

**Town of Stratford
Connecticut**



**Comprehensive
Annual Financial Report**

Fiscal Year Ended June 30, 2020

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

**Finance Department
Dawn Savo
Finance Director**

Introductory Section

TOWN OF STRATFORD, CONNECTICUT
TABLE OF CONTENTS
JUNE 30, 2020

Introductory Section		Page
Table of Contents		i-iii
Letter of Transmittal		iv-viii
GFOA Certificate of Achievement		ix
Organizational Chart		x
List of Elected and Appointed Officials		xi

Financial Section

Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-12

Basic Financial Statements

Exhibit

Government-Wide Financial Statements:		
I	Statement of Net Position	13
II	Statement of Activities	14
Fund Financial Statements:		
III	Balance Sheet - Governmental Funds	15-16
IV	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17-18
V	Statement of Net Position - Proprietary Funds	19
VI	Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	20
VII	Statement of Cash Flows - Proprietary Funds	21
VIII	Statement of Fiduciary Net Position - Fiduciary Funds	22
IX	Statement of Changes in Plan Net Position - Fiduciary Funds	23
	Notes to the Financial Statements	24-69

Required Supplementary Information

RSI-1	Schedule of Revenues and Other Financing Sources Budget and Actual (Non-GAAP Budgetary Basis)	70-72
RSI-2	Schedule of Expenditures and Other Financing Uses Budget and Actual (Non-GAAP Budgetary Basis)	73-75
RSI-3	Schedule of Changes in Net Pension Liability and Related Ratios - Pension	76
RSI-4	Schedule of Employer Contributions - Pension	77
RSI-5	Schedule of Investment Returns - Pension	78
RSI-6	Schedule of the Town's Proportionate Share of the Net Pension Liability - Teachers Retirement Plan	79
RSI-7	Schedule of Changes in Net OPEB Liability and Related Ratios - OPEB	80
RSI-8	Schedule of Employer Contributions - OPEB	81
RSI-9	Schedule of Investment Returns - OPEB	82
RSI-10	Schedule of the Town's Proportionate Share of the Net OPEB Liability - Teachers Retirement Plan	83

Exhibit**Page**

Combining and Individual Fund Statements and Schedules

	General Fund:	
A-1	Report of Tax Collector	84
	Nonmajor Governmental Funds:	
B-1	Combining Balance Sheet	85-87
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	88-90
	Capital Projects Fund:	
C-1	Project Combining Balance Sheet	91
C-2	Project Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	92
	Nonmajor Enterprise Funds:	
D-1	Combining Statement of Net Position	93
D-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	94
D-3	Combining Statement of Cash Flows	95
	Internal Service Funds:	
E-1	Combining Statement of Net Position	96
E-2	Combining Statement of Revenues, Expenses and Changes in Net Position	97
E-3	Combining Statement of Cash Flows	98
	Agency Funds:	
F	Combining Statement of Changes in Assets and Liabilities	99

Statistical Section

Table

	Financial Trends:	
1	Net Position by Component	100
2	Changes in Net Position	101
3	Fund Balances, Governmental Funds	102
4	Changes in Fund Balances, Governmental Funds	103
	Revenue Capacity:	
5	Assessed Value and Estimated Actual Value of Taxable Property	104
6	Property Tax Levies and Collections	105
7	Principal Property Taxpayers	106
	Debt Capacity:	
8	Ratios of Outstanding Debt by Type	107
9	Direct and Overlapping Governmental Activities Debt	108
10	Ratios of General Bonded Debt Outstanding	109
11	Computation of Legal Debt Limitation	110
12	Legal Debt Margin Information	111
	Demographic and Economic Statistics:	
13	Demographic and Economic Statistics	112
14	Principal Employers	113
15	Full-Time Equivalent Town Government Employees by Function/Program	114
16	Operating Indicators by Function/Program	115
17	Capital Asset Statistics by Function/Program	116



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, 2020.

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.

Clifton Larson Allen LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Town of Stratford, Connecticut’s financial statements for the year ended June 30, 2020. 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 6,916 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 offers 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

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.

In spite of the ongoing Covid-19 pandemic, economic activity continues to be vibrant in the Town of Stratford. The Town continues to attract owners of all types of businesses (from medical, personal and household services to distribution, 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.

We continue to work with multiple Federal and State agencies in support of Sikorsky, A Lockheed Martin Company, Stratford's largest employer, updating road infrastructure in preparation for the expected growth of more than 8,000 new workers within the next decade (with over 1,000 new hires in 2020 alone.) Stratford obtained a \$1.5m Urban Action Grant from DECD to fund an infrastructure project on Route 110, at the Sikorsky entranceway, and shepherded the project through to its official completion in fall of 2020. The project has greatly improved the safety and accessibility of the Sikorsky facility for both pedestrian and motor vehicle traffic.

Redevelopment of Stratford's former Army Engine Plant, a 77-acre waterfront property, has just taken a major step forward with the signing of the Record of Decision (ROD) on March 12, 2021, establishing a timeline for remediation of the site and initiating the first phase of remediation, which is the dredging of the mudflats. The transfer of the property from the Army to the developer, Point Stratford Renewal, must happen within six months of the ROD signing.

Stratford's Transit Oriented District (TOD) has a 3.6 acre property in the heart of downtown, next to the Metro North Railroad. The former school site has been demolished and abated and the Town is in the process of drafting an RFP to select a developer for this focal development. Multiple TOD projects have been approved for development and will generate major tax revenue. Construction of the Exit 33 full interchange for I95 is nearing completion and will provide easier access, both north and southbound along the Ferry Boulevard corridor, for these TOD developments.

Since Two Roads Brewing Company first opened in 2012, the craft brewing industry has taken hold in Stratford. Two Roads continues to be a major destination not only in Stratford but in the State of Connecticut. They opened a second brewery, Area 2 Experimental Brewing, in 2019 and doubled their employee base. Athletic Brewing Company, which started in 2017 in Stratford, is now an award-winning brewer of the best non-alcoholic beer in the world. Fairfield Craft Ales opened in Stratford in 2016 and Night Shift Brewing out of Massachusetts is in the process of opening their first out-of-state distribution center in Stratford.

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. The cleanup is expected to be complete within two years.

A 25-acre, Town-owned brownfield property, site of the former Contract Plating Company and Raybestos Memorial Field, received a \$2.8M grant from Connecticut Department of Economic and Community Development (DECD) to remediate and demolish the site which lies within the TOD. Much remediation has already taken place and this major site is now being marketed for development.

The first and major phase of Knotts Landing development is under development and consists of a storage facility and multiple retail spaces including a Chipotle Mexican Grill. The second and final phase will consist of a Starbucks. This site on Sidney Street has transformed from a few residential houses to a large commercial property, providing significantly higher tax revenue for the town.

Amazon opened a 200,000 SF distribution facility in Stratford in early summer 2020. This location serves as a “last mile delivery station.” They’ve hired 230 full and part-time workers, and four Delivery Service Partners who together employ upwards of 100 individual route drivers.

A significant, long-vacant property at 495 Lordship Boulevard has been sold to a developer who has demolished the existing building (former site of Mobil Chemical) and remediated the property in preparation for a 360,000 SF warehouse building. There is already strong interest from prospective tenants, and this property will be a significant addition to Stratford’s tax rolls.

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.

On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. The outbreak of the virus has affected travel, commerce and financial markets globally, as well as the health and well being of the population. The Town faced many challenges during the last half of fiscal year 2020 due to the COVID-19 pandemic response. The Town was able to pivot public hearings and meetings to a digital online format and craft and authorize a budget for the upcoming year that anticipated uncertainty in all areas of operations while ensuring continuation of critical government services. The Mayor and the Town Council met the challenge, and the Town is still adapting to the ongoing COVID-19 environment and planning how to better adapt operations going forward in a post COVID-19 world. Management reviews the budget regularly and reviews all COVID-19 and operational encumbrances daily. The Town continues to serve the residents, businesses, and taxpayers while remaining open to the public throughout the pandemic.

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, and Director of Finance. 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 Plan includes various projects and equipment purchases for the five-year period beginning with Fiscal Year 2020 and ending with Fiscal Year 2024.

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. The Town Council recently approved the addition of photovoltaic solar panels to be installed to the new roof as part of the overall project. The energy saving panels are reimbursable by the state at the same rate as the construction and due to cost savings the contingency will be used for the Town's portion. The 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, 2020, the General Fund ended in a year-end operating surplus of \$857,477.

The Town's cost control efforts were accelerated during the last quarter due to the pandemic response. The Town normally monitors all overtime and reviews expenses with department heads in order to enhance fiscal operations. The Town administration worked diligently with Public Safety department heads, the Health Director, and State and Regional partners to purchase appropriate and life saving protective gear for personal and for distribution to the public. Overall, the Town was able to outfit schools and town facilities with Plexiglas and implement distancing and other safety modifications in a cost efficient manner to continue operations safely. The year end surplus is largely due to cost containment efforts such as halting all non essential projects, making use of regional resources for personal protective equipment when available, and monitoring emergency purchases.

Although there are more unknowns than usual heading into Fiscal Year 2020-2021 due to the ongoing pandemic response by local government including vaccination distribution, in addition to union negotiations with Town's collective bargaining units; the Town will endeavor to control spending, reach its collection goals, and strive to achieve operational excellence as the taxpayers, residents, and business owners of Stratford are accustomed to and deserve.

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 2020, the Town continued to pay principal and interest payments on its Pension Obligation Bonds directly from the General Fund. On December 10, 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 was redeemed in 2020 and the Town issued \$11.935 million of 20 year new money general obligation bonds at a cost of 1.99% for capital improvements along with \$13.8 million of one year notes at a cost of 0.49% of which \$7 million represents the state's reimbursement portion of the Stratford High School renovation project contingency. The Town also took advantage of the low rate environment by refinancing \$39.1 million of 2013 pension obligation bonds from 5.673% down to 1.72%, saving taxpayers \$4.7 million; and refinancing another \$29.6 million of other outstanding bonds down to 1.84% from 4.34% saving an additional \$2.8 million for taxpayers over the life of the bonds. Overall, the entire refunding created budgetary relief of \$9.1 million for Stratfordites.

Taxes

During the fiscal year ended 2020, the Town collected 97.6% of its current tax levy. Property taxes levied increased by \$2,502,043 over the prior year. The current year tax collections totaled \$181,057,391 with the arrear taxes and interest collected was \$4,626,850.

Acknowledgements

I am very grateful for our independent audit team from Clifton Larsen Allen LLP for their professional guidance, assistance, and helpful comments and suggestions. As always they help us do better each year.

Also, I would like to give special thanks to my staff that put in numerous hours and assistance for the preparation of this report – they are amazing and really rose to the occasion during this health, public safety, and economic crisis to serve our customers who include fellow employees, vendors, taxpayers, residents, retired employees, investors, and the public in general.

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,

Dawn M. Savo

Dawn M. Savo, Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Stratford
Connecticut**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

