u>	<u>139,217</u>	<u>90,824</u>	<u>-</u>
Expenditures:								
Current:								
Education								
Human development	1,549,845	388,553	257,341		63,633			
Physical development	378,399	28,844					52,644	
Public safety	546,286					230,146		
Capital outlay				572,769				
Total expenditures	<u>2,474,530</u>	<u>417,397</u>	<u>257,341</u>	<u>572,769</u>	<u>63,633</u>	<u>230,146</u>	<u>52,644</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	656,884	(228)	(953)	29,248	14,888	(90,929)	38,180	-
Other Financing Uses:								
Transfers out								(13,117)
Net Change in Fund Balances	656,884	(228)	(953)	29,248	14,888	(90,929)	38,180	(13,117)
Fund Balances at Beginning of Year	(1,001,952)	69,340	58,125	337,025	52,479	386,901	188,402	13,117
Fund Balances at End of Year	<u>\$ (345,068)</u>	<u>\$ 69,112</u>	<u>\$ 57,172</u>	<u>\$ 366,273</u>	<u>\$ 67,367</u>	<u>\$ 295,972</u>	<u>\$ 226,582</u>	<u>\$ -</u>

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**TOWN OF STRATFORD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds			Permanent Funds					Total Nonmajor Governmental Funds
	Gas Pipeline	Sewer Maintenance	Reserve	Stratford High School	Bunnell High School	Stephen Boothe	David Boothe	Debt Service	
Revenues:									
Intergovernmental	\$	\$	\$ 102,728	\$	\$	\$	\$	\$	\$ 10,045,868
Departmental revenue									3,255,848
Licenses and permits									246,002
Investment income				11,099	4,729	53,461	107,734		177,692
Other				103,449	108,902				652,023
Total revenues	<u>-</u>	<u>-</u>	<u>102,728</u>	<u>114,548</u>	<u>113,631</u>	<u>53,461</u>	<u>107,734</u>	<u>-</u>	<u>14,377,433</u>
Expenditures:									
Current:									
Education				81,384	105,062	38,561	79,173		8,427,515
Human development									2,319,278
Physical development			150,942						1,865,508
Public safety									776,432
Capital outlay									572,769
Total expenditures	<u>-</u>	<u>-</u>	<u>150,942</u>	<u>81,384</u>	<u>105,062</u>	<u>38,561</u>	<u>79,173</u>	<u>-</u>	<u>13,961,502</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	(48,214)	33,164	8,569	14,900	28,561	-	415,931
Other Financing Uses:									
Transfers out	(156,100)							(443,280)	(862,497)
Net Change in Fund Balances	(156,100)	-	(48,214)	33,164	8,569	14,900	28,561	(443,280)	(446,566)
Fund Balances at Beginning of Year	156,100	35,576	308,386	224,648	115,002	731,085	1,599,194	443,280	5,035,366
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 35,576</u>	<u>\$ 260,172</u>	<u>\$ 257,812</u>	<u>\$ 123,571</u>	<u>\$ 745,985</u>	<u>\$ 1,627,755</u>	<u>\$ -</u>	<u>\$ 4,588,800</u>



# **Capital Projects Fund**

## CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds. The town reports one capital project fund with the following subfunds:

<b>Fund</b>	<b>Funding Source</b>	<b>Function</b>
Capital Improvements	Other financing sources	Construction and renovation projects
Capital Special Projects	Bonds	Construction and renovation projects
Sidewalk and Roads	Special assessments	Construction and improvements to sidewalks and streets
Sewer Revolving	Special assessments	Construction and improvements to storm sewer system
Water Hookup	Special assessments	Water main construction for Whipporwill Lane
Capital Equipment	General Fund	Equipment purchases



**TOWN OF STRATFORD, CONNECTICUT  
CAPITAL PROJECTS FUND  
PROJECT COMBINING BALANCE SHEET  
JUNE 30, 2018**

	<u>Capital Improvements</u>	<u>Capital Special Projects</u>	<u>Sidewalk and Roads</u>	<u>Sewer Revolving</u>	<u>Water Hookup</u>	<u>Capital Equipment</u>	<u>Total</u>
<b>Assets</b>							
Special assessments	\$	\$	\$ 1,157	\$ 882,299	\$ 8,761	\$	\$ 892,217
Due from other funds	34,711,150	5,711,269		1,407,784			41,830,203
Total Assets	\$ 34,711,150	\$ 5,711,269	\$ 1,157	\$ 2,290,083	\$ 8,761	\$ -	\$ 42,722,420
<b>Liabilities, Deferred Inflows and Fund Balances</b>							
Liabilities:							
Accounts payable	\$	\$ 5,825,648	\$	\$	\$	\$ 29,982	\$ 5,855,630
Bond anticipation notes		40,000,000					40,000,000
Due to other funds			15,511		107,376	3,958,802	4,081,689
Total liabilities	-	45,825,648	15,511	-	107,376	3,988,784	49,937,319
Deferred Inflows of Resources:							
Unavailable resources			1,157	882,299	8,761		892,217
Fund balances:							
Committed	34,711,150			1,407,784			36,118,934
Unassigned		(40,114,379)	(15,511)		(107,376)	(3,988,784)	(44,226,050)
Total fund balances	34,711,150	(40,114,379)	(15,511)	1,407,784	(107,376)	(3,988,784)	(8,107,116)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 34,711,150	\$ 5,711,269	\$ 1,157	\$ 2,290,083	\$ 8,761	\$ -	\$ 42,722,420

**TOWN OF STRATFORD, CONNECTICUT  
 CAPITAL PROJECTS FUND  
 PROJECT COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Capital Improvements</u>	<u>Capital Special Projects</u>	<u>Sidewalk and Roads</u>	<u>Sewer Revolving</u>	<u>Water Hookup</u>	<u>Capital Equipment</u>	<u>Total</u>
Revenues:							
Property taxes and assessments	\$	\$	\$ 905	\$ 187,175	\$	\$	\$ 188,080
Intergovernmental		16,580,653					16,580,653
Other							-
Total revenues	<u>-</u>	<u>16,580,653</u>	<u>905</u>	<u>187,175</u>	<u>-</u>	<u>-</u>	<u>16,768,733</u>
Expenditures:							
Debt service	19,804						19,804
Capital outlay	29,725	44,485,599				1,403,336	45,918,660
Total expenditures	<u>49,529</u>	<u>44,485,599</u>				<u>1,403,336</u>	<u>45,938,464</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(49,529)</u>	<u>(27,904,946)</u>	<u>905</u>	<u>187,175</u>	<u>-</u>	<u>(1,403,336)</u>	<u>(29,169,731)</u>
Other Financing Sources (Uses):							
Transfers in		2,984,195					2,984,195
Transfers out	(210,000)						(210,000)
Total other financing sources (uses):	<u>(210,000)</u>	<u>2,984,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,774,195</u>
Net Change in Fund Balances	(259,529)	(24,920,751)	905	187,175	-	(1,403,336)	(26,395,536)
Fund Balances at Beginning of Year	<u>34,970,679</u>	<u>(15,193,628)</u>	<u>(16,416)</u>	<u>1,220,609</u>	<u>(107,376)</u>	<u>(2,585,448)</u>	<u>18,288,420</u>
Fund Balances at End of Year	<u>\$ 34,711,150</u>	<u>\$ (40,114,379)</u>	<u>\$ (15,511)</u>	<u>\$ 1,407,784</u>	<u>\$ (107,376)</u>	<u>\$ (3,988,784)</u>	<u>\$ (8,107,116)</u>



# **Enterprise Funds**

## ENTERPRISE FUNDS

Enterprise funds are used to account for ongoing organizations and activities that are similar to those found in the private sector.