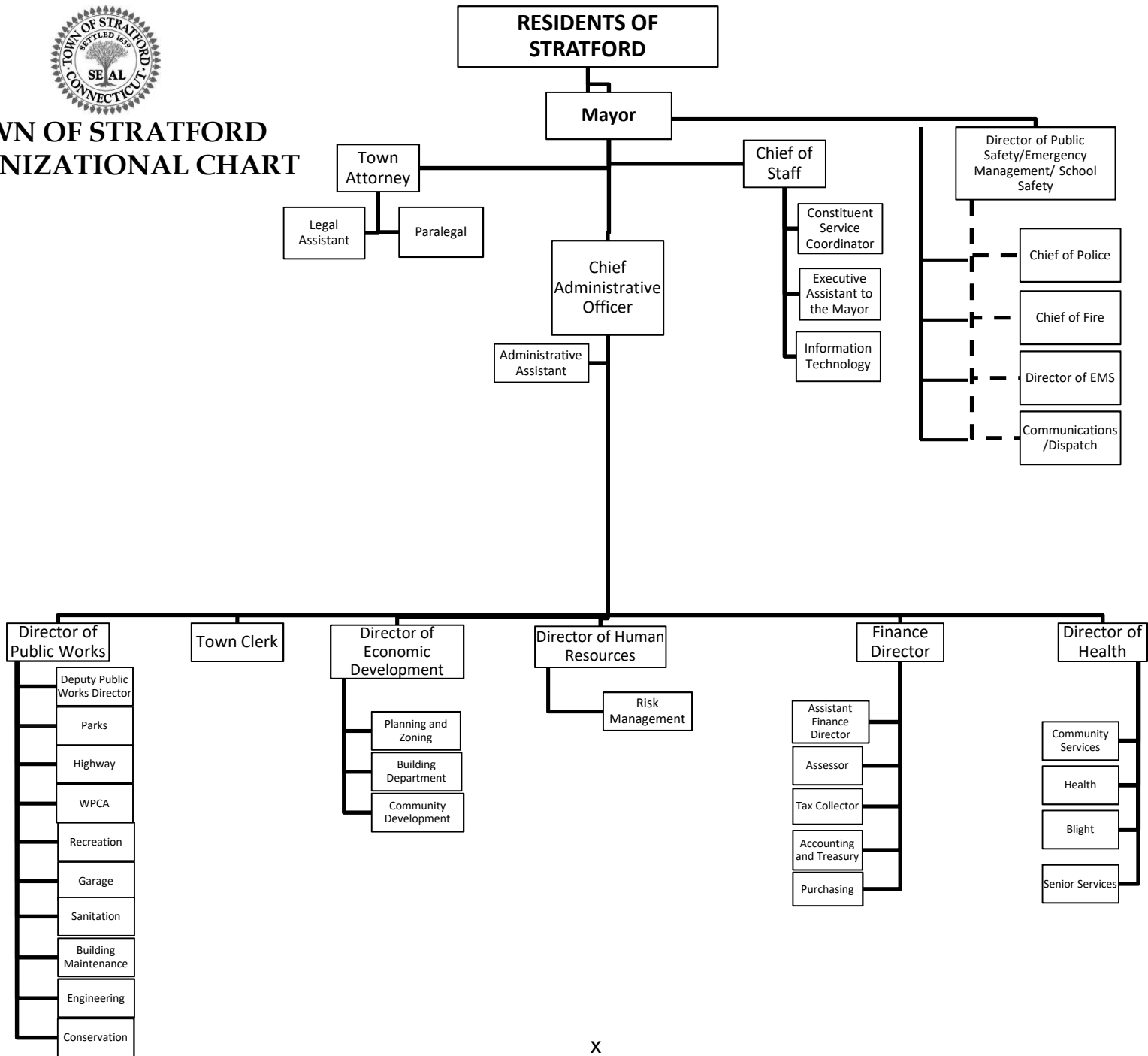
June 30, 2019

Christopher P. Morill

Executive Director/CEO



TOWN OF STRATFORD ORGANIZATIONAL CHART



TOWN OF STRATFORD, CONNECTICUT

PRINCIPAL TOWN OFFICIALS

Laura R. Hoydick, Mayor

TOWN COUNCIL

Christopher Pia, Council Chair
Kaitlyn Shake
Paul Tavaras
David L. Harden
Gregory Cann
Ken Poisson
Bill Perillo
James Connor
William O'Brien
Laura Dancho

BOARD OF EDUCATION

Chairman Allison DelBene
Vice-Chairman Amy Wiltsie
Secretary Vincent Faggella
Board Member Andrea Corcoran
Board Member Bob DeLorenzo
Board Member Janice Cupee
Board Member Karen Rodia

Dr. Janet M. Robinson,
Superintendent of Schools

ADMINISTRATION

Chief Administrative Officer Christopher Tymniak
Finance Director Dawn Savo
Town Clerk Susan Pawluk
Treasurer Gisela Moura
Assessor Donna Otlowski
Tax Collector Selina Moschello
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, 2020, 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, 2020 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Adjustment

As discussed in Note 13 to the financial statements, during the year ended June 30, 2020, the Town of Stratford, Connecticut, restated beginning net position of the governmental activities, business-type activities and the Waste Operating Fund. Our opinion is not modified with respect to these matters.

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 March 30, 2021 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.

CliftonLarsonAllen LLP

West Hartford, Connecticut
March 30, 2021

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

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, 2020. 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 \$4,756,000 inclusive of a change in net OPEB liability as a result of this year's operations. The net position of our business-type activities decreased by \$431,000 inclusive of a change in long term liability as a result of this year's operations.
- During the year, the Town's governmental activities program expenses are \$3.8 million less than the \$270 million generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues from charges for services are \$13.3i million while operating expenses are \$13.4 million primarily due to the Water Treatment plant.
- Total cost of all of the Town's programs increased by \$3.2 million to \$279.6 million. The main increases were in Education and Public Safety program expenses.
- The General Fund reported a fund balance this year of \$7.9 million, which is an increase of \$857 thousand from the prior year.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (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 increased from a year ago from \$(384.8) million to \$(380.3) 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)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 58,058	\$ 83,436	\$ 3,194	\$ 3,126	\$ 61,252	\$ 86,562
Capital assets, net of depreciation	277,248	245,603	40,169	42,705	317,417	288,308
Total assets	<u>335,306</u>	<u>329,039</u>	<u>43,363</u>	<u>45,831</u>	<u>378,669</u>	<u>374,870</u>
Deferred outflows - pension	4,171	346	130	11	4,301	357
Deferred outflows - OPEB	28,125	10,819	620	238	28,745	11,057
Deferred charge on refunding	1,602	1,730			1,602	1,730
Total deferred outflows of resources	<u>33,898</u>	<u>12,895</u>	<u>750</u>	<u>249</u>	<u>34,648</u>	<u>13,144</u>
Current liabilities	47,158	43,147	1,258	1,267	48,416	44,414
Long-term debt outstanding	699,314	671,562	32,141	33,583	731,455	705,145
Total liabilities	<u>746,472</u>	<u>714,709</u>	<u>33,399</u>	<u>34,850</u>	<u>779,871</u>	<u>749,559</u>
Deferred inflows - pension		4,212		132		4,344
Deferred inflows - OPEB	13,485	18,521	297	408	13,782	18,929
Total deferred inflows of resources	<u>13,485</u>	<u>22,733</u>	<u>297</u>	<u>540</u>	<u>13,782</u>	<u>23,273</u>
Net Position:						
Net investment in capital assets	81,970	45,522	14,691	14,627	96,661	60,149
Restricted	6,069	2,719			6,069	2,719
Unrestricted	<u>(478,792)</u>	<u>(443,749)</u>	<u>(4,274)</u>	<u>(3,937)</u>	<u>(483,066)</u>	<u>(447,686)</u>
Total Net Position	<u>\$ (390,753)</u>	<u>\$ (395,508)</u>	<u>\$ 10,417</u>	<u>\$ 10,690</u>	<u>\$ (380,336)</u>	<u>\$ (384,818)</u>

Net position of the Town's governmental activities increased at \$(390.8) million as comparable to the prior year as restated at \$(395.5). 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 \$(451.9) million at June 30, 2019 to \$(478.8) million at the end of this year.

Table 2
SUMMARY STATEMENT OF ACTIVITIES
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 7,903	\$ 8,339	\$ 13,332	\$ 14,979	\$ 21,235	\$ 23,318
Operating grants and contributions	45,973	35,952			45,973	35,952
Capital grants and contributions	25,794	29,461	730	1,780	26,524	31,241
General revenues:						
Property taxes	187,064	183,456			187,064	183,456
Grants and contributions not restricted to specific purposes	589	496			589	496
Unrestricted investment earnings	1,044	1,279			1,044	1,279
Miscellaneous	1,655	2,901			1,655	2,901
Total revenues	<u>270,022</u>	<u>261,884</u>	<u>14,062</u>	<u>16,759</u>	<u>284,084</u>	<u>278,643</u>
Program expenses:						
General government	35,401	40,368			35,401	40,368
Human development	8,164	11,084			8,164	11,084
Physical development	21,145	29,201			21,145	29,201
Public safety	37,296	31,749			37,296	31,749
Education	150,477	139,085			150,477	139,085
Interest expense	13,684	11,610			13,684	11,610
Waste operating			10,436	10,169	10,436	10,169
Short Beach Golf Course			158	202	158	202
Emergency Medical Services			2,841	2,897	2,841	2,897
Total program expenses	<u>266,167</u>	<u>263,097</u>	<u>13,435</u>	<u>13,268</u>	<u>279,602</u>	<u>276,365</u>
Excess before transfers	3,855	(1,213)	627	3,491	4,482	2,278
Transfers	<u>900</u>	<u>1,230</u>	<u>(900)</u>	<u>(1,230)</u>	<u>-</u>	<u>-</u>
Change in Net Position	4,755	17	(273)	2,261	4,482	2,278
Restatement		8,142		(8,142)		
Net Position at Beginning of Year, as Restated	<u>(395,508)</u>	<u>(403,667)</u>	<u>10,690</u>	<u>16,571</u>	<u>(384,818)</u>	<u>(387,096)</u>
Net Position at End of Year	<u>\$ (390,753)</u>	<u>\$ (395,508)</u>	<u>\$ 10,417</u>	<u>\$ 10,690</u>	<u>\$ (380,336)</u>	<u>\$ (384,818)</u>

The Town's total revenues were \$284.1 million. The total cost of all programs and services was \$279.6 million. Our analysis below separately considers the operations of governmental and business-type activities.

The Town's governmental activities change in Net Position is greatly impacted by the recognition of annual changes in the City's Pension & OPEB liabilities as well as the associated recognition of deferred inflows/outflows that do not require the use of current financial resources but are recognized in the statement of activities as a change in Net Position. Financial Statement Exhibit IV's reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances reports the following changes related to the Town's Pension & OPEB Liabilities:

Change in Net Pension Liability	\$(10,694)
Change in Deferred Outflows Related to Pension	3,825
Change in Deferred Inflows Related to Pension	4,212
Change in Total OPEB Liability	(34,617)
Change in Deferred Outflows Related to OPEB	17,307
Change in Deferred Inflows related to OPEB	<u>5,035</u>
Statement of Activities - Change in Pension/OPEB	<u>\$(14,932)*</u>

**The notes to the financial statements contain informative disclosures on the funding status & funding policy for the Town's Pension & OPEB Liabilities that should be referred to.*

Governmental Activities

Approximately 69.1% of the revenues were derived from property taxes; the remaining 30.9% of revenue is made up of operating and capital grants and investment earnings.

Major revenue factors include:

- Property taxes increased by \$3.6 million over the prior year. Current tax collections totaled \$181.1 million or 97.95% of the collectible taxes. Arrear taxes and interest collected was \$4.6 million.
- Operating grants for governmental activities increased by \$10 million over the prior year. The State of Connecticut Education Cost Sharing grant, Special education, and Municipal Grants-in-Aid totaled \$29.8 million of the Operating grants total.
- Governmental expenses increased from \$263.1 million to \$266.2 million this year. These increases consisted of \$5.5 million in public safety and \$11.4 million in education. There was a corresponding decrease of \$5.0 million in general government, \$2.9 million in human development, \$8.1 million in physical development, and \$2.1 million in interest expense.

Table 3 presents the cost of each of the Town's five largest programs - education, public safety, general 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)**

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
General government	\$ 35,401	\$ 40,368	\$ 27,530	\$ 34,112
Public safety	37,296	31,749	34,949	29,696
Physical development	21,145	29,201	2,872	5,428
Education	150,477	139,085	100,685	98,748
Human development	8,164	11,084	6,777	9,750
All others	13,684	11,610	13,684	11,612
Total	\$ 266,167	\$ 263,097	\$ 186,497	\$ 189,346

Business-Type Activities

Business-type activities decreased the Town's net position by \$273 thousand. The key factors were decreases in program revenues in Waste Operating fund 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 \$22.4 million, a decrease of \$30.3 million in comparison with the prior year. This is due to the deficiency of revenues over expenditures of \$31.2 million of which \$28.6 is from capital outlay.

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 \$7.9 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 increased by \$857,000 during the current fiscal year.

The Capital Projects Fund has a fund balance of \$5.3 million at the end of the year, a decrease of \$28.2 million from the prior year. Major projects in 2020 are as follows:

- The Stratford High School Project of \$72.8 million.
- Road Resurfacing, sidewalk improvement, street improvement, and bridge improvement of \$5.7 million.
- Other school Improvements, equipment and technology infrastructure Projects have expenditures for \$783 thousand.
- Capital equipment purchases for public works, police and fire of \$1.7 million.

Other nonmajor governmental funds have a total fund balance of \$9.2 million, a decrease of \$2.9 million from the prior year. The decrease is attributed to use of prior year bond premium of \$3.5 million to extinguish debt expense in the current year.

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 \$10.4 million at the end of 2020, decreasing by \$273,000 from the previous year.

Net position of the Waste Operating Fund at the end of the year is \$13 million, 125% of total net position of the proprietary funds. Other non-major activities have net deficit of \$2.6 million or -25% 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 2020 totaled (\$9.2) million; thereby, increasing the deficit by \$973,000 thousand from the previous year.

Net position of the Health Benefit Fund and Workers’ Compensation as of June 30, 2020 is \$1.1 million and (\$10.3) million, respectively. Decrease in Health Benefit fund net position is due to health claim activity. Decrease in Workers’ Compensation fund net position is due to an increase in risk management claim liability.

General Fund Budgetary Highlights

During the year, total revenues were under budgetary estimates by \$1.5 million and total expenditures were under budgetary estimates by \$2.8 million. The town had a negative revenue variance that was the result of \$1.8 million shortfall of estimated tax collector’s revenue. Expenditures were under budget estimates in all categories except public safety which had a negative variance of \$774,980.