**Short Beach Golf Course** is used to account for the operations of the Town's public golf course.

**Emergency Medical Services** is used to account for the operations of the Town's ambulance services.

**TOWN OF STRATFORD, CONNECTICUT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2018**

	<u>Short Beach Golf Course</u>	<u>Emergency Medical Services</u>	<u>Total</u>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 3,040	\$ 105,142	\$ 108,182
Receivables:			
Accounts receivable, net		348,475	348,475
Due from other funds	207,587		207,587
Total current assets	<u>210,627</u>	<u>453,617</u>	<u>664,244</u>
Capital assets:			
Assets being depreciated, net	<u>151,689</u>	<u>2,103,357</u>	<u>2,255,046</u>
<b>Total assets</b>	<u>362,316</u>	<u>2,556,974</u>	<u>2,919,290</u>
<b>Liabilities:</b>			
Current:			
Accounts payable	15,987	90,267	106,254
Unearned revenue	2,089		2,089
Advance from other funds	1,402,248		1,402,248
Due to other funds		1,246,081	1,246,081
Bonds payable		145,000	145,000
Capital lease payable	25,619	41,498	67,117
Compensated absences	15,406	65,115	80,521
Total current liabilities	<u>1,461,349</u>	<u>1,587,961</u>	<u>3,049,310</u>
Noncurrent liabilities:			
Bonds payable		999,000	999,000
Capital lease payable		48,061	48,061
Compensated absences	35,946	151,936	187,882
Total noncurrent liabilities	<u>35,946</u>	<u>1,198,997</u>	<u>1,234,943</u>
<b>Total liabilities</b>	<u>1,497,295</u>	<u>2,786,958</u>	<u>4,284,253</u>
<b>Net Position:</b>			
Net investment in capital assets	151,689	2,103,357	2,255,046
Unrestricted	<u>(1,286,668)</u>	<u>(2,333,341)</u>	<u>(3,620,009)</u>
<b>Total Net Position</b>	<u>\$ (1,134,979)</u>	<u>\$ (229,984)</u>	<u>\$ (1,364,963)</u>

**TOWN OF STRATFORD, CONNECTICUT  
ENTERPRISE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Short Beach Golf Course</u>	<u>Emergency Medical Services</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 230,205	\$ 2,125,326	\$ 2,355,531
Operating Expenses:			
Operating and maintenance	300,424	2,281,532	2,581,956
Depreciation	25,030	259,880	284,910
Total operating expenses	<u>325,454</u>	<u>2,541,412</u>	<u>2,866,866</u>
Operating Loss	(95,249)	(416,086)	(511,335)
Nonoperating Expenses:			
Interest expense	<u>                    </u>	<u>(35,471)</u>	<u>(35,471)</u>
Net Loss Before Transfers	(95,249)	(451,557)	(546,806)
Transfers Out	<u>                    </u>	<u>(147,757)</u>	<u>(147,757)</u>
Change in Net Position	(95,249)	(599,314)	(694,563)
Net Position - Beginning of Year	<u>(1,039,730)</u>	<u>369,330</u>	<u>(670,400)</u>
Net Position - End of Year	<u>\$ (1,134,979)</u>	<u>\$ (229,984)</u>	<u>\$ (1,364,963)</u>

**TOWN OF STRATFORD, CONNECTICUT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Short Beach Golf Course</b>	<b>Emergency Medical Services</b>	<b>Total</b>
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 230,205	\$ 2,103,958	\$ 2,334,163
Cash payments to suppliers	(182,170)	(571,070)	(753,240)
Cash payments to employees	(119,495)	(1,707,004)	(1,826,499)
Payments for interfund services used	80,558	495,512	576,070
Net cash provided by (used in) operating activities	<u>9,098</u>	<u>321,396</u>	<u>330,494</u>
Cash Flows from Noncapital Financing Activities:			
Transfers to other funds		<u>(147,757)</u>	<u>(147,757)</u>
Cash Flows from Capital and Related Financing Activities:			
Principal payment on debt	(6,058)	(145,103)	(151,161)
Interest paid on debt		<u>(35,471)</u>	<u>(35,471)</u>
Net cash provided by (used in) capital and related financing activities	<u>(6,058)</u>	<u>(180,574)</u>	<u>(186,632)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,040	(6,935)	(3,895)
Cash and Cash Equivalents at Beginning of Year		<u>112,077</u>	<u>112,077</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,040</u>	<u>\$ 105,142</u>	<u>\$ 108,182</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ (95,249)	\$ (416,086)	\$ (511,335)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	25,030	259,880	284,910
Loss on disposition of capital assets		18,539	18,539
Change in assets and liabilities:			
(Increase) decrease in due from other funds	(207,587)		(207,587)
(Increase) decrease in accounts receivable		(21,368)	(21,368)
Increase (decrease) in accounts payable	(1,531)	(41,444)	(42,975)
Increase (decrease) in unearned revenues	1,322		1,322
Increase (decrease) in due to other funds	288,145	495,512	783,657
Increase (decrease) compensated absences	<u>(1,032)</u>	<u>26,363</u>	<u>25,331</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 9,098</u>	<u>\$ 321,396</u>	<u>\$ 330,494</u>



# **Internal Service Funds**



## Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost-reimbursement basis.

**Health Benefit and Workers Compensation Fund** - to provide reserves necessary to support an insurance program for health benefits and worker's compensation claims.

**TOWN OF STRATFORD, CONNECTICUT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
June 30, 2018**

	<u>Health Benefit</u>	<u>Workers' Compensation</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$	\$ 80,000	\$ 80,000
Accounts receivable	88,405		88,405
Due from other funds	2,314,045	5,010,626	7,324,671
Total assets	<u>2,402,450</u>	<u>5,090,626</u>	<u>7,493,076</u>
Current liabilities:			
Accounts payable	1,386	5,876	7,262
Risk management claims	677,000		677,000
Total current liabilities	<u>678,386</u>	<u>5,876</u>	<u>684,262</u>
Noncurrent liabilities:			
Risk management claims		12,604,317	12,604,317
Net Position:			
Unrestricted	<u>1,724,064</u>	<u>(7,519,567)</u>	<u>(5,795,503)</u>
Total Liabilities and Net Position	<u>\$ 2,402,450</u>	<u>\$ 5,090,626</u>	<u>\$ 7,493,076</u>

**TOWN OF STRATFORD, CONNECTICUT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2018**

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	<u>Health Benefit</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 4,375,740	\$ 2,443,926	\$ 6,819,666
Operating Expenses:			
Operating and maintenance	<u>3,972,355</u>	<u>2,512,610</u>	<u>6,484,965</u>
Change in Net Position	403,385	(68,684)	334,701
Net Position - Beginning of Year	<u>1,320,679</u>	<u>(7,450,883)</u>	<u>(6,130,204)</u>
Net Position - End of Year	<u>\$ 1,724,064</u>	<u>\$ (7,519,567)</u>	<u>\$ (5,795,503)</u>

**TOWN OF STRATFORD, CONNECTICUT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Health Benefit</u>	<u>Workers' Compensation</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 4,375,740	\$ 2,443,926	\$ 6,819,666
Cash payments to suppliers	(4,119,374)	(2,900,163)	(7,019,537)
Payments for interfund services used	<u>(256,366)</u>	<u>456,237</u>	<u>199,871</u>
Net cash provided by (used in) operating activities	-	-	-
Cash and Cash Equivalents at Beginning of Year	<u>                    </u>	<u>80,000</u>	<u>80,000</u>
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ 403,385	\$ (68,684)	\$ 334,701
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Changes in assets and liabilities:			
Decrease (increase) in due from other funds	(256,366)	456,237	199,871
Decrease (increase) in receivables	(88,405)		(88,405)
Increase (decrease) in accounts payable	1,386	287	1,673
Increase (decrease) in risk management liability	<u>(60,000)</u>	<u>(387,840)</u>	<u>(447,840)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



# Fiduciary Funds

## **FIDUCIARY FUNDS**

### **Pension Trust Fund**

To account for the activities of the Town's defined benefit and defined contribution pension plans, which accumulate resources for pension benefit payments to qualified employees

### **OPEB Trust Fund**

To account for the activities of the Stratford non-pension postemployment benefits for certain retirees and their beneficiaries.

### **Agency Funds**

**Student Activity Fund** - established to account for various student activities.

**Senior Taxpayer Escrow** - established to account for senior citizen tax payments

**Planning & Zoning Performance Bonds** - established to account for planning and zoning performance bonds

**Inland/Wetland Performance Bonds** - established to account for inland/wetland performance bonds.

**Teacher's Retiree Fund** - established to offset medical expenses for the Stratford Board of Education retiree population.

**TOWN OF STRATFORD, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION - PENSION AND OPEB TRUST FUNDS**  
**JUNE 30, 2018**

	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total</b>
Assets:			
Cash and cash equivalents	\$ 3,535,523	\$ 156,780	\$ 3,692,303
Investments:			
Mutual funds	74,094,528	4,865,844	78,960,372
Pooled, common and collective trusts	98,914,807		98,914,807
Real estate investment funds	57,446,714		57,446,714
Equity hedge funds	<u>25,963,405</u>		<u>25,963,405</u>
Total assets	<u>259,954,977</u>	<u>5,022,624</u>	<u>264,977,601</u>
Net Position:			
Restricted for Pension and OPEB Benefits	<u>\$ 259,954,977</u>	<u>\$ 5,022,624</u>	<u>\$ 264,977,601</u>

**TOWN OF STRATFORD, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PENSION AND OPEB TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total</b>
Additions:			
Contributions:			
Plan members	\$ 1,387,061	\$	\$ 1,387,061
Employer	5,643,634	8,477,088	14,120,722
Total contributions	<u>7,030,695</u>	<u>8,477,088</u>	<u>15,507,783</u>
Investment income:			
Net appreciation in fair market value of investments	19,167,300	482,220	19,649,520
Interest and dividends	3,534,194	90,790	3,624,984
Total investment income	<u>22,701,494</u>	<u>573,010</u>	<u>23,274,504</u>
Investment fee	(154,200)		(154,200)
Net investment income	<u>22,547,294</u>	<u>573,010</u>	<u>23,120,304</u>
Total additions	<u>29,577,989</u>	<u>9,050,098</u>	<u>38,628,087</u>
Deductions:			
Benefits	22,251,619	8,427,088	30,678,707
Other	373,353	42,926	416,279
Total deductions	<u>22,624,972</u>	<u>8,470,014</u>	<u>31,094,986</u>
Net Increase	6,953,017	580,084	7,533,101
Net Position - Beginning of Year	<u>253,001,960</u>	<u>4,442,540</u>	<u>257,444,500</u>
Net Position - End of Year	<u>\$ 259,954,977</u>	<u>\$ 5,022,624</u>	<u>\$ 264,977,601</u>



**TOWN OF STRATFORD, CONNECTICUT  
 AGENCY FUND  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
<b>Student Activity Fund</b>				
Assets:				
Cash and cash equivalents	\$ <u>371,058</u>	\$ <u>1,043,868</u>	\$ <u>1,071,403</u>	\$ <u>343,523</u>
Liabilities:				
Due to student groups	\$ <u>371,058</u>	\$ <u>1,043,868</u>	\$ <u>1,071,403</u>	\$ <u>343,523</u>
<b>Senior Taxpayer Escrow</b>				
Assets:				
Cash and cash equivalents	\$ <u>22,027</u>	\$ <u>36,215</u>	\$ <u>43,661</u>	\$ <u>14,581</u>
Liabilities:				
Payable to others	\$ <u>22,027</u>	\$ <u>36,215</u>	\$ <u>43,661</u>	\$ <u>14,581</u>
<b>Planning &amp; Zoning Performance Bonds</b>				
Assets:				
Cash and cash equivalents	\$ <u>390,213</u>	\$ <u>169</u>	\$ <u>3,003</u>	\$ <u>387,379</u>
Liabilities:				
Payable to others	\$ <u>390,213</u>	\$ <u>169</u>	\$ <u>3,003</u>	\$ <u>387,379</u>
<b>Inland/Wetland Performance Bonds</b>				
Assets:				
Cash and cash equivalents	\$ <u>231,065</u>	\$ <u>68,305</u>	\$ <u>8,042</u>	\$ <u>291,328</u>
Liabilities:				
Payable to others	\$ <u>231,065</u>	\$ <u>68,305</u>	\$ <u>8,042</u>	\$ <u>291,328</u>
<b>Teacher's Retiree Fund</b>				
Assets:				
Cash and cash equivalents	\$ <u>236,203</u>	\$ <u>1,765,281</u>	\$ <u>1,786,951</u>	\$ <u>214,533</u>
Liabilities:				
Payable to others	\$ <u>236,203</u>	\$ <u>1,765,281</u>	\$ <u>1,786,951</u>	\$ <u>214,533</u>
<b>Total Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ <u>1,250,566</u>	\$ <u>2,913,838</u>	\$ <u>2,913,060</u>	\$ <u>1,251,344</u>
Liabilities:				
Due to student groups	\$ <u>371,058</u>	\$ <u>1,043,868</u>	\$ <u>1,071,403</u>	\$ <u>343,523</u>
Payable to others	<u>879,508</u>	<u>1,869,970</u>	<u>1,841,657</u>	<u>907,821</u>
Total Liabilities	\$ <u>1,250,566</u>	\$ <u>2,913,838</u>	\$ <u>2,913,060</u>	\$ <u>1,251,344</u>