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, 2020 amounted to \$274.9 million and \$40.2 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 \$26.7 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 15,855	\$ 15,855	\$	\$	\$ 15,855	\$ 15,855
Land improvements	8,061	8,286	25	32	8,086	8,318
Buildings and improvements	97,458	100,983	28,189	31,104	125,647	132,087
Infrastructure	29,748	27,757	6,488	6,968	36,236	34,725
Machinery and equipment	10,919	11,680	1,451	1,314	12,370	12,994
Construction in progress	115,207	81,042	4,016	3,287	119,223	84,329
Total	\$ 277,248	\$ 245,603	\$ 40,169	\$ 42,705	\$ 317,417	\$ 288,308

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, 2020 the Town had \$334.5 million in bonds and notes outstanding versus \$356.8 million last year, a decrease of 6.3% as shown in Table 5.

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General and pension obligation bonds	\$ 308,734	\$ 328,238	\$ 1,161	\$ 1,338	\$ 309,895	\$ 329,576
Capital leases	334	538	26	74	360	612
Notes payable			24,292	26,666	24,292	26,666
Totals	<u>\$ 309,068</u>	<u>\$ 328,776</u>	<u>\$ 25,478</u>	<u>\$ 28,078</u>	<u>\$ 334,546</u>	<u>\$ 356,854</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 \$1,285 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 to 8.6% in October of 2020 as compared to 4.2% in October 2019.

All of these factors were considered in preparing the Town’s budget for fiscal year 2021. The fiscal year 2021 General Fund budget calls for \$233,363,989 in revenues with matching expenditures resulting in an increase of \$5,713,265 over fiscal year 2020 or a 2.5% increase. The Grand List increased by 3.28% from 2020; thereby, resulting in a mill rate decrease of 0.58%.

During the current fiscal year, unassigned fund balance in the General Fund increased by \$1,095,135 for an unassigned balance of \$6,340,953. The Town did not utilize general fund balance for the fiscal year 2021 budget.

Contacting the Town's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors, governing bodies, 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) 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, 2020**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 39,375,208	\$ 194,833	\$ 39,570,041
Investments	2,603,117		2,603,117
Receivables, net	14,506,353	4,219,679	18,726,032
Inventories and prepaids	353,864		353,864
Advance to other funds	1,220,363	(1,220,363)	-
Capital assets:			
Assets not being depreciated	131,061,929	4,015,985	135,077,914
Assets being depreciated, net	146,185,645	36,153,202	182,338,847
Total assets	<u>335,306,479</u>	<u>43,363,336</u>	<u>378,669,815</u>
Deferred Outflows of Resources:			
Deferred outflows related to pension	4,171,224	130,356	4,301,580
Deferred outflows related to OPEB	28,125,384	619,969	28,745,353
Deferred charges on refunding	1,602,300		1,602,300
Total deferred outflows of resources	<u>33,898,908</u>	<u>750,325</u>	<u>34,649,233</u>
Liabilities:			
Accounts and other payables	10,822,641	321,345	11,143,986
Accrued liabilities	6,126,592	107,677	6,234,269
Unearned revenue	725,485	1,732	727,217
Internal balances	1,915,321	(1,915,321)	-
Bond anticipation notes	5,444,000		5,444,000
Noncurrent liabilities:			
Due within one year	22,124,528	2,743,148	24,867,676
Due in more than one year	699,314,329	32,140,882	731,455,211
Total liabilities	<u>746,472,896</u>	<u>33,399,463</u>	<u>779,872,359</u>
Deferred Inflows of Resources:			
Deferred inflows related to OPEB	13,485,031	297,251	13,782,282
Total deferred inflows of resources	<u>13,485,031</u>	<u>297,251</u>	<u>13,782,282</u>
Net Position:			
Net investment in capital assets	81,970,719	14,691,231	96,661,950
Restricted for:			
Nonexpendable trust	2,688,175		2,688,175
Debt service	3,380,478		3,380,478
Unrestricted	<u>(478,791,912)</u>	<u>(4,274,284)</u>	<u>(483,066,196)</u>
Total Net Position	<u>\$ (390,752,540)</u>	<u>\$ 10,416,947</u>	<u>\$ (380,335,593)</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, 2020**

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	\$ 35,401,112	\$ 2,974,206	\$ 214,106	\$ 4,682,925	\$ (27,529,875)	\$	\$ (27,529,875)
Human development	8,164,402	680,906	595,304	110,767	(6,777,425)		(6,777,425)
Physical development	21,144,678	1,188,144		17,084,278	(2,872,256)		(2,872,256)
Public safety	37,296,382	1,985,506	361,970		(34,948,906)		(34,948,906)
Education	150,477,225	1,074,537	44,801,442	3,916,503	(100,684,743)		(100,684,743)
Debt service	13,683,607				(13,683,607)		(13,683,607)
Total governmental activities	<u>266,167,406</u>	<u>7,903,299</u>	<u>45,972,822</u>	<u>25,794,473</u>	<u>(186,496,812)</u>	<u>-</u>	<u>(186,496,812)</u>
Business-type activities:							
Waste Operating	10,436,094	10,934,557		728,656		1,227,119	1,227,119
Emergency Medical Services	2,839,565	2,187,763				(651,802)	(651,802)
Short Beach Golf Course	157,975	209,307				51,332	51,332
Total business-type activities	<u>13,433,634</u>	<u>13,331,627</u>	<u>-</u>	<u>728,656</u>	<u>-</u>	<u>626,649</u>	<u>626,649</u>
Total	<u>\$ 279,601,040</u>	<u>\$ 21,234,926</u>	<u>\$ 45,972,822</u>	<u>\$ 26,523,129</u>	<u>(186,496,812)</u>	<u>626,649</u>	<u>(185,870,163)</u>
General revenues:							
Property taxes					187,064,382		187,064,382
Grants and contributions not restricted to specific programs					589,274		589,274
Unrestricted investment earnings					1,042,699		1,042,699
Miscellaneous					1,656,332		1,656,332
Total general revenues					<u>190,352,687</u>	<u>-</u>	<u>190,352,687</u>
Transfers					900,000	(900,000)	-
Total					<u>191,252,687</u>	<u>(900,000)</u>	<u>190,352,687</u>
Change in net position					4,755,875	(273,351)	4,482,524
Net Position - Beginning of Year, as Restated					<u>(395,508,415)</u>	<u>10,690,298</u>	<u>(384,818,117)</u>
Net Position - End of Year					<u>\$ (390,752,540)</u>	<u>\$ 10,416,947</u>	<u>\$ (380,335,593)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF STRATFORD, CONNECTICUT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 38,095,458	\$	\$ 1,199,750	\$ 39,295,208
Investments			2,603,117	2,603,117
Receivables, net	12,292,756	1,322,682	890,914	14,506,352
Inventories and prepaids	249,081		104,783	353,864
Advance to other funds	1,220,363			1,220,363
Due from other funds	28,049,220	40,671,084	7,260,664	75,980,968
Total Assets	<u>\$ 79,906,878</u>	<u>\$ 41,993,766</u>	<u>\$ 12,059,228</u>	<u>\$ 133,959,872</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts and other payables	\$ 3,840,609	\$ 6,003,112	\$ 961,739	\$ 10,805,460
Accrued liabilities	819,624		24,304	843,928
Unearned revenue		303,963	421,522	725,485
Bond anticipation notes		5,444,000		5,444,000
Due to other funds	56,491,648	24,358,878	1,369,408	82,219,934
Total liabilities	<u>61,151,881</u>	<u>36,109,953</u>	<u>2,776,973</u>	<u>100,038,807</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	7,809,586			7,809,586
Unavailable revenue - property taxes interest	2,998,526			2,998,526
Unavailable revenue - other receivables	33,629		64,100	97,729
Unavailable revenue - special assessments		591,289		591,289
Total deferred inflows of resources	<u>10,841,741</u>	<u>591,289</u>	<u>64,100</u>	<u>11,497,130</u>
Fund Balances:				
Nonspendable	1,469,444		2,792,958	4,262,402
Restricted			3,380,478	3,380,478
Committed		36,501,001	3,617,262	40,118,263
Assigned	102,859			102,859
Unassigned	6,340,953	(31,208,477)	(572,543)	(25,440,067)
Total fund balances	<u>7,913,256</u>	<u>5,292,524</u>	<u>9,218,155</u>	<u>22,423,935</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 79,906,878</u>	<u>\$ 41,993,766</u>	<u>\$ 12,059,228</u>	<u>\$ 133,959,872</u>

(Continued on next page)

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

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)	\$ 22,423,935
--	---------------

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

Governmental capital assets	\$ 496,543,891	
Less accumulated depreciation	<u>(219,296,317)</u>	
Net capital assets		277,247,574

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	7,809,586
Interest receivable on property taxes	2,998,526
Assessments receivable	591,289
Other receivables and deferred amounts	97,729
Deferred outflows related to Pension	4,171,224
Deferred outflows related to OPEB	28,125,384

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.	(9,198,503)
---	-------------

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	(293,949,196)
Bond premium	(14,785,281)
Capital lease	(333,963)
Interest payable on bonds and notes	(5,276,051)
Compensated absences	(11,596,507)
Landfill closure	(7,800,000)
Deferred charges on refunding	1,602,300
Claims and judgments	(1,000,000)
Net pension liability	(66,017,352)
Net OPEB liability	(312,378,203)
Deferred inflows related to OPEB	<u>(13,485,031)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ (390,752,540)</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, 2020

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes and assessments	\$ 185,583,030	\$ 153,595	\$	\$ 185,736,625
State and Federal governments	47,900,337	14,209,556	9,718,692	71,828,585
Department revenue	2,708,610		4,392,125	7,100,735
Licenses and permits	1,107,379		242,386	1,349,765
Investment income	931,490		111,209	1,042,699
Other	969,961		686,370	1,656,331
Total revenues	<u>239,200,807</u>	<u>14,363,151</u>	<u>15,150,782</u>	<u>268,714,740</u>
Expenditures:				
Current:				
General government:				
Administration	5,391,074		109,523	5,500,597
Contingency	3,422,031			3,422,031
Employee benefits	19,230,941			19,230,941
Finance	2,561,578			2,561,578
Human development	6,131,545		1,340,151	7,471,696
Physical development	14,355,797		2,616,100	16,971,897
Public safety	26,686,653		2,014,719	28,701,372
Education	131,166,556		8,070,327	139,236,883
Debt service:				
Principal retirements	18,731,967			18,731,967
Interest and other charges	14,737,188			14,737,188
Capital outlay		42,938,431	361,375	43,299,806
Total expenditures	<u>242,415,330</u>	<u>42,938,431</u>	<u>14,512,195</u>	<u>299,865,956</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,214,523)</u>	<u>(28,575,280)</u>	<u>638,587</u>	<u>(31,151,216)</u>
Other Financing Sources (Uses):				
Transfers in	4,610,000	413,000	125,000	5,148,000
Transfers out	(538,000)		(3,710,000)	(4,248,000)
Total other financing sources	<u>4,072,000</u>	<u>413,000</u>	<u>(3,585,000)</u>	<u>900,000</u>
Net Change in Fund Balances	857,477	(28,162,280)	(2,946,413)	(30,251,216)
Fund Balances at Beginning of Year	<u>7,055,779</u>	<u>33,454,804</u>	<u>12,164,568</u>	<u>52,675,151</u>
Fund Balances at End of Year	<u>\$ 7,913,256</u>	<u>\$ 5,292,524</u>	<u>\$ 9,218,155</u>	<u>\$ 22,423,935</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, 2020**

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)	\$ (30,251,216)
---	-----------------

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	41,683,943
Depreciation expense	(9,788,809)

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.	(250,447)
---	-----------

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	1,349,781
Property tax interest receivable	102,393
Assessments	(124,417)
Other receivables and deferred amounts	(19,217)
Change in deferred outflows related to Pension	3,825,304
Change in deferred outflows related to OPEB	17,307,143

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	18,528,239
Amortization of premiums and discounts	975,206
Capital lease payments	203,728

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	(2,032,113)
Accrued interest	409,355
Amortization of deferred amount on refunding	(127,252)
Change in net pension liability	(10,694,054)
Change in net OPEB liability	(34,616,523)
Change in deferred inflows related to Pension	4,212,083
Change in deferred inflows related to OPEB	5,035,460

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.