# Statistical Section

## Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

**TOWN OF STRATFORD, CONNECTICUT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(In Thousands)**

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
Net investment in capital assets	\$ 90,461	\$ 85,697	\$ 81,259	\$ 78,329	\$ 82,429	\$ 58,172	\$ 57,747	\$ 49,667	\$ 46,587	\$ 45,101
Restricted	2,755	2,670	2,476	2,709	2,793	2,527	2,407	2,543	2,279	2,187
Unrestricted	(496,884)	(314,761)	(293,903)	(271,442)	(69,279)	(37,138)	(47,371)	(46,500)	(36,777)	(30,284)
Total governmental activities net position	<u>(403,667)</u>	<u>(226,394)</u>	<u>(210,168)</u>	<u>(190,404)</u>	<u>15,943</u>	<u>23,561</u>	<u>12,783</u>	<u>5,710</u>	<u>12,089</u>	<u>17,004</u>
Business-type activities:										
Net investment in capital assets	15,411	14,787	15,720	14,577	18,134	19,149	19,806	20,691	21,674	26,998
Restricted	1,160	5,388	5,746	7,676	6,094	6,710	6,615	8,475	12,145	9,200
Total business-type activities net position	<u>16,571</u>	<u>20,175</u>	<u>21,466</u>	<u>22,253</u>	<u>24,228</u>	<u>25,859</u>	<u>26,421</u>	<u>29,166</u>	<u>33,819</u>	<u>36,198</u>
Total:										
Net investment in capital assets	105,872	100,484	96,979	92,906	100,563	77,321	77,553	70,358	68,261	72,099
Restricted	2,755	2,670	2,476	2,709	2,793	2,527	2,407	2,543	2,279	2,187
Unrestricted	<u>(495,724)</u>	<u>(309,373)</u>	<u>(288,156)</u>	<u>(263,765)</u>	<u>(63,185)</u>	<u>(30,428)</u>	<u>(40,756)</u>	<u>(38,025)</u>	<u>(24,632)</u>	<u>(21,084)</u>
Total Net Position	<u>\$ (387,097)</u>	<u>\$ (206,219)</u>	<u>\$ (188,701)</u>	<u>\$ (168,150)</u>	<u>\$ 40,171</u>	<u>\$ 49,420</u>	<u>\$ 39,204</u>	<u>\$ 34,876</u>	<u>\$ 45,908</u>	<u>\$ 53,202</u>

Notes:  
Schedule prepared on the accrual basis of accounting.

**TOWN OF STRATFORD, CONNECTICUT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(In Thousands)**

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Expenses:</b>										
Governmental activities:										
General government	\$ (42,394)	\$ (32,000)	\$ (31,845)	\$ (33,728)	\$ (30,840)	\$ (38,354)	\$ (38,445)	\$ (38,499)	\$ (35,722)	\$ (27,808)
Human development	(7,731)	(8,794)	(10,145)	(8,277)	(8,518)	(8,852)	(9,029)	(8,033)	(7,227)	(7,347)
Physical development	(18,709)	(23,659)	(22,908)	(20,537)	(15,320)	(18,900)	(15,466)	(15,099)	(15,466)	(16,734)
Public safety	(26,839)	(34,067)	(35,826)	(28,289)	(35,654)	(24,111)	(23,712)	(29,459)	(23,314)	(23,053)
Education	(140,801)	(148,968)	(136,979)	(129,334)	(127,895)	(115,002)	(114,759)	(115,686)	(113,161)	(111,307)
Debt service	(12,734)	(13,696)	(12,058)	(12,530)	(9,636)	(4,548)	(3,484)	(6,033)	(7,470)	(7,242)
Total governmental activities expenses	<u>(249,207)</u>	<u>(261,184)</u>	<u>(249,761)</u>	<u>(232,695)</u>	<u>(227,863)</u>	<u>(209,767)</u>	<u>(204,895)</u>	<u>(212,809)</u>	<u>(202,360)</u>	<u>(193,491)</u>
Business-type activities:										
Waste Operating	(10,570)	(11,232)	(11,394)	(11,768)	(10,560)	(10,106)	(9,654)	(11,685)	(9,864)	(8,490)
Other	(2,902)	(2,738)	(2,875)	(2,451)	(2,324)	(2,225)	(1,745)	(1,739)	(1,559)	(1,590)
Total business-type activities	<u>(13,472)</u>	<u>(13,970)</u>	<u>(14,269)</u>	<u>(14,219)</u>	<u>(12,884)</u>	<u>(12,331)</u>	<u>(11,399)</u>	<u>(13,424)</u>	<u>(11,423)</u>	<u>(10,080)</u>
Total Expenses	<u>(262,679)</u>	<u>(275,154)</u>	<u>(264,030)</u>	<u>(246,914)</u>	<u>(240,747)</u>	<u>(222,098)</u>	<u>(216,294)</u>	<u>(226,233)</u>	<u>(213,783)</u>	<u>(203,571)</u>
<b>Program revenues:</b>										
Governmental activities:										
Charges for services:										
General government	3,141	2,774	2,267	2,264	2,238	1,997	2,201	1,652	1,239	1,010
Human Development	1,433	1,354	3,440	3,709	3,907	3,811	3,844	4,132	4,087	2,783
Physical Development	1,196	1,377	2,052	1,940	1,810	749	619	876	936	1,148
Public Safety	163	2,002	1,023	1,468	1,412	1,512	1,462	1,422	1,262	1,117
Education	1,743	2,263	1,975	1,932	2,668	2,232	2,294	2,135	2,251	1,929
Operating grants and contributions	46,589	51,984	45,266	43,875	42,140	41,710	43,581	40,374	38,694	39,737
Capital grants and contributions	26,657	7,303	4,965	12,886	4,813	3,206		146	226	100
Total governmental activities program revenues	<u>80,922</u>	<u>69,057</u>	<u>60,988</u>	<u>68,074</u>	<u>58,988</u>	<u>55,217</u>	<u>54,001</u>	<u>50,737</u>	<u>48,695</u>	<u>47,824</u>
Business-type activities:										
Charges for services	13,406	13,378	14,181	12,944	11,932	11,998	9,215	8,890	8,277	8,268
Capital grants and contributions						348	13	518	1,285	2,741
Total business-type activities program revenues	<u>13,406</u>	<u>13,378</u>	<u>14,181</u>	<u>12,944</u>	<u>11,932</u>	<u>12,346</u>	<u>9,228</u>	<u>9,408</u>	<u>9,562</u>	<u>11,009</u>
Total Primary Government Program Revenues	<u>94,328</u>	<u>82,435</u>	<u>75,169</u>	<u>81,018</u>	<u>70,920</u>	<u>67,563</u>	<u>63,229</u>	<u>60,145</u>	<u>58,257</u>	<u>58,833</u>
<b>Net revenues (expenses):</b>										
Governmental activities	(168,285)	(192,127)	(188,773)	(164,621)	(168,875)	(154,550)	(150,894)	(162,072)	(153,665)	(145,667)
Business-type activities	(66)	(592)	(87)	(1,275)	(951)	15	(2,171)	(4,016)	(1,861)	929
Total Net Expense	<u>(168,351)</u>	<u>(192,719)</u>	<u>(188,860)</u>	<u>(165,896)</u>	<u>(169,826)</u>	<u>(154,535)</u>	<u>(153,065)</u>	<u>(166,088)</u>	<u>(155,526)</u>	<u>(144,738)</u>
<b>General Revenues and Other Changes in Net Assets:</b>										
Governmental activities:										
Property taxes	179,758	173,323	166,649	163,847	158,477	156,673	152,523	150,503	143,292	139,086
Grants and contributions not restricted to specific purposes	708	1,389	1,593	1,550	1,750	6,152	3,948	3,986	4,209	4,203
Unrestricted investment earnings	481	489	67	158	349	209	1	453	619	830
Miscellaneous	1,729					1,695	894	72	29	
Transfers	3,537	700	700	700	681	600	600	680	602	562
Total governmental activities	<u>186,213</u>	<u>175,901</u>	<u>169,009</u>	<u>166,255</u>	<u>161,257</u>	<u>165,329</u>	<u>157,966</u>	<u>155,694</u>	<u>148,751</u>	<u>144,681</u>
Business-type activities:										
Property transfer						23	27	42	85	225
Unrestricted investment earnings										
Transfers	(3,537)	(700)	(700)	(700)	(681)	(600)	(600)	(680)	(602)	(562)
Total business-type activities	<u>(3,537)</u>	<u>(700)</u>	<u>(700)</u>	<u>(700)</u>	<u>(681)</u>	<u>(577)</u>	<u>(573)</u>	<u>(638)</u>	<u>(517)</u>	<u>(337)</u>
Total Primary Government General Revenues	<u>182,676</u>	<u>175,201</u>	<u>168,309</u>	<u>165,555</u>	<u>160,576</u>	<u>164,752</u>	<u>157,393</u>	<u>155,056</u>	<u>148,234</u>	<u>144,344</u>
<b>Changes in Net Position:</b>										
Governmental activities	17,928	(16,226)	(19,764)	1,634	(7,618)	10,779	7,072	(6,378)	(4,914)	(986)
Business-type activities	(3,603)	(1,292)	(787)	(1,975)	(1,632)	(562)	(2,744)	(4,654)	(2,378)	592
Total Primary Government Changes in Net Position	<u>\$ 14,325</u>	<u>\$ (17,518)</u>	<u>\$ (20,551)</u>	<u>\$ (341)</u>	<u>\$ (9,250)</u>	<u>\$ 10,217</u>	<u>\$ 4,328</u>	<u>\$ (11,032)</u>	<u>\$ (7,292)</u>	<u>\$ (394)</u>

Notes: Schedule prepared on the accrual basis of accounting.

TABLE 3

**TOWN OF STRATFORD, CONNECTICUT  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(In Thousands)**

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,894	\$ 2,363
Unreserved									6,604	8,438
Nonspendable	1,405	1,120	1,071	770	670					
Restricted				116	116					
Assigned	1,064	211	17	127	612	1,666	2,284	2,322		
Unassigned	<u>3,591</u>	<u>7,983</u>	<u>7,238</u>	<u>7,985</u>	<u>9,006</u>	<u>9,497</u>	<u>8,790</u>	<u>6,261</u>		
Total General Fund	<u>\$ 6,060</u>	<u>\$ 9,314</u>	<u>\$ 8,326</u>	<u>\$ 8,998</u>	<u>\$ 10,404</u>	<u>\$ 11,163</u>	<u>\$ 11,074</u>	<u>\$ 8,583</u>	<u>\$ 8,498</u>	<u>\$ 10,801</u>
All Other Governmental Funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 24	\$ 24
Unreserved									23,026	19,292
Nonspendable	36	33	36	34	29	28	32	33		
Restricted	3,441	23,184	3,154	3,356	3,344	3,011	2,784	2,777		
Committed	38,141	1,593	7,030	23,275	8,953	20,612	18,045	24,116		
Unassigned	<u>(45,136)</u>	<u>(1,487)</u>	<u>(1,270)</u>	<u>(1,009)</u>	<u>(569)</u>	<u>(595)</u>	<u>(338)</u>	<u>(419)</u>		
Total All Other Governmental Funds	<u>\$ (3,518)</u>	<u>\$ 23,323</u>	<u>\$ 8,950</u>	<u>\$ 25,656</u>	<u>\$ 11,757</u>	<u>\$ 23,056</u>	<u>\$ 20,523</u>	<u>\$ 26,507</u>	<u>\$ 23,050</u>	<u>\$ 19,316</u>

Note: Schedule prepared on the modified accrual basis of accounting.

Note: Fund balance classifications were modified beginning in fiscal year 2011 with the adoption of GASB Statement No. 54.

**TOWN OF STRATFORD, CONNECTICUT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(In Thousands)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Property taxes and assessments	\$ 180,610	\$ 174,282	\$ 165,013	\$ 163,967	\$ 158,063	\$ 154,248	\$ 153,069	\$ 150,408	\$ 140,553	\$ 139,446
Intergovernmental	74,798	61,476	51,818	57,375	49,273	50,978	47,876	45,050	43,636	42,929
Department revenue	6,257	6,320	5,642	5,320	5,445	4,935	5,028	4,949	5,154	4,564
Licenses and permits	1,249	1,161	1,309	1,215	1,076	961	760	831	653	685
Investment income	481	489	67	159	349	209	1	454	351	830
Other	1,793	2,510	4,600	5,443	5,513	5,842	5,661	4,543	4,265	4,694
Total revenues	<u>265,188</u>	<u>246,238</u>	<u>228,449</u>	<u>233,479</u>	<u>219,719</u>	<u>217,173</u>	<u>212,395</u>	<u>206,235</u>	<u>194,612</u>	<u>193,148</u>
Expenditures:										
Administration	5,984	4,979	4,591	4,821	4,247	4,115	4,421	4,354	4,534	4,369
Contingency	4,733	2,642	3,688	4,013	4,203	2,853	3,031	2,087	2,256	2,137
Employee benefits	19,310	20,423	19,573	21,433	181,535	27,030	26,010	25,324	21,169	19,096
Finance	2,198	2,194	2,120	2,075	2,219	1,956	2,115	2,015	1,890	1,969
Human development	8,243	8,055	8,828	7,427	7,375	8,087	8,554	7,762	7,032	7,082
Physical development	14,283	12,811	13,351	13,891	14,228	16,260	13,222	13,422	13,644	15,337
Public safety	25,644	25,817	25,428	23,936	23,789	23,630	22,487	22,389	21,673	22,025
Education	136,554	133,878	120,859	118,380	115,647	112,560	110,889	107,915	104,512	102,140
Capital outlay	46,491	16,208	17,124	32,595	20,305	23,392	19,134	11,143	8,056	8,800
Debt service:										
Principal retirement	21,627	14,701	12,955	13,004	16,675	14,275	13,683	12,336	12,131	11,276
Interest and other charges	13,753	18,398	18,425	18,327	5,809	4,828	3,614	7,013	7,452	7,455
Total expenditures	<u>298,821</u>	<u>260,106</u>	<u>246,942</u>	<u>259,902</u>	<u>396,032</u>	<u>238,986</u>	<u>227,160</u>	<u>215,760</u>	<u>204,349</u>	<u>201,686</u>
Excess of revenue over (under) expenditures	<u>(33,633)</u>	<u>(13,868)</u>	<u>(18,493)</u>	<u>(26,423)</u>	<u>(176,313)</u>	<u>(21,813)</u>	<u>(14,765)</u>	<u>(9,525)</u>	<u>(9,737)</u>	<u>(8,538)</u>
Other financing sources										
Transfers in	5,104	4,715	6,533	4,982	6,482	2,580	2,091	2,402	2,587	2,790
Transfers out	(1,567)	(4,015)	(5,833)	(4,282)	(5,801)	(1,980)	(1,491)	(1,722)	(1,985)	(2,229)
Proceeds from capital leases			414	1263	253	2,097	2,300			
Payments to escrow agents				(9,995)	(18,139)		(19,325)	(66,088)	(22,906)	
Proceeds from refunding bonds				8,945	16,418		18,062	65,572	21,825	
Premiums on refunding		3,270		4,207			1,424	935	1,262	
Bonds issued		25,260		33,795	163,137	21,475	8,212	11,700	10,385	8,730
Premiums on bonds					1,905	263		267		
Total other financing sources	<u>3,537</u>	<u>29,230</u>	<u>1,114</u>	<u>38,915</u>	<u>164,255</u>	<u>24,435</u>	<u>11,273</u>	<u>13,066</u>	<u>11,168</u>	<u>9,291</u>
Net Change in Fund Balances	\$ <u>(30,096)</u>	\$ <u>15,362</u>	\$ <u>(17,379)</u>	\$ <u>12,492</u>	\$ <u>(12,058)</u>	\$ <u>2,622</u>	\$ <u>(3,492)</u>	\$ <u>3,541</u>	\$ <u>1,431</u>	\$ <u>753</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>8.7%</u>	<u>9.0%</u>	<u>10.5%</u>	<u>11.1%</u>	<u>10.8%</u>	<u>8.7%</u>	<u>9.0%</u>	<u>10.5%</u>	<u>11.1%</u>	<u>10.8%</u>