(972,712)

Change in Net Positions of Governmental Activities (Exhibit II)	<u>\$ 4,755,875</u>
---	---------------------

The accompanying notes are an integral part of the financial statements

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

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Major Fund</u>			<u>Activities</u>
	<u>Waste Operating Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>	<u>Internal Service Fund</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$	\$ 194,833	\$ 194,833	\$ 80,000
Receivables:				
Accounts and other		360,563	360,563	
Sewer usage receivable	2,347,656		2,347,656	
Unbilled sewer usage receivable	1,511,460		1,511,460	
Due from other funds	8,400,301	120,800	8,521,101	4,370,147
Total current assets	<u>12,259,417</u>	<u>676,196</u>	<u>12,935,613</u>	<u>4,450,147</u>
Capital assets:				
Assets not being depreciated	4,015,985		4,015,985	
Assets being depreciated, net	34,152,480	2,000,722	36,153,202	
Total capital assets	<u>38,168,465</u>	<u>2,000,722</u>	<u>40,169,187</u>	<u>-</u>
Total assets	<u>50,427,882</u>	<u>2,676,918</u>	<u>53,104,800</u>	<u>4,450,147</u>
Deferred Outflows of Resources:				
Related to Pension	130,356		130,356	
Related to OPEB	619,969		619,969	
Total deferred outflows of resources	<u>750,325</u>	<u>-</u>	<u>750,325</u>	<u>-</u>
Liabilities:				
Current:				
Accounts payable	202,036	119,309	321,345	23,793
Accrued wages and benefits	107,677		107,677	
Unearned revenue		1,732	1,732	
Advance from other funds		1,220,363	1,220,363	
Due to other funds	3,860,585	2,745,195	6,605,780	46,502
Risk management claims				595,000
Bonds payable	30,122	139,000	169,122	
Serial notes payable	2,422,035		2,422,035	
Capital lease	8,639	6,197	14,836	
Compensated absences	52,059	85,096	137,155	
Total current liabilities	<u>6,683,153</u>	<u>4,316,892</u>	<u>11,000,045</u>	<u>665,295</u>
Noncurrent liabilities:				
Bonds payable	278,632	713,000	991,632	
Serial notes payable	21,869,579		21,869,579	
Capital lease payable	10,752		10,752	
Risk management claims				12,983,355
Net pension liability	2,063,122		2,063,122	
Net OPEB liability	6,885,769		6,885,769	
Compensated absences	121,470	198,558	320,028	
Total noncurrent liabilities	<u>31,229,324</u>	<u>911,558</u>	<u>32,140,882</u>	<u>12,983,355</u>
Total liabilities	<u>37,912,477</u>	<u>5,228,450</u>	<u>43,140,927</u>	<u>13,648,650</u>
Deferred Inflows of Resources:				
Related to OPEB	297,251		297,251	
Net Position:				
Net investment in capital assets	13,548,706	1,142,525	14,691,231	
Unrestricted	(580,227)	(3,694,057)	(4,274,284)	(9,198,503)
Total Net Position	<u>\$ 12,968,479</u>	<u>\$ (2,551,532)</u>	<u>\$ 10,416,947</u>	<u>\$ (9,198,503)</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, 2020**

	Business-Type Activities - Enterprise Funds			Governmental
	Major Fund			Activities
	Waste Operating Fund	Nonmajor Funds	Total	Internal Service Funds
Operating Revenues:				
Charges for services	\$ 10,934,557	\$ 2,397,070	\$ 13,331,627	\$ 6,591,322
Operating Expenses:				
Operating and maintenance	6,608,531	2,639,049	9,247,580	7,564,034
Depreciation	3,304,731	321,490	3,626,221	
Total operating expenses	9,913,262	2,960,539	12,873,801	7,564,034
Operating Income (Loss)	1,021,295	(563,469)	457,826	(972,712)
Nonoperating Expenses:				
Interest expense	(522,832)	(37,001)	(559,833)	
Income (Loss) Before Contributions and Transfers	498,463	(600,470)	(102,007)	(972,712)
Capital Contributions	728,656		728,656	
Transfers Out	(900,000)		(900,000)	
Change in Net Position	327,119	(600,470)	(273,351)	(972,712)
Net Position - Beginning of Year, as Restated	12,641,360	(1,951,062)	10,690,298	(8,225,791)
Net Position - End of Year	\$ 12,968,479	\$ (2,551,532)	\$ 10,416,947	\$ (9,198,503)

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, 2020**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Major Fund</u>			<u>Activities</u>
	<u>Waste Operating Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 10,934,557	\$ 2,440,559	\$ 13,375,116	\$ 6,591,322
Cash payments to suppliers	(3,746,090)	(228,639)	(3,974,729)	(7,669,274)
Cash payments to employees	(2,554,478)	(2,362,549)	(4,917,027)	
(Payments) receipts for interfund services	(800,275)	647,541	(152,734)	1,077,952
Net cash provided by (used in) operating activities	<u>3,833,714</u>	<u>496,912</u>	<u>4,330,626</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities:				
Transfers to other funds	<u>(900,000)</u>		<u>(900,000)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Principal payments on debt	(2,404,236)	(147,000)	(2,551,236)	
Principal payments on capital lease	(6,646)	(41,865)	(48,511)	
Acquisition and construction of capital assets		(361,316)	(361,316)	
Interest paid on debt	(522,832)	(37,001)	(559,833)	
Net cash provided by (used in) capital and related financing activities	<u>(2,933,714)</u>	<u>(587,182)</u>	<u>(3,520,896)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	(90,270)	(90,270)	-
Cash and Cash Equivalents at Beginning of Year	<u>-</u>	<u>285,103</u>	<u>285,103</u>	<u>80,000</u>
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 194,833</u>	<u>\$ 194,833</u>	<u>\$ 80,000</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 1,021,295	\$ (563,469)	\$ 457,826	\$ (972,712)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	3,304,731	321,490	3,626,221	
Loss on disposition of capital assets				
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(37,726)	43,489	5,763	
(Increase) decrease in unbilled accounts receivable	(157,704)		(157,704)	
(Increase) decrease in due from other funds	(800,285)	(74,298)	(874,583)	1,077,952
Increase (decrease) in accounts payable and accrued expenses	104,579	(2,521)	102,058	(137)
Increase (decrease) in risk management claim liability		(785)	(785)	(105,103)
Increase (decrease) in compensated absences	45,236	51,167	96,403	
Increase (decrease) in due to other funds	10	721,839	721,849	
Increase (decrease) in net pension liability	334,202		334,202	
Increase (decrease) in net OPEB liability	763,054		763,054	
(Increase) decrease in deferred outflows of resources - pension	(119,546)		(119,546)	
Increase (decrease) in deferred inflows of resources - pension	(131,632)		(131,632)	
(Increase) decrease in deferred outflows of resources - OPEB	(381,502)		(381,502)	
Increase (decrease) in deferred inflows of resources - OPEB	(110,998)		(110,998)	
Net Cash Provided by (Used in) Operating Activities	<u>\$ 3,833,714</u>	<u>\$ 496,912</u>	<u>\$ 4,330,626</u>	<u>\$ -</u>
Noncash Investing and Capital Financing Activities:				
Contributions of Capital Assets from Town	<u>\$ 728,656</u>	<u>\$ -</u>	<u>\$ 728,656</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2020

	Pension and Other Employee Benefit Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 1,452,288	\$ 1,147,324
Investments:		
Pooled, common, and collective trusts	88,921,755	
Mutual funds	82,618,372	
Real estate investment funds	58,200,304	
Equity hedge funds	<u>23,153,708</u>	
Total assets	<u>254,346,427</u>	<u>1,147,324</u>
Liabilities:		
Due to students and others		1,147,324
Other liabilities	<u>8,759</u>	
Total liabilities	<u>8,759</u>	<u>\$ 1,147,324</u>
Net Position:		
Restricted for Pension Benefits	248,414,592	
Restricted for OPEB Benefits	<u>5,923,076</u>	
Total net position	<u>\$ 254,337,668</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, 2020**

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Plan members	\$ 1,281,613
Employer	14,659,284
Total contributions	<u>15,940,897</u>
Investment income:	
Net change in fair value of investments	2,869,577
Interest and dividends	4,132,495
Total investment income	<u>7,002,072</u>
Investment fee	(247,304)
Net investment income	<u>6,754,768</u>
Total additions	<u>22,695,665</u>
Deductions:	
Benefits	32,401,747
Other	277,396
Total deductions	<u>32,679,143</u>
Change in net position	(9,983,478)
Net Position - Beginning of Year	<u>264,321,146</u>
Net Position - End of Year	<u>\$ 254,337,668</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, 2020**

The Agency Funds are 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 inventory of supplies are valued at cost using the first-in/first-out (FIFO) method. Inventories of United States Department of Agriculture donated commodities are stated at the lower of cost or market. 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, 2020**

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 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 and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

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

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 OPEB in the government-wide statement of net position. A deferred outflow of resources related to OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plans (active employees and inactive employees). 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 three sources: property taxes, other receivables and special assessments. 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, 2020**

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
JUNE 30, 2020**

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.

O. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 30, 2021.

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

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, 2020.

B. Expenditures Exceeding Appropriations

The following line items exceeded appropriations for the year ended June 30, 2020:

Office of the Mayor	\$	4,016
Administration		5,263
Purchasing		51,236
Tax Collector		22,305
Community services		5,879
Health Department		7,497
Highways		69,780
Sanitation/refuse		161,099
Fire suppression		160,825
Fire prevention		18,167
Investigation		191,203
Patrol		540,482
Professional Standards		59,287

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

C. Deficit Fund Equity

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

Nonmajor and Other Funds:		
School Lunch Program*	\$	443,172
Community Development*		24,588
Short Beach Golf Course*		1,070,215
Emergency Medical Services*		1,481,317
Internal Service - Workers' Compensation**		10,269,687

* Deficit will be eliminated through future charges for services.

** Deficit will be eliminated through future appropriations.

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
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

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*, \$36,086,789 of the Town’s bank balance of \$37,384,088 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 32,378,110
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>3,708,679</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 36,086,789</u></u>

Cash Equivalents

At June 30, 2020, the Town’s cash equivalents amounted to \$6,807,880. 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.

	Standard & Poor’s
Wells Fargo Money Market	AAAm
State Short-Term Investment Fund (STIF)	AAAm

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

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, 2020:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level:				
Mutual funds	\$ 85,221,489	\$ 85,221,489	\$	\$
Pooled, common and collective funds	<u>88,921,755</u>	<u> </u>	<u>88,921,755</u>	<u> </u>
Total Investments by Fair Value Level	174,143,244	<u>\$ 85,221,489</u>	<u>\$ 88,921,755</u>	<u>\$ -</u>
Investments recorded at net asset value (NAV):				
Equity hedge funds	23,153,708			
Real estate investment funds	<u>58,200,304</u>			
Total Investments	<u>\$ 255,497,256</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. Pooled, common and collective funds 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.

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	\$ 23,153,708	\$	Quarterly	Various
Real estate investment funds	<u>58,200,304</u>	<u> </u>	Quarterly	Various
Total Investments Measured at NAV	<u>\$ 81,354,012</u>	<u>\$ -</u>		

Equity Hedge Funds

This type includes an investment in a hedge fund that invest both long and short primarily in U.S. common stocks. Management of each hedge fund can shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the investments in this type have been determined using the NAV per share of the investments.

Real Estate Investment Funds

This type includes four real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share of the Plan's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share of the Plan's ownership interest in partners' capital. Once it has been determined which investments will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process.

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.

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, 2020, 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.

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

4. RECEIVABLES

Receivables as of June 30, 2020 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 and interest	\$ 12,555,815	\$	\$	\$	\$	\$ 12,555,815
Accounts and other	365,393			539,462	123,333	1,028,188
Special assessments		591,289				591,289
Sewer usage			2,347,656			2,347,656
Unbilled sewer usage receivable			1,511,460			1,511,460
Intergovernmental	<u>21,548</u>	<u>731,393</u>			<u>767,581</u>	<u>1,520,522</u>
Gross receivables	12,942,756	1,322,682	3,859,116	539,462	890,914	19,554,930
Less allowance for uncollectibles	<u>650,000</u>			<u>178,899</u>		<u>828,899</u>
Net Total Receivables	<u>\$ 12,292,756</u>	<u>\$ 1,322,682</u>	<u>\$ 3,859,116</u>	<u>\$ 360,563</u>	<u>\$ 890,914</u>	<u>\$ 18,726,031</u>

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

5. CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers/ Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 15,854,529	\$	\$	\$ 15,854,529
Construction in progress	81,042,411	34,164,989		115,207,400
Total capital assets not being depreciated	<u>96,896,940</u>	<u>34,164,989</u>	<u>-</u>	<u>131,061,929</u>
Capital assets being depreciated:				
Land improvements	17,901,053	539,055		18,440,108
Buildings and improvements	180,028,970	1,389,362		181,418,332
Machinery and equipment	44,793,204	1,694,420	672,154	45,815,470
Infrastructure	115,911,935	3,896,117		119,808,052
Total capital assets being depreciated	<u>358,635,162</u>	<u>7,518,954</u>	<u>672,154</u>	<u>365,481,962</u>
Less accumulated depreciation for:				
Land improvements	9,615,059	763,622		10,378,681
Buildings and improvements	79,046,473	4,914,817		83,961,290
Machinery and equipment	33,113,212	2,204,768	421,707	34,896,273
Infrastructure	88,154,471	1,905,602		90,060,073
Total accumulated depreciation	<u>209,929,215</u>	<u>9,788,809</u>	<u>421,707</u>	<u>219,296,317</u>
Total capital assets being depreciated, net	<u>148,705,947</u>	<u>(2,269,855)</u>	<u>250,447</u>	<u>146,185,645</u>
Governmental Activities Capital Assets, Net	<u>\$ 245,602,887</u>	<u>\$ 31,895,134</u>	<u>\$ 250,447</u>	<u>\$ 277,247,574</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 3,287,330	\$ 728,655	\$	\$ 4,015,985
Capital assets being depreciated:				
Land improvements	2,148,942			2,148,942
Buildings and improvements	71,360,997	215,141		71,576,138
Machinery and equipment	14,490,978	361,316	7,114,332	7,737,962
Infrastructure	21,705,181		111,555	21,593,626
Total capital assets being depreciated	<u>109,706,098</u>	<u>576,457</u>	<u>7,225,887</u>	<u>103,056,668</u>
Less accumulated depreciation for:				
Land improvements	2,116,692	6,947		2,123,639
Buildings and improvements	40,257,572	3,130,139		43,387,711
Machinery and equipment	13,176,821	9,297	6,899,191	6,286,927
Infrastructure	14,736,906	479,838	111,555	15,105,189
Total accumulated depreciation	<u>70,287,991</u>	<u>3,626,221</u>	<u>7,010,746</u>	<u>66,903,466</u>
Total capital assets being depreciated, net	<u>39,418,107</u>	<u>(3,049,764)</u>	<u>215,141</u>	<u>36,153,202</u>
Business-Type Activities Capital Assets, Net	<u>\$ 42,705,437</u>	<u>\$ (2,321,109)</u>	<u>\$ 215,141</u>	<u>\$ 40,169,187</u>