Note: Schedule prepared on the modified accrual basis of accounting.

**TOWN OF STRATFORD, CONNECTICUT  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

Fiscal Year	Grand List Year	Real Property					Personal Property	Motor Vehicle	Total Gross Assessed Value	Mill Rate	All Exemptions	Net Taxable Assessed Value	Taxable Assessed Value as a Percentage of Actual Assessed Taxable Value
		Residential	Commercial	Land	Exempt Real Estate	Total							
2018	2016	\$ 2,989,671,410	\$ 840,959,830	\$ 67,641,340	\$ 437,970,750	\$ 4,336,243,330	\$ 495,024,132	\$ 341,137,740	\$ 5,172,405,202	39.97	\$ 679,917,583	\$ 4,492,487,619	87%
2017	2015	2,978,997,350	852,131,020	68,048,880	437,840,900	4,337,018,150	474,463,002	336,333,270	5,147,814,422	38.99	665,643,720	4,482,170,702	87%
2016	2014	2,971,774,930	845,188,580	71,253,390	431,812,780	4,320,029,680	469,680,249	329,035,740	5,118,745,669	36.98	674,549,127	4,444,196,542	87%
2015	2013	3,166,684,241	772,682,188	67,112,210	440,085,850	4,446,564,489	470,070,716	322,759,890	5,239,395,095	35.63	680,855,960	4,558,539,135	87%
2014	2012	3,159,542,640	768,877,270	68,079,820	437,423,030	4,433,922,760	459,170,270	314,680,673	5,207,773,703	34.64	676,320,015	4,531,453,688	87%
2013	2011	3,149,853,650	777,502,420	65,248,150	432,109,580	4,424,713,800	453,322,754	320,711,877	5,198,748,431	34.48	672,951,970	4,525,796,461	87%
2012	2010	3,140,283,790	785,770,200	69,424,630	431,081,980	4,426,560,600	443,205,917	301,629,984	5,171,396,501	34.15	655,491,439	4,515,905,062	87%
2011	2009	3,132,518,520	823,999,240	72,244,340	427,197,820	4,455,959,920	442,020,855	291,330,813	5,189,311,588	33.32	621,167,218	4,568,144,370	88%
2010	2008	3,366,615,870	687,649,290	54,690,420	336,753,880	4,445,709,460	387,991,918	292,972,012	5,126,673,390	30.36	500,161,464	4,626,511,926	90%
2009	2007	3,346,272,230	669,689,260	56,802,920	331,565,710	4,404,330,120	324,756,097	304,304,344	5,033,390,561	30.51	463,717,599	4,569,672,962	91%

Source: Town of Stratford, Office of Tax Assessor

Notes: (1) Totals as certified by Tax Assessor at signing of Grand List prior to adjustments.

(2) Exemptions total includes exempt real property and all other classes of exemptions.



**TOWN OF STRATFORD, CONNECTICUT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	Grand List Year (1)	Adjusted Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections To Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2018	2016	\$ 179,620,498	\$ 175,058,251	97.46%	\$ 3,020,228	\$ 178,078,479	99.14%
2017	2015	172,755,443	168,461,349	97.51%	3,006,858	171,468,207	99.25%
2016	2014	164,459,920	160,243,285	97.44%	3,183,122	163,426,407	99.37%
2015	2013	162,727,443	158,559,699	97.44%	2,270,908	160,830,607	98.83%
2014	2012	156,748,314	152,760,084	97.46%	2,290,831	155,050,915	98.92%
2013	2011	155,392,622	151,858,937	97.73%	2,791,583	154,650,520	99.52%
2012	2010	152,921,577	150,227,449	98.24%	2,467,439	152,694,888	99.85%
2011	2009	150,248,842	146,798,179	97.70%	3,290,284	150,088,463	99.89%
2010	2008	139,908,592	136,920,401	97.86%	2,921,812	139,842,213	99.95%
2009	2007	137,961,016	135,494,537	98.21%	2,448,606	137,943,143	99.99%

Source: Town of Stratford Tax Records

Notes: (1) Taxes are collectible in the year after they are levied.

(2) Adjusted for lawful corrections and transfers to suspense.

TABLE 7

**TOWN OF STRATFORD, CONNECTICUT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>FY2018</u>			<u>Taxpayer</u>	<u>FY2009</u>		
	<u>Taxable Assessed Value * (000)</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>		<u>Taxable Assessed Value * (000)</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>
United Illuminating	\$ 93,654	1	2.08%	United Illuminating	\$ 14,761	9	0.32%
Sikorsky Aircraft	73,025	2	1.64%	Sikorsky Aircraft	185,095	1	4.05%
Southern Connecticut Gas	25,759	3	0.58%	Southern Connecticut Gas	16,777	5	0.37%
Second Avenue Development LLC	21,192	4	0.48%	Second Avenue Development LLC	12,951	10	0.28%
Lockheed Martin	21,095	5	0.48%				
Stonybrook Gardens Cooperative	19,100	6	0.44%	Stonybrook Gardens Inc.	19,110	3	0.42%
UB Dockside LLC (Urstadt Biddle Prop)	17,097	7	0.39%	UB Dockside LLC	24,109	2	0.53%
Avalon at Stratford LLC	16,277	8	0.37%				
Kramont Operating Partnership	15,498	9	0.35%	Kramont Operating Partnership	16,520	8	0.36%
UB Railside LLC (Urstadt Biddle Prop)	13,724	10	0.32%				
				Ashcroft Inc.	16,861	4	0.37%
				Home Depot	16,755	6	0.37%
				Walmart	16,730	7	0.37%
<b>TOTAL</b>	<b>\$ 316,421</b>		<b>7.13%</b>	<b>TOTAL</b>	<b>\$ 339,669</b>		<b>6.70%</b>

Source: Town of Stratford, Office of Tax Assessor

\* Total taxable assessed value (Table 5) \$ 4,492,488

\$ 4,569,673

**TOWN OF STRATFORD, CONNECTICUT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(In Thousands)**

Fiscal Year	Governmental		Business-Type			Total Primary Government	Ratio of Debt to Taxable Assessed Value	Debt Per Capita	Total Debt Outstanding as a Percentage of Personal Income
	General Obligation Bonds (1)	Leases	Operating	Notes	Leases				
2018	\$ 262,196	\$ 1,155	\$ 369	\$ 29,913	\$ 146	\$ 293,779	6.54%	\$ 5,008	17.3%
2017	293,473	1,831	1,646	31,274	197	328,421	7.33%	5,598	19.4%
2016	285,472	2,260	1,810	33,510	221	323,273	7.27%	5,611	19.2%
2015	305,060	2,418	1,948	35,702	46	345,174	7.57%	5,400	20.3%
2014	287,215	1,214	2,086	37,983	51	328,549	7.25%	5,711	19.3%
2013	138,865	1,841	2,159	40,431		183,296	4.05%	5,511	10.9%
2012	131,846	2,300	2,038	42,682		178,866	3.96%	2,667	10.6%
2011	136,829		2,069	44,976		183,874	4.03%	2,540	10.9%
2010	134,394		2,182	2,756		139,332	3.01%	2,660	10.0%
2009	136,817	3	2,276	3,095		142,191	3.11%	2,745	10.8%

(1) Presented net of related premiums

**TOWN OF STRATFORD, CONNECTICUT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2018**

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None

**TOWN OF STRATFORD, CONNECTICUT  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(In Thousands)**

<b>Fiscal Year Ended June 30</b>	<b>General Obligation Bonds (1)</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Debt Per Capita</b>
2018	\$ 263,116	\$	\$ 263,116	5.86%	\$ 5,008
2017	293,473	443	293,030	6.54%	5,598
2016	293,473	887	292,586	6.58%	5,611
2015	285,472	1,387	284,085	6.23%	5,400
2014	305,060	3,887	301,173	6.65%	5,711
2013	287,215		287,215	6.35%	5,511
2012	138,865		138,865	3.08%	2,667
2011	131,846		131,846	2.89%	2,540
2010	136,829		136,829	2.96%	2,660
2009	134,394		134,394	2.94%	2,745

(1) Presented net of related premiums

**TOWN OF STRATFORD, CONNECTICUT  
COMPUTATION OF LEGAL DEBT LIMITATION  
JUNE 30, 2018  
(In Thousands)**

Total tax collections (including interest and lien fees) for the year ended June 30, 2017	\$ 173,424,355
Reimbursement for revenue loss on:	
Tax relief for elderly	<u>-</u>
BASE	<u>\$ 173,424,355</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewer &amp; Water</u>	<u>Urban Renewal</u>	<u>Unfunded Pension Benefit Obligation</u>
Debt limitation:					
2-1/4 times base	\$ 390,204,799	\$	\$	\$	
4-1/2 times base		780,409,598			
3-3/4 times base			650,341,331		
3-1/4 times base				563,629,154	
3 times base					520,273,065
Total debt limitation	<u>390,204,799</u>	<u>780,409,598</u>	<u>650,341,331</u>	<u>563,629,154</u>	<u>520,273,065</u>
Indebtedness:					
Bonds payable	79,014,013	47,082,660	368,998		136,650,000
Bonds authorized, unissued	5,697,960	84,468,556	1,327,141		
BAN Payable		40,000,000			
Clean Water Fund notes			28,992,873		
Grant commitments		(73,015,468)			
Total indebtedness	<u>84,711,973</u>	<u>98,535,748</u>	<u>30,689,012</u>	<u>-</u>	<u>136,650,000</u>
Debt Limitation in Excess of Outstanding and Authorized Indebtedness	<u>\$ 305,492,826</u>	<u>\$ 681,873,850</u>	<u>\$ 619,652,319</u>	<u>\$ 563,629,154</u>	<u>\$ 383,623,065</u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$1,213,970,485).

Note 2: Bonds authorized-unissued represents bond authorizations for projects that have bond anticipation notes outstanding or for which bonds have been authorized and partially issued.

**TOWN OF STRATFORD, CONNECTICUT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(In Thousands)**

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt limitation	\$ 1,213,970	\$ 1,154,855	\$ 1,144,289	\$ 1,098,867	\$ 1,077,251	\$ 1,074,213	\$ 1,049,881	\$ 980,203	\$ 970,067	\$ 939,939
Total net debt applicable to limit	<u>350,587</u>	<u>374,969</u>	<u>458,836</u>	<u>407,698</u>	<u>430,861</u>	<u>257,927</u>	<u>253,557</u>	<u>260,439</u>	<u>203,804</u>	<u>189,096</u>
Legal Debt Margin	<u>\$ 863,383</u>	<u>\$ 779,886</u>	<u>\$ 685,453</u>	<u>\$ 691,169</u>	<u>\$ 646,390</u>	<u>\$ 816,286</u>	<u>\$ 796,324</u>	<u>\$ 719,764</u>	<u>\$ 766,263</u>	<u>\$ 750,843</u>
Total net debt applicable to the limit as a percentage of debt limit	28.88%	32.47%	40.10%	37.10%	40.00%	24.01%	24.15%	26.57%	21.01%	20.12%

Source: Comprehensive annual financial report - Computation of Legal Debt Margin

Note: See Table 11 for calculation of current year debt limitation.

**TOWN OF STRATFORD, CONNECTICUT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

<b>Fiscal Year</b>	<b>Population(1)</b>	<b>Per Capita Income(2)</b>	<b>Median Age(1)</b>	<b>School Enrollment(3)</b>	<b>Unemployment Rate(4)</b>	<b>Personal Income</b>
2018	52,540	\$ 32,357	43.9	7,044	4.4%	\$ 1,700,036,780
2017	52,345	32,357	43.9	7,045	4.7%	1,693,727,165
2016	52,148	32,357	43.0	7,016	5.2%	1,687,352,836
2015	52,609	32,357	42.5	6,997	5.7%	1,702,269,413
2014	52,734	32,357	42.5	7,198	6.6%	1,706,314,038
2013	52,112	32,357	42.2	7,411	7.9%	1,686,187,984
2012	52,077	32,357	41.1	7,407	8.5%	1,685,055,489
2011	51,901	32,357	41.1	7,234	8.9%	1,679,360,657
2010	51,437	27,000	40.3	7,435	9.1%	1,388,799,000
2009	48,952	27,000	40.3	7,496	7.9%	1,321,704,000