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

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

Governmental activities:	
General government	\$ 430,861
Human development	369,534
Physical development	3,081,010
Public safety	1,417,250
Education	<u>4,490,154</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 9,788,809</u>
Business-type activities:	
Waste operating	\$ 3,304,731
Short Beach Golf Course	12,179
Emergency medical services	<u>309,311</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,626,221</u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects	General Fund	\$ 36,593,018
Capital Projects	Waste Operating	3,674,190
Capital Projects	Nonmajor Governmental	403,876
General Fund	Nonmajor Governmental	945,147
General Fund	Nonmajor Enterprise	3,965,558
General Fund	Capital Projects	24,358,878
Internal Service Funds	General Fund	4,163,367
Internal Service Funds	Nonmajor Governmental	20,385
Internal Service Funds	Waste Operating	186,395
Nonmajor Governmental	General Fund	7,260,664
Waste Operating	General Fund	8,400,301
Nonmajor Enterprise	General Fund	74,298
Nonmajor Enterprise	Internal Service Funds	<u>46,502</u>
Total		<u>\$ 90,092,579</u>

Interfund balances are a result of temporary loans to various funds. Included in above is an interfund from the General Fund to the Emergency Medical Services Fund in the amount of \$1,220,363. 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
JUNE 30, 2020**

Interfund transfers for the year ended June 30, 2020 are as follows:

	Transfers In			Total Transfers Out
	General	Capital Projects	Nonmajor Governmental	
Transfers out:				
General Fund	\$	\$ 413,000	\$ 125,000	\$ 538,000
Waste Operating Fund	900,000			900,000
Nonmajor Governmental Funds	<u>3,710,000</u>			<u>3,710,000</u>
 Total Transfers In	 \$ <u>4,610,000</u>	 \$ <u>413,000</u>	 \$ <u>125,000</u>	 \$ <u>5,148,000</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
JUNE 30, 2020**

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2020 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	\$ 312,477,435	\$	\$ 18,528,239	\$ 293,949,196	\$ 17,886,239
Premium on general obligation bonds	15,760,487		975,206	14,785,281	
Capital leases	537,691		203,728	333,963	164,337
Claims and judgments	1,000,000			1,000,000	
Compensated absences	9,564,394	21,770,101	19,737,988	11,596,507	3,478,952
Landfill monitoring closure and postclosure costs	7,800,000			7,800,000	
Net pension liability	* 55,323,298	10,694,054		66,017,352	
Net OPEB liability	* 277,761,680	34,616,523		312,378,203	
Risk management	13,683,458	45,897	151,000	13,578,355	595,000
				<u>721,438,857</u>	<u>22,124,528</u>
Governmental Activities Long-Term Liabilities	<u>\$ 693,908,443</u>	<u>\$ 67,126,575</u>	<u>\$ 39,596,161</u>	<u>\$ 721,438,857</u>	<u>\$ 22,124,528</u>
Business-Type activities:					
General obligation bonds payable	\$ 1,337,876	\$	\$ 177,122	\$ 1,160,754	\$ 169,122
Notes payable	26,665,729		2,374,115	24,291,614	2,422,035
Capital leases	74,099		48,511	25,588	14,836
Compensated absences	360,780	629,588	533,185	457,183	137,155
Net pension liability	* 1,728,920	334,202		2,063,122	
Net OPEB liability	* 6,122,715	763,054		6,885,769	
				<u>6,885,769</u>	
Business-Type Activities Long-Term Liabilities	<u>\$ 36,290,119</u>	<u>\$ 1,726,844</u>	<u>\$ 3,132,933</u>	<u>\$ 34,884,030</u>	<u>\$ 2,743,148</u>

* Restated

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.

General Obligation Bonds

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

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

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, 2020</u>
Governmental Activities:	
School bonds with interest rates ranging from 2.0% to 5.125% and varying expiration dates ranging from July 2024 to January 2039	\$ 99,254,639
General obligation pension bonds with interest rates ranging from 0.5% to 5.037% and varying expiration dates from August 2020 to August 2038	123,630,000
General obligation bonds with interest rates ranging from 2.0% to 5.125% and expiration dates from July 2024 to January 2039	<u>71,064,557</u>
Total Governmental Activities	<u>\$ 293,949,196</u>
Business-Type Activities:	
EMS Bonds with interest rates ranging from 2.0% to 5.125% and varying expiration dates ranging from August 2021 to January 2026	\$ 852,000
WPCA Bonds with interest rates ranging from 1.0% to 5.0% and an expiration date of June 2030	<u>308,754</u>
Total Business-Type Activities	<u>\$ 1,160,754</u>

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

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>
2021	\$ 17,886,239	\$ 10,580,452	\$ 28,466,691
2022	21,473,239	13,155,000	34,628,239
2023	21,596,239	12,201,387	33,797,626
2024	21,285,239	11,251,411	32,536,650
2025	17,476,239	7,696,468	25,172,707
2026-2030	79,337,003	29,502,565	108,839,568
2031-2035	70,725,000	15,278,681	86,003,681
2036-2040	<u>44,169,998</u>	<u>3,244,450</u>	<u>47,414,448</u>
Total	\$ <u>293,949,196</u>	\$ <u>102,910,414</u>	\$ <u>396,859,610</u>

Business-type Activities:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 169,122	\$ 40,820	\$ 209,942
2022	187,122	33,734	220,856
2023	189,122	26,048	215,170
2024	190,122	18,112	208,234
2025	149,122	11,771	160,893
2026-2030	<u>276,144</u>	<u>16,704</u>	<u>292,848</u>
Total	\$ <u>1,160,754</u>	\$ <u>147,189</u>	\$ <u>1,307,943</u>

Bonds Authorized but Unissued

The total of authorized but unissued bonds at June 30, 2020 are as follows:

General Purpose	\$ 12,440,724
School	18,795,737
Sewers	<u>1,527,141</u>
Total	\$ <u>32,763,602</u>

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

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>
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	2,571,677	314,069	2,885,746
2025	2,623,585	262,161	2,885,746
2026-2030	<u>11,682,599</u>	<u>518,459</u>	<u>12,201,058</u>
Total	<u>\$ 24,291,614</u>	<u>\$ 2,338,171</u>	<u>\$ 26,629,785</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	\$ 413,019,322	\$ 83,505,281	\$ 329,514,041
Schools	826,038,644	87,826,842	738,211,802
Sewer and Water	688,365,536	26,127,509	662,238,027
Urban Renewal	596,583,465		596,583,465
Unfunded Pension Benefit Obligation	550,692,429	123,630,000	427,062,429

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 (\$1.3 billion).

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

Bond Anticipation Notes Payable

Bond anticipation notes outstanding at June 30, 2020 were as follows:

	<u>Amount</u>
Notes payable, July 1, 2019	\$ 3,175,000
Notes Issued	5,444,000
Notes retired	<u>(3,175,000)</u>
Notes Payable, June 30, 2020	<u>\$ 5,444,000</u>

During the year, the Town issued \$5,444,000 in notes dated December 19, 2019, which matured on September 17, 2020. The notes carried an interest rate of 3%. These notes serve as temporary financing for various public improvements and school projects.

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.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Building and improvements	\$ 1,334,379	\$ 104,051
Machinery and equipment	1,877,747	187,381
Less accumulated depreciation	<u>(2,147,939)</u>	<u>(172,005)</u>
Net Book Value	<u>\$ 1,064,187</u>	<u>\$ 119,427</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2021	\$ 170,343	\$ 15,346
2022	171,246	10,854
Total minimum lease payments	<u>341,589</u>	<u>26,200</u>
Less amount representing interest	<u>(7,626)</u>	<u>(612)</u>
Present Value of Minimum Lease Payments	<u>\$ 333,963</u>	<u>\$ 25,588</u>

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

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, 2020. 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.

8. FUND BALANCE

The components of fund balance for the governmental funds as of June 30, 2020 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	\$ 249,081	\$	\$ 104,783	\$ 353,864
Nonexpendable trusts			2,688,175	2,688,175
Advances to other funds	1,220,363			1,220,363
Restricted for:				
Debt service			3,380,478	3,380,478
Committed to:				
Human development			981,263	981,263
Physical development			1,107,321	1,107,321
Public safety			630,554	630,554
Education			599,738	599,738
Capital projects		36,501,001	298,386	36,799,387
Assigned to:				
Education encumbrances	102,859			102,859
Unassigned	<u>6,340,953</u>	<u>(31,208,477)</u>	<u>(572,543)</u>	<u>(25,440,067)</u>
Total Fund Balances	<u>\$ 7,913,256</u>	<u>\$ 5,292,524</u>	<u>\$ 9,218,155</u>	<u>\$ 22,423,935</u>

Encumbrances of approximately \$102,000, \$69,635,000 and \$171,000 at June 30, 2020 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, 2018, the date of the most recent actuarial valuation, membership consisted of the following:

Actives	198
Terminated vested and other inactive	14
Retirees and beneficiaries	<u>667</u>
 Total	 <u><u>879</u></u>

The 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.

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

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 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.

D. 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, 2020.

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, 2020, and are also summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
U.S. Core Fixed Income	30.0%	2.28%
U.S. Large Caps	22.5%	4.46%
U.S. MidCap Growth	10.0%	5.52%
U.S. MidCap Value	10.0%	4.84%
Non-U.S. Equity	10.0%	6.28%
Private Real Estate Property	15.0%	3.95%
Timber	2.5%	4.16%
	<u>100%</u>	

Concentrations

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

BR Russell 2500 Index	11%
SSGA S&P 500 R Flagship NL Fund	25%
Prime Property Fund LLC	8%
U.S. Real Estate Inv Fund LLC	11%
Ernest Partners International	9%

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

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.53%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2020 were as follows:

Total pension liability	\$ 316,495,066
Plan fiduciary net position	<u>248,414,592</u>
Net Pension Liability	<u><u>\$ 68,080,474</u></u>
Plan fiduciary net position as a percentage of the total pension liability	78.49%

F. Actuarial Assumptions

The total pension liability for the plan was determined by an actuarial valuation as of July 1, 2018, 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.

G. 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.

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

H. 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, 2019	\$ 315,879,001	\$ 258,826,783	\$ 57,052,218
Changes for the year:			
Service cost	3,002,480		3,002,480
Interest on total pension liability	20,756,191		20,756,191
Employer contributions		5,348,880	(5,348,880)
Member contributions		1,281,613	(1,281,613)
Net investment income		6,375,620	(6,375,620)
Benefit payments, including refund of employee contributions	(23,142,606)	(23,142,606)	
Administrative expenses		(275,698)	275,698
Net changes	<u>616,065</u>	<u>(10,412,191)</u>	<u>11,028,256</u>
Balances as of June 30, 2020	\$ <u>316,495,066</u>	\$ <u>248,414,592</u>	\$ <u>68,080,474</u>

I. 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 current discount rate, 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 or 1 percentage point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 101,667,917	\$ 68,080,474	\$ 39,958,139

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

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

For the year ended June 30, 2020, the Town recognized pension expense of \$8,088,571. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ <u>4,301,580</u>	\$ <u>-</u>

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

<u>Year Ending June 30,</u>	
2021	\$ (1,426,755)
2022	1,220,814
2023	2,407,316
2024	<u>2,100,205</u>
Total	\$ <u>4,301,580</u>

Connecticut Teachers Retirement System - Pension

A. Plan Description

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

B. 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).

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

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.

C. Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$16,751,121 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

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.

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

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

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>221,298,534</u>
Total	\$	<u><u>221,298,534</u></u>

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

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

For the year ended June 30, 2020, the Town recognized pension expense and revenue of \$27,179,232 in Exhibit II for on-behalf amounts for the benefits provided by the State.

E. Actuarial Assumptions

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

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

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

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

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

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%.

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

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

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

F. Discount Rate

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

G. 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.

H. 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, 2020 was \$1,566,594.

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, 2018, plan membership consisted of the following:

Active members	967
Retired members	896
Beneficiaries	75
Spouses of retired members	<u>289</u>
Total Participants	<u><u>2,227</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.

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

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.

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.

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

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.

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.

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

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.

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, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 6.84%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net OPEB Liability of the Town

The components of the net OPEB liability of the Town at June 30, 2020, were as follows:

Total OPEB Liability	\$ 325,187,048
Plan fiduciary net position	<u>5,923,076</u>
Net OPEB Liability	<u>\$ 319,263,972</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.82%

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

E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Discount rate	2.21%
Healthcare cost trend rates	5.50% 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, 2018 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
U.S. Core Fixed Income	30%	2.28%
U.S. Large Caps	20%	4.46%
U.S. Midcap Growth	10%	5.63%
U.S. Midcap Value	10%	4.64%
Non-U.S. Equity	10%	6.28%
Private Real Estate Property	15%	3.95%
Timber	5%	4.16%
	<u>100%</u>	

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

F. Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. 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.

G. Changes in OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2019	\$ 289,378,757	\$ 5,494,362	\$ 283,884,395
Changes for the year:			
Service cost	10,104,693		10,104,693
Interest on total OPEB liability	10,321,280		10,321,280
Effect of assumptions/changes or inputs	24,641,458		24,641,458
Employer contributions		9,310,404	(9,310,404)
Net investment income		379,148	(379,148)
Benefit payments, including refund of employee contributions	(9,259,140)	(9,259,140)	-
Administrative expenses		(1,698)	1,698
Net changes	35,808,291	428,714	35,379,577
Balances as of June 30, 2020	\$ 325,187,048	\$ 5,923,076	\$ 319,263,972

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

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

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB Liability	\$ 378,394,086	\$ 319,263,972	\$ 272,624,388

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

I. 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:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability \$	262,996,423	\$ 319,263,972	\$ 393,188,355

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

For the year ended June 30, 2020, the Town recognized OPEB expense of \$21,854,879. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 28,745,353	\$ 8,821,711
Changes of assumptions	28,745,353	4,531,505
Net difference between projected and actual earnings on OPEB plan investments	<u> </u>	<u>429,066</u>
Total	<u>\$ 28,745,353</u>	<u>\$ 13,782,282</u>

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

Year Ending June 30,

2021	\$ (1,640,790)
2022	(2,773,666)
2023	(4,552,017)
2024	(4,601,800)
2025	<u>(1,394,798)</u>
Total	<u>\$ (14,963,071)</u>

Other Post Employment Benefit - Connecticut State Teachers Retirement Plan

A. Plan Description

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

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

B. Benefit Provisions

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

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

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

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

Survivor Health Care Coverage

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

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

C. Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State 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.

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$457,822 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

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

Employees/Retirees

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

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

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

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>34,512,756</u>
Total	<u>\$ 34,512,756</u>

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

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of (\$2,525,525) in Exhibit II for on-behalf amounts for the benefits provided by the State.

F. Actuarial Assumptions

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

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

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

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

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

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

G. Discount Rate

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

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

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

I. Other Information

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

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

11. PENSION AND OPEB TRUST FUNDS COMBINING SCHEDULES

Combining Schedule of Net Position - Trust Funds

	Pension Trust Fund	OPEB Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 1,452,288	\$	\$ 1,452,288
Investments:			
Mutual funds	76,686,537	5,931,835	82,618,372
Pooled, common and collective trusts	88,921,755		88,921,755
Real estate investment funds	58,200,304		58,200,304
Equity hedge funds	<u>23,153,708</u>		<u>23,153,708</u>
Total assets	<u>248,414,592</u>	<u>5,931,835</u>	<u>254,346,427</u>
Liabilities:			
Accounts payable		2,215	2,215
Due to other funds		<u>6,544</u>	<u>6,544</u>
Total liabilities	<u>-</u>	<u>8,759</u>	<u>8,759</u>
Net Position:			
Restricted for Pension and OPEB Benefits	<u>\$ 248,414,592</u>	<u>\$ 5,923,076</u>	<u>\$ 254,337,668</u>

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

Combining Schedule of Changes in Net Position - Trust Funds

	Pension Trust Fund	OPEB Trust Fund	Total
Additions:			
Contributions:			
Plan members	\$ 1,281,613	\$	\$ 1,281,613
Employer	5,348,880	9,310,404	14,659,284
Total contributions	<u>6,630,493</u>	<u>9,310,404</u>	<u>15,940,897</u>
Investment income:			
Net appreciation in fair value of investments	2,490,429	379,148	2,869,577
Interest and dividends	4,132,495		4,132,495
Total investment income	<u>6,622,924</u>	<u>379,148</u>	<u>7,002,072</u>
Investment fee	<u>(247,304)</u>		<u>(247,304)</u>
Net investment income	<u>6,375,620</u>	<u>379,148</u>	<u>6,754,768</u>
Total additions	<u>13,006,113</u>	<u>9,689,552</u>	<u>22,695,665</u>
Deductions:			
Benefits	23,142,606	9,259,141	32,401,747
Other	275,698	1,698	277,396
Total deductions	<u>23,418,304</u>	<u>9,260,839</u>	<u>32,679,143</u>
Net Increase (Decrease)	(10,412,191)	428,713	(9,983,478)
Net Position - Beginning of Year	<u>258,826,783</u>	<u>5,494,363</u>	<u>264,321,146</u>
Net Position - End of Year	<u>\$ 248,414,592</u>	<u>\$ 5,923,076</u>	<u>\$ 254,337,668</u>

12. 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, 2020.

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

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.

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>
2019	\$ 677,000	\$ 5,095,763	\$ 5,026,763	\$ 746,000
2020	746,000	3,764,217	3,915,217	595,000

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>
2019	\$ 12,604,317	\$ 4,872,871	\$ 4,539,730	\$ 12,937,458
2020	12,937,458	3,694,714	3,648,817	12,983,355

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

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.

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.

13. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The following restatements were recorded to the beginning of year net position of the Governmental Activities, Business-Type Activities and the Waste Operating Fund as a result of the reallocation of the Net Pension Liability, Net OPEB Liability and the associated deferred inflows and outflows as well as the recognition of sewer usage unbilled revenue.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Waste Operating Fund</u>
Net position at June 30, 2019, as previously reported	\$ (403,650,654)	\$ 17,478,781	\$ 19,429,843
Adjustments:			
Reallocate Net OPEB Liability	6,122,715	(6,122,715)	(6,122,715)
Reallocate Deferred Outflows of Resources related to OPEB	(238,467)	238,467	238,467
Reallocate Deferred Inflows of Resources related to OPEB	408,249	(408,249)	(408,249)
Reallocate Net Pension Liability	1,728,920	(1,728,920)	(1,728,920)
Reallocate Deferred Outflows of Resources related to Pension	(10,810)	10,810	10,810
Reallocate Deferred Inflows of Resources related to Pension	131,632	(131,632)	(131,632)
 Sewer usage unbilled revenue adjustment		<u>1,353,756</u>	<u>1,353,756</u>
Net position at July 1, 2019, as Restated	<u>\$ (395,508,415)</u>	<u>\$ 10,690,298</u>	<u>\$ 12,641,360</u>

14. CORONAVIRUS (COVID-19)

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

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

15. SUBSEQUENT EVENTS

On December 8, 2020, the Town issued \$29,105,000 of General Obligation Bonds. The bonds are due serially through July 2040, and have interest rates ranging from 3.0%-5.0%. Additionally, on December 8, 2020, the Town issued \$78,100,000 of federally taxable General Obligation Refunding Bonds. The refunding bonds are due serially through August 2034, and have interest rates ranging from 0.349%-2.461%. The Town also issued \$13,845,000 of General Obligation Bond Anticipation Notes on December 8, 2020. The notes are due December 16, 2021 and have an interest rate of 2%.

**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, 2020**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes:				
Current levy	\$ 181,536,483	\$ 181,536,483	\$ 180,632,906	\$ (903,577)
Arrears	5,383,500	5,383,500	4,615,862	(767,638)
Interest and lien fees	551,500	551,500	584,011	32,511
Tax refunds and adjustments			(249,749)	(249,749)
Payments in lieu of taxes	200,000	200,000	241,940	41,940
Total property taxes	<u>187,671,483</u>	<u>187,671,483</u>	<u>185,824,970</u>	<u>(1,846,513)</u>
Intergovernmental revenues:				
State:				
Education equalization grant	22,905,952	22,905,952	22,990,569	84,617
School bond principal	58,617	58,617		(58,617)
School bond interest	2,398	2,398		(2,398)
Special education	2,500,000	2,500,000	2,137,669	(362,331)
Veterans' additional relief	145,000	145,000	101,833	(43,167)
In lieu of State property tax	213,514	213,514	213,514	-
State disability exemption	9,900	9,900	7,395	(2,505)
Elderly freeze tax relief	6,000	6,000		(6,000)
State Health CGS 10-217A	83,530	83,530	68,057	(15,473)
State telecom personal property	145,000	145,000	85,284	(59,716)
Municipal Grants-in-Aid	3,507,689	3,507,689	4,682,925	1,175,236
Airplane registration	55,000	55,000	53,370	(1,630)
Mashantucket grant	30,567	30,567	30,567	-
Total state	<u>29,663,167</u>	<u>29,663,167</u>	<u>30,371,183</u>	<u>708,016</u>
Federal:				
Civil preparedness	19,200	19,200		(19,200)
Payments in Lieu - Federal	1,500	1,500	1,420	(80)
Total federal	<u>20,700</u>	<u>20,700</u>	<u>1,420</u>	<u>(19,280)</u>
Total intergovernmental revenues	<u>29,683,867</u>	<u>29,683,867</u>	<u>30,372,603</u>	<u>688,736</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, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Departmental revenues:				
Education	\$ 80,500	\$ 80,500	\$ 95,770	\$ 15,270
Economic Development			30,200	30,200
Finance	375,000	375,000	168,434	(206,566)
Fire Department	45,000	45,000	74,885	29,885
Health Department	103,250	103,250	120,301	17,051
Conservation	16,000	16,000	12,550	(3,450)
Planning and Zoning	160,000	160,000	113,448	(46,552)
Police Department	265,000	265,000	230,562	(34,438)
Public Works	564,900	564,900	514,201	(50,699)
Recreation Department	224,500	224,500	101,630	(122,870)
Sanitation	305,000	305,000	289,723	(15,277)
Senior services	6,500	6,500	5,120	(1,380)
Town Attorney			132,171	132,171
Town Clerk	1,134,359	1,134,359	1,148,728	14,369
Total departmental revenues	<u>3,280,009</u>	<u>3,280,009</u>	<u>3,037,723</u>	<u>(242,286)</u>
Licenses and permits:				
Building permits	750,000	750,000	959,062	209,062
Historic Commission Fees			375	375
Condo Rental Fees			8,001	8,001
Boothe Memorial Park permits	38,000	38,000	12,413	(25,587)
Street and sewer permits	20,000	20,000	19,490	(510)
Beach stickers/concessions	105,000	105,000	64,846	(40,154)
Total licenses and permits	<u>913,000</u>	<u>913,000</u>	<u>1,064,187</u>	<u>151,187</u>
Investment income	<u>1,200,000</u>	<u>1,200,000</u>	<u>931,490</u>	<u>(268,510)</u>
Other:				
Miscellaneous rental:				
Cell tower rentals	162,000	162,000	165,554	3,554
Baldwin rental	3,000	3,000	655	(2,345)
Recreation building rental	16,000	16,000	345	(15,655)
Beach house rental			19,500	19,500
Community services rental			45,000	45,000
Medical examination reimbursements	16,000	16,000		(16,000)
Workers' compensation recovery	50,000	50,000		(50,000)

(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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other (continued):				
Other insurance recovery	\$	\$	\$ 12,309	\$ 12,309
Miscellaneous	400,000	400,000	394,344	(5,656)
Boothe Estates	67,000	67,000	96,816	29,816
Total other	<u>714,000</u>	<u>714,000</u>	<u>734,523</u>	<u>20,523</u>
Total revenues	223,462,359	223,462,359	221,965,496	(1,496,863)
Other financing sources:				
Transfers in	<u>4,610,000</u>	<u>4,610,000</u>	<u>4,610,000</u>	<u>-</u>
Total	\$ <u>228,072,359</u>	\$ <u>228,072,359</u>	226,575,496	\$ <u>(1,496,863)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut pension on-behalf contributions related to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted	16,751,121
State of Connecticut OPEB on-behalf contributions related to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted	457,822
Revenues consolidated for GASB Statement No. 54	<u>26,368</u>