(1) Source: CT Department of Health

(2) Source: U.S. Census Bureau

(3) Source: Town of Stratford, BOE

(4) Source: State of Connecticut Dept. of Labor - Office of Research - Labor Market Info. [LMI]



TABLE 14

**TOWN OF STRATFORD, CONNECTICUT  
PRINCIPAL EMPLOYERS  
2018 AND 2009  
(Unaudited)**

<b>Business Name</b>	<b>Nature of Business</b>	<b>2018</b>			<b>2009</b>		
		<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Town Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Town Employment</b>
Sikorsky Aircraft	Manufacturer of Helicopters	7,900	1	29.39%	8,800	1	35.22%
Town of Stratford	Government/Education	1,329	2	4.95%	1,383	2	5.54%
United Parcel Service	Package Delivery	521	3	1.95%	750	3	3.01%
Lord Chamberlain	Skilled Nursing Facility	430	4	1.61%	350	6	1.41%
Ashcroft Holdings	Manufacturer of Gauges, Valves	420	5	1.57%	475	5	1.91%
Cablevision	Cable Television, Internet, Telecom.	300	7	1.13%	300	7	1.21%
Connecticut Distributor	Liquor Distributors	291	8	1.09%	243	11	0.98%
Aptar	Manufacturer Pump Atomizers	271	9	1.02%			
Yale New Haven Technology Center	Electronic Storage	235	10	0.88%			
ShopRite	Retail Grocery Products	225	11	0.85%	117	15	0.48%
Bridgeport Fittings	Manufacturer of Electrical Fittings	203	12	0.76%			
Burns Construction	Construction	199	13	0.75%			
William B. Myers	Moving, Storage & Rigging	172	14	0.65%	175	13	0.71%
Stop & Shop	Retail Grocery Products	165	15	0.62%	192	12	0.78%
Stratford Retailer Condo Assoc.	Retail Chains				541	4	2.17%
Dianon Systems	Lab Testing						
Walmart	Consumer Goods				280	8	1.13%
Applied Tech Products	Health and Beauty Care				125	14	0.51%
EMSAR	Manufacturer Pump Atomizers				270	9	1.09%
AT&T	Telecommunications				250	10	1.01%
<b>Total</b>		<b>12,661</b>		<b>47.22%</b>	<b>14,251</b>		<b>57.16%</b>
<b>Total Employment</b>		<b>26,890</b>			<b>24,990</b>		

Source: Town of Stratford, Office of Community Development

TABLE 15

**TOWN OF STRATFORD, CONNECTICUT**  
**FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
General government	93	91	81	79	78	83	64	89	90	86
Police	107	106	104	113	111	106	117	116	116	108
Fire	101	111	107	111	109	117	111	100	100	104
Refuse collection	28	28	29	31	29	28	29	32	32	31
Other public works	83	77	76	76	74	67	76	64	64	65
Parks	29	24	22	22	23	16	21	24	26	23
Recreation	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>5</u>	<u>3</u>	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>
Total Non-Education	<u>445</u>	<u>441</u>	<u>423</u>	<u>436</u>	<u>429</u>	<u>420</u>	<u>424</u>	<u>432</u>	<u>435</u>	<u>424</u>
Education	<u>884</u>	<u>886</u>	<u>882</u>	<u>891</u>	<u>891</u>	<u>890</u>	<u>864</u>	<u>847</u>	<u>844</u>	<u>843</u>
Total Including Education	<u>1,329</u>	<u>1,327</u>	<u>1,305</u>	<u>1,327</u>	<u>1,320</u>	<u>1,310</u>	<u>1,288</u>	<u>1,279</u>	<u>1,279</u>	<u>1,267</u>

Source: Town of Stratford, Human Resource Department  
Town of Stratford, Board of Education

**TOWN OF STRATFORD, CONNECTICUT  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Unaudited)**

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government:										
Building permits issued	724	736	687	739	736	749	709	669	649	634
Building inspections conducted	3,674	3,713	3,665	3,889	3,426	3,151	3,090	3,188	3,136	3,186
Police:										
Physical arrests	1,860	1,563	1,704	1,566	1,144	1,403	1,520	1,419	1,597	1,233
Parking violations	6,608	9,970	7,567	397	468	464	631	431	369	519
Traffic violations	1,940	1,658	1,558	1,386	1,767	2,158	2,595	2,969	4,009	4,259
Fire:										
Emergency responses	6,342	5,905	6,092	5,749	5,749	6,772	5,556	5,707	4,577	5,307
Fires extinguished	207	209	219	208	208	318	304	311	435	530
Inspections	1,356	1,410	2,180	1,941	1,941	1,992	1,747	1,216	665	1,200
Refuse collection:										
Refuse collected (tons per year)	21,167	22,103	20,522	21,571	21,961	23,100	24,035	24,636	26,747	25,657
Recyclables collected (tons per year)	3,235	3,332	3,297	3,232	3,196	3,126	3,173	3,365	3,487	3,718
Parks and recreation:										
Athletic field permits issued	6,819	9,000	7,987	8,801	9,304	9,570	9,379	10,192	8,851	8,781
Library										
Volumes in collection (Books & Serials)					149,357	160,557	152,384	151,115	162,990	151,977
Volumes in collection (All Other Items)					18,352	19,837	17,783	16,009	15,641	17,322
Total volumes borrowed (Books & Serials)					277,195	279,641	292,047	286,470	288,835	263,750
Total volumes borrowed (All Other Items)					153,156	158,799	179,563	175,639	189,627	187,203
Water:										
Average daily sewage treatment (thousands of gallons)	7,800	7,120	6,501	7,669	7,669	7,896	6,700	8,826	8,413	8,182

Source: Town of Stratford, Building/Engineering  
Town of Stratford, Police Department  
Town of Stratford, Fire Department  
Town of Stratford, Public Works Department  
Town of Stratford, Recreation Department

TABLE 17

**TOWN OF STRATFORD, CONNECTICUT  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Unaudited)**

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units (Number of Vehicles)	34	32	31	33	33	32	32	30	30	29
Fire stations	4	4	4	4	4	4	4	4	4	4
Refuse collection:										
Refuse collection trucks	6	6	6	6	6	6	6	6	6	6
Recycling collection trucks	4	3	3	3	3	3	3	3	3	3
Yard Waste Trucks	2	2	2	2	2	2	2	2	2	2
Parks and recreation:										
Acreage	795	795	795	795	795	795	795	795	795	795
Playgrounds	30	30	30	30	27	27	27	27	27	27
Baseball/softball diamonds	37	37	38	38	42	45	45	45	45	45
Soccer/football fields	14	14	14	14	13	13	13	13	13	13
Community centers	2	2	2	2	2	2	2	2	2	2
Wastewater:										
Sanitary sewers (miles)	201	201	170	200	200	200	200	200	200	200
Storm sewers (miles)	149	149	125	125	125	125	125	125	125	125
Treatment capacity (thousands of gallons)	16,000	16,000	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500
Transit - mini-buses										

Town of Stratford, Police Department  
Town of Stratford, Fire Department  
Town of Stratford, Public Works Department  
Town of Stratford, Recreation Department  
Town of Stratford, Engineering Department