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

\$ 243,810,807

**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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Administration:				
Council Clerk	\$ 86,804	\$ 86,804	\$ 70,439	\$ 16,365
Office of the Mayor	289,083	289,083	293,099	(4,016)
Human resources	430,906	430,906	409,830	21,076
Town Attorney	1,752,587	1,752,587	1,439,401	313,186
Chief Administrative Officer	352,925	352,925	328,524	24,401
Department of Planning	380,134	380,134	376,126	4,008
Registrar of Voters	303,452	303,452	278,678	24,774
Town Clerk	382,898	382,898	372,452	10,446
Town buildings	1,439,500	1,439,500	1,139,005	300,495
Agencies	204,515	204,515	184,148	20,367
Information Technology	552,769	552,769	499,370	53,399
Total	<u>6,175,573</u>	<u>6,175,573</u>	<u>5,391,072</u>	<u>784,501</u>
Contingency	<u>3,993,158</u>	<u>3,977,158</u>	<u>3,453,260</u>	<u>523,898</u>
Employee benefits	<u>32,629,632</u>	<u>32,629,632</u>	<u>32,586,641</u>	<u>42,991</u>
Finance:				
Administration	188,307	188,307	193,570	(5,263)
Accounting	569,678	569,678	463,465	106,213
Purchasing	238,715	238,715	289,951	(51,236)
Tax Assessor	524,849	524,849	435,793	89,056
Tax Collector	480,240	480,240	502,545	(22,305)
Total	<u>2,001,789</u>	<u>2,001,789</u>	<u>1,885,324</u>	<u>116,465</u>
Human development:				
Community services	508,085	508,085	513,964	(5,879)
Economic Community Development	258,130	258,130	227,039	31,091
Health Department	733,566	749,566	757,063	(7,497)
Recreation Department	743,489	743,489	704,743	38,746
Senior Services	567,914	567,914	554,393	13,521
Sterling House	171,950	171,950	171,950	-
Stratford Library Association	3,255,459	3,255,459	3,124,114	131,345
Visiting Nurses Association	53,500	53,500	53,500	-
Total	<u>6,292,093</u>	<u>6,308,093</u>	<u>6,106,766</u>	<u>201,327</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Physical development:				
Public works:				
Administration	\$ 636,272	\$ 636,272	\$ 630,460	\$ 5,812
Building inspection	262,706	262,706	256,785	5,921
Building maintenance	2,165,922	2,165,922	1,893,806	272,116
Engineering	364,591	364,591	298,025	66,566
Parks	2,791,333	2,791,333	2,673,064	118,269
Highways	2,692,020	2,692,020	2,761,800	(69,780)
Town garage	799,975	799,975	798,887	1,088
Sanitation/refuse	4,795,201	4,795,201	4,956,300	(161,099)
Total	<u>14,508,020</u>	<u>14,508,020</u>	<u>14,269,127</u>	<u>238,893</u>
Public safety:				
Fire Department:				
Administration	388,252	388,252	377,587	10,665
Fire suppression	12,301,221	12,301,221	12,462,046	(160,825)
Fire prevention	431,830	431,830	449,997	(18,167)
Communications center	1,289,870	1,289,870	1,192,703	97,167
Police Department:				
Administration	704,218	704,218	679,209	25,009
Investigation	2,053,385	2,053,385	2,244,588	(191,203)
Patrol	6,682,846	6,682,846	7,223,328	(540,482)
Traffic	689,399	689,399	680,909	8,490
Professional Standards	652,987	652,987	712,274	(59,287)
Police records	427,090	427,090	373,437	53,653
Total	<u>25,621,098</u>	<u>25,621,098</u>	<u>26,396,078</u>	<u>(774,980)</u>
Board of Education	<u>115,010,146</u>	<u>115,010,146</u>	<u>113,760,164</u>	<u>1,249,982</u>
Debt service:				
Bonds payable:				
Principal and interest	<u>21,097,202</u>	<u>21,097,202</u>	<u>20,526,454</u>	<u>570,748</u>
Total	<u>21,097,202</u>	<u>21,097,202</u>	<u>20,526,454</u>	<u>570,748</u>
Total expenditures	<u>227,328,711</u>	<u>227,328,711</u>	<u>224,374,886</u>	<u>2,953,825</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing uses:				
Transfers out	\$ <u>743,648</u>	\$ <u>743,648</u>	\$ <u>743,648</u>	\$ <u>-</u>
Total	\$ <u>228,072,359</u>	\$ <u>228,072,359</u>	225,118,534	\$ <u>2,953,825</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut pension on-behalf contributions relative to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted			16,751,121	
State of Connecticut OPEB on-behalf contributions relative to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted			457,822	
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			163,235	
Transfers consolidated for GASB Statement No. 54			(618,648)	
Expenditures consolidated for GASB Statement No. 54			<u>1,081,266</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>242,953,330</u>	

TOWN OF STRATFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
PENSION
LAST SEVEN FISCAL YEARS*
(In Thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total pension liability:							
Service cost	\$ 3,739	\$ 3,386	\$ 3,338	\$ 3,169	\$ 3,143	\$ 3,009	\$ 3,003
Interest	19,881	19,991	20,161	20,268	20,662	20,644	20,756
Effect of economic/demographic gains or losses	(462)	(1,301)	1,019	4,548	(1,327)	1,070	-
Benefit payments	<u>(20,286)</u>	<u>(20,807)</u>	<u>(21,504)</u>	<u>(22,019)</u>	<u>(22,252)</u>	<u>(22,967)</u>	<u>(23,143)</u>
Net change in total pension liability	2,872	1,269	3,014	5,966	226	1,756	616
Total pension liability - beginning	<u>300,776</u>	<u>303,648</u>	<u>304,917</u>	<u>307,931</u>	<u>313,897</u>	<u>314,123</u>	<u>315,879</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>	<u>315,879</u>	<u>316,495</u>
Plan fiduciary net position:							
Contributions - employer	162,209	5,221	5,393	5,385	5,644	5,400	5,349
Contributions - member	1,683	1,578	1,661	1,447	1,387	1,309	1,282
Net investment income (loss)	26,333	9,918	(1,004)	28,887	22,479	15,456	6,376
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>	<u>(22,967)</u>	<u>(23,143)</u>
Administrative expense	<u>(239)</u>	<u>(400)</u>	<u>(264)</u>	<u>(295)</u>	<u>(305)</u>	<u>(326)</u>	<u>(276)</u>
Net change in plan fiduciary net position	169,700	(4,490)	(15,718)	13,405	6,953	(1,128)	(10,412)
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>	<u>259,955</u>	<u>258,827</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>	<u>258,827</u>	<u>248,415</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>	<u>\$ 57,052</u>	<u>\$ 68,080</u>
Plan fiduciary net position as a percentage of the total pension liability	85.56%	83.73%	77.81%	80.60%	82.76%	81.94%	78.49%
Covered payroll	\$ 22,771	\$ 22,237	\$ 20,317	\$ 19,912	\$ 18,756	\$ 18,713	\$ 17,810
Net pension liability as a percentage of covered payroll	192.54%	223.06%	336.34%	305.82%	288.80%	304.88%	382.26%

*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
PENSION
LAST TEN FISCAL YEARS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 8,526,398	\$ 8,521,128	\$ 10,264,676	\$ 12,720,477	\$ 5,185,559	\$ 5,212,079	\$ 5,470,701	\$ 5,830,217	\$ 6,088,400	\$ 6,241,601
Contributions in relation to the actuarially determined contribution	<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>	<u>5,399,899</u>	<u>5,348,880</u>
Contribution Deficiency (Excess)	\$ <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>	\$ <u>688,501</u>	\$ <u>892,721</u>
Covered payroll	\$ 24,238,011	\$ 23,991,550	\$ 23,551,913	\$ 22,770,569	\$ 22,237,216	\$ 20,317,247	\$ 19,912,480	\$ 18,755,885	\$ 18,713,339	\$ 17,809,917
Contributions as a percentage of covered payroll	35.18%	35.40%	41.52%	712.36%	23.48%	26.54%	27.05%	30.09%	28.86%	30.03%

Notes to Schedule

Valuation date: July 1, 2018
Measurement date: June 30, 2020

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Closed
Remaining amortization period	16 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
PENSION
LAST SEVEN FISCAL YEARS***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense	13.03%	3.91%	-0.40%	12.38%	9.11%	6.11%	2.53%

*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 SIX FISCAL YEARS***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>127,624,060</u>	<u>138,076,507</u>	<u>179,093,051</u>	<u>169,755,214</u>	<u>170,634,027</u>	<u>221,298,534</u>
Total	<u>\$ 127,624,060</u>	<u>\$ 138,076,507</u>	<u>\$ 179,093,051</u>	<u>\$ 169,755,214</u>	<u>\$ 170,634,027</u>	<u>\$ 221,298,534</u>
Town's covered payroll	\$ 47,921,000	\$ 49,711,000	\$ 51,654,000	\$ 53,337,000	\$ 53,913,000	\$ 56,384,995
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%

Notes to Schedule

Changes in benefit terms

HB 7424 made the following provision changes:

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

Changes of assumptions

HB 7424 made the following assumption changes:

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

Actuarial cost method

Entry age

Amortization method

Level percent of pay, closed

Single equivalent amortization period

17.6 years

Asset valuation method

4-year smoothed market

Inflation

2.75%

Salary increase

3.25%-6.50%, including inflation

Investment rate of return

8.00%, net of investment related expense

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

Amounts are determined as of one year prior to the reporting date

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

(In Thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB liability:				
Service cost	\$ 10,903	\$ 9,287	\$ 9,059	\$ 10,105
Interest	8,890	10,221	10,954	10,321
Economic/demographic (gains) or losses			(13,465)	
Changes of assumptions	(36,171)	(13,028)	13,360	24,641
Benefit payments	(8,447)	(8,427)	(8,968)	(9,259)
Net change in total OPEB liability	<u>(24,825)</u>	<u>(1,947)</u>	<u>10,940</u>	<u>35,808</u>
Total OPEB liability - beginning	<u>305,210</u>	<u>280,385</u>	<u>278,438</u>	<u>289,378</u>
Total OPEB liability - ending	<u>280,385</u>	<u>278,438</u>	<u>289,378</u>	<u>325,186</u>
Plan fiduciary net position:				
Contributions - employer	8,497	8,477	9,018	9,310
Net investment income	611	573	433	379
Benefit payments	(8,447)	(8,427)	(8,968)	(9,259)
Administrative expense	(2)	(43)	(11)	(2)
Net change in plan fiduciary net position	<u>659</u>	<u>580</u>	<u>472</u>	<u>428</u>
Plan fiduciary net position - beginning	<u>3,784</u>	<u>4,443</u>	<u>5,023</u>	<u>5,495</u>
Plan fiduciary net position - ending	<u>4,443</u>	<u>5,023</u>	<u>5,495</u>	<u>5,923</u>
Net OPEB Liability - Ending	<u>\$ 275,942</u>	<u>\$ 273,415</u>	<u>\$ 283,884</u>	<u>\$ 319,264</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.58%	1.80%	1.90%	1.82%
Covered payroll	\$ 71,201	\$ 71,201	\$ 71,201	\$ 79,532
Net OPEB liability as a percentage of covered payroll	387.55%	384.00%	398.71%	401.43%

*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**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution (1)	\$ 14,651,000	\$ 10,901,300	\$ 11,643,400	\$ 13,330,000	\$ 20,482,200	\$ 19,699,700	\$ 21,050,753	\$ 20,679,264	\$ 22,133,340	\$ 23,177,582
Contributions in relation to the actuarially determined contribution	5,339,800	6,518,400	7,012,000	3,076,900	7,635,300	8,139,200	8,496,506	8,477,088	9,017,976	9,310,404
Contribution Deficiency	\$ 9,311,200	\$ 4,382,900	\$ 4,631,400	\$ 10,253,100	\$ 12,846,900	\$ 11,560,500	\$ 12,554,247	\$ 12,202,176	\$ 13,115,364	\$ 13,867,178
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 75,985,000	\$ 75,985,000	\$ 71,200,894	\$ 71,200,894	\$ 79,531,950	\$ 79,531,950
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	10.05%	10.71%	11.93%	11.91%	11.34%	11.71%

(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, 2018

Measurement date: June 30, 2020

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	19 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Healthcare cost trend rates	5.50 %, 4.40% over 65 years
Salary increases	4.0% for Police and Fire, graded by age for teachers and administrators, 3.0% for all others
Investment rate of return	3.50%
Retirement age	Retirement ages and rates vary
Mortality	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. 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 FOUR FISCAL YEARS***

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense	15.98%	12.83%	8.54%	6.84%

*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 THREE FISCAL YEARS***

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>43,693,067</u>	<u>34,110,853</u>	<u>34,512,756</u>
Total	<u>\$ 43,693,067</u>	<u>\$ 34,110,853</u>	<u>\$ 34,512,756</u>
Town's covered payroll	\$ 53,337,000	\$ 53,913,000	\$ 56,384,995
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%	2.08%

Notes to Schedule

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

*Notes - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.
Amounts are determined as of one year prior to the reporting date

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, 2020**

Grand List	Uncollected Taxes July 01, 2019	Current Levy	Lawful Corrections	Transfers To Suspense	Adjusted Taxes Collectible	Collections				Total Collected	Uncollected Taxes June 30, 2020
						Taxes Paid	Interest	Lien	Other		
2018	\$	\$ 185,327,384	\$ (472,111)	\$	\$ 184,855,273	\$ 180,464,115	\$ 583,579	\$ 432	\$ 9,265	\$ 181,057,391	\$ 4,391,158
2017	3,874,828		(10,099)		3,864,729	1,848,107	365,310	5,376	18,291	2,237,084	2,016,622
2016	1,837,587		189,686		2,027,273	622,825	229,623	1,733	53,257	907,438	1,404,448
2015	1,234,669		63,153		1,297,822	320,987	191,486	991	10,145	523,609	976,835
2014	406,968		(3,826)		403,142	148,314	82,689	495	4	231,502	254,828
2013	192,020		253,285		445,305	297,202	31,570	216		328,988	148,103
2012	139,127		276,596		415,723	289,917	14,640	72		304,629	125,806
2011	89,761		48,319		138,080	51,392	4,989	72		56,453	86,688
2010	75,734		2,056		77,790	5,287	5,290	72		10,649	72,503
2009	62,005		2,409		64,414	5,588	11,951	72		17,611	58,826
2008	22,220		(5,067)		17,153	1,439	1,530	48	5,800	8,817	15,714
2007	12,387		(7,159)		5,228	10	12	48		70	5,218
2006	7,257		(7,068)		189					-	189.00
2005	6,955		(6,772)		183					-	183.00
2004	168				168					-	168.00
2003	528		(528)	*	-					-	-
	<u>\$ 7,962,214</u>	<u>\$ 185,327,384</u>	<u>\$ 322,874</u>	<u>\$ -</u>	<u>\$ 193,612,472</u>	<u>\$ 184,055,183</u>	<u>\$ 1,522,669</u>	<u>\$ 9,627</u>	<u>\$ 96,762</u>	<u>\$ 185,684,241</u>	<u>\$ 9,557,289</u>

* 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
Sewer Maintenance	Collection of fees	Miscellaneous maintenance of sewer functions
Reserve	Donations	Miscellaneous reserve funds
Police Private Duty	Charges for police services	Police private duty activity
Debt Service	Town contributions, long term debt and bond premiums	Various projects

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, 2020**

	Special Revenue Funds							
	School Lunch Program	Community Development	Education Federal and State Programs	Shellfish and Oysters	Counseling Center	Continuing Education	Redevelopment Agency	Railroad Property
Assets								
Cash and cash equivalents	\$ 96,406		\$ 564,649			\$ 369,419		
Investments								
Accounts receivable			7,880			29,765		25
Intergovernmental receivable	96,286							
Due from other funds		46,617		235,154	58,366		99,837	162,809
Inventory	104,783							
Total Assets	\$ 297,475	\$ 46,617	\$ 572,529	\$ 235,154	\$ 58,366	\$ 399,184	\$ 99,837	\$ 162,834
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities:								
Accounts payable	\$ 740,647	\$ 69,327		\$ 2,400	\$ 1,356	\$ 20,598	\$ 8,016	\$ 1,878
Accrued liabilities		1,878						5,366
Unearned revenue			351,377					
Due to other funds								
Total liabilities	740,647	71,205	351,377	2,400	1,356	20,598	8,016	7,244
Deferred Inflows of Resources:								
Unavailable resources - other receivables								
Fund balances:								
Nonspendable	104,783							
Restricted								
Committed			221,152	232,754	57,010	378,586	91,821	155,590
Unassigned	(547,955)	(24,588)						
Total fund balances	(443,172)	(24,588)	221,152	232,754	57,010	378,586	91,821	155,590
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 297,475	\$ 46,617	\$ 572,529	\$ 235,154	\$ 58,366	\$ 399,184	\$ 99,837	\$ 162,834

(Continued on next page)

**TOWN OF STRATFORD, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds							
	Miscellaneous Grants	Department of Children and Family Services	Recreation	Town Aid Road	Senior Citizens	Police Special Services	Harbor Management	Sewer Maintenance
Assets								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$ 84,218	\$	\$
Investments								
Accounts receivable	51,847							
Intergovernmental receivable	671,295							
Due from other funds	981,476	126,104	122,368	797,272	119,100		111,697	35,576
Inventory								
Total Assets	\$ 1,704,618	\$ 126,104	\$ 122,368	\$ 797,272	\$ 119,100	\$ 84,218	\$ 111,697	\$ 35,576
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities:								
Accounts payable	\$ 53,576	\$ 2,832	\$ 4,629	\$ 2,000	\$ 1,270	\$	\$ 619	\$
Accrued liabilities	6,506	7,640	930		402		1,414	
Unearned revenue								
Due to other funds	1,369,408							
Total liabilities	1,429,490	10,472	5,559	2,000	1,672	-	2,033	-
Deferred Inflows of Resources:								
Unavailable resources - other receivables	64,100							
Fund balances:								
Nonspendable								
Restricted								
Committed	211,028	115,632	116,809	795,272	117,428	84,218	109,664	35,576
Unassigned								
Total fund balances	211,028	115,632	116,809	795,272	117,428	84,218	109,664	35,576
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,704,618	\$ 126,104	\$ 122,368	\$ 797,272	\$ 119,100	\$ 84,218	\$ 111,697	\$ 35,576

(Continued on next page)

**TOWN OF STRATFORD, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds				Permanent Funds				Total Nonmajor Governmental Funds
	Solid Waste Remediation	Reserve	Police Private Duty	Debt Service	Stratford High School	Bunnell High School	Stephen Boothe	David Boothe	
Assets									
Cash and cash equivalents	\$	\$	\$	\$	\$ 35,923	\$ 24,602	\$ 4,996	\$ 19,537	\$ 1,199,750
Investments					185,768	86,217	725,335	1,605,797	2,603,117
Accounts receivable			33,816						123,333
Intergovernmental receivable									767,581
Due from other funds	50,000	421,290	512,520	3,380,478					7,260,664
Inventory									104,783
Total Assets	\$ 50,000	\$ 421,290	\$ 546,336	\$ 3,380,478	\$ 221,691	\$ 110,819	\$ 730,331	\$ 1,625,334	\$ 12,059,228
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities:									
Accounts payable	\$	\$ 52,591	\$	\$	\$	\$	\$	\$	\$ 961,739
Accrued liabilities		168							24,304
Unearned revenue		70,145							421,522
Due to other funds									1,369,408
Total liabilities	-	122,904	-	-	-	-	-	-	2,776,973
Deferred Inflows of Resources:									
Unavailable resources - other receivables									64,100
Fund balances:									
Nonspendable					221,691	110,819	730,331	1,625,334	2,792,958
Restricted				3,380,478					3,380,478
Committed	50,000	298,386	546,336						3,617,262
Unassigned									(572,543)
Total fund balances	50,000	298,386	546,336	3,380,478	221,691	110,819	730,331	1,625,334	9,218,155
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 50,000	\$ 421,290	\$ 546,336	\$ 3,380,478	\$ 221,691	\$ 110,819	\$ 730,331	\$ 1,625,334	\$ 12,059,228

**TOWN OF STRATFORD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019**

	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	\$ 1,936,277	\$ 385,583	\$ 3,894,353	\$ 68,856	\$ 7,392	\$ 527,984	\$ -	\$ 198,336
Departmental revenue	978,767				38,232			242,386
Licenses and permits								
Investment income								
Other			207,787					
Total revenues	<u>2,915,044</u>	<u>385,583</u>	<u>4,102,140</u>	<u>68,856</u>	<u>45,624</u>	<u>527,984</u>	<u>-</u>	<u>440,722</u>
Expenditures:								
Current:								
General government				109,523				
Education	3,091,756		4,121,340			482,016		
Human development					38,114			
Physical development		387,894					37,705	442,890
Public safety								
Capital outlay								
Total expenditures	<u>3,091,756</u>	<u>387,894</u>	<u>4,121,340</u>	<u>109,523</u>	<u>38,114</u>	<u>482,016</u>	<u>37,705</u>	<u>442,890</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(176,712)</u>	<u>(2,311)</u>	<u>(19,200)</u>	<u>(40,667)</u>	<u>7,510</u>	<u>45,968</u>	<u>(37,705)</u>	<u>(2,168)</u>
Other Financing Uses:								
Transfers in							75,000	
Transfers out								(250,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>(250,000)</u>
Net Change in Fund Balances	(176,712)	(2,311)	(19,200)	(40,667)	7,510	45,968	37,295	(252,168)
Fund Balances at Beginning of Year	<u>(266,460)</u>	<u>(22,277)</u>	<u>240,352</u>	<u>273,421</u>	<u>49,500</u>	<u>332,618</u>	<u>54,526</u>	<u>407,758</u>
Fund Balances at End of Year	<u>\$ (443,172)</u>	<u>\$ (24,588)</u>	<u>\$ 221,152</u>	<u>\$ 232,754</u>	<u>\$ 57,010</u>	<u>\$ 378,586</u>	<u>\$ 91,821</u>	<u>\$ 155,590</u>

(Continued on next page)

**TOWN OF STRATFORD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds							
	Miscellaneous Grants	Department of Children and Family Services	Recreation	Town Aid Road	Senior Citizens	Police Special Services	Harbor Management	Sewer Maintenance
Revenues:								
Intergovernmental	\$ 2,548,069	\$ 222,982	\$	\$ 600,187	\$ 18,035	\$	\$ 45,248	\$
Departmental revenue	95,083	259,668	155,911		42,456		25,407	
Licenses and permits								
Investment income						215		
Other	750		1,250			214,940		
Total revenues	<u>2,643,902</u>	<u>482,650</u>	<u>157,161</u>	<u>600,187</u>	<u>60,491</u>	<u>215,155</u>	<u>70,655</u>	<u>-</u>
Expenditures:								
Current:								
General government								
Education								
Human development	691,179	425,821	153,228		31,809			
Physical development	1,554,898	1,693					51,736	
Public safety	244,955					274,539		
Capital outlay				264,424			96,951	
Total expenditures	<u>2,491,032</u>	<u>427,514</u>	<u>153,228</u>	<u>264,424</u>	<u>31,809</u>	<u>274,539</u>	<u>148,687</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>152,870</u>	<u>55,136</u>	<u>3,933</u>	<u>335,763</u>	<u>28,682</u>	<u>(59,384)</u>	<u>(78,032)</u>	<u>-</u>
Other Financing Uses:								
Transfers in								
Transfers out								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	152,870	55,136	3,933	335,763	28,682	(59,384)	(78,032)	-
Fund Balances at Beginning of Year	<u>58,158</u>	<u>60,496</u>	<u>112,876</u>	<u>459,509</u>	<u>88,746</u>	<u>143,602</u>	<u>187,696</u>	<u>35,576</u>
Fund Balances at End of Year	<u>\$ 211,028</u>	<u>\$ 115,632</u>	<u>\$ 116,809</u>	<u>\$ 795,272</u>	<u>\$ 117,428</u>	<u>\$ 84,218</u>	<u>\$ 109,664</u>	<u>\$ 35,576</u>

(Continued on next page)

**TOWN OF STRATFORD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds				Permanent Funds				Total Nonmajor Governmental Funds
	Solid Waste Remediation	Reserve	Police Private Duty	Debt Service	Stratford High School	Bunnell High School	Stephen Boothe	David Boothe	
Revenues:									
Intergovernmental	\$	\$ 60,566	\$	\$	\$	\$	\$	\$	\$ 9,718,692
Departmental revenue		86,222	1,915,203						4,392,125
Licenses and permits									242,386
Investment income					2,002	964	21,437	86,591	111,209
Other		2,650		25,236	123,335	110,422			686,370
Total revenues	-	149,438	1,915,203	25,236	125,337	111,386	21,437	86,591	15,150,782
Expenditures:									
Current:									
General government									109,523
Education					126,228	128,987	36,731	83,269	8,070,327
Human development									1,340,151
Physical development		139,284							2,616,100
Public safety			1,495,225						2,014,719
Capital outlay									361,375
Total expenditures	-	139,284	1,495,225	-	126,228	128,987	36,731	83,269	14,512,195
Excess (Deficiency) of Revenues over Expenditures	-	10,154	419,978	25,236	(891)	(17,601)	(15,294)	3,322	638,587
Other Financing Uses:									
Transfers in	50,000								125,000
Transfers out				(3,460,000)					(3,710,000)
Total other financing sources (uses)	50,000	-	-	(3,460,000)	-	-	-	-	(3,585,000)
Net Change in Fund Balances	50,000	10,154	419,978	(3,434,764)	(891)	(17,601)	(15,294)	3,322	(2,946,413)
Fund Balances at Beginning of Year	-	288,232	126,358	6,815,242	222,582	128,420	745,625	1,622,012	12,164,568
Fund Balances at End of Year	\$ 50,000	\$ 298,386	\$ 546,336	\$ 3,380,478	\$ 221,691	\$ 110,819	\$ 730,331	\$ 1,625,334	\$ 9,218,155

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:

Fund	Funding Source	Function
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, 2020**

	<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>
Assets							
Special assessments	\$	\$	\$ 1,157	\$ 590,132	\$	\$	\$ 591,289
Intergovernmental receivable		731,393					731,393
Due from other funds	<u>34,711,150</u>	<u>4,067,206</u>		<u>1,789,851</u>		<u>102,877</u>	<u>40,671,084</u>
Total Assets	<u>\$ 34,711,150</u>	<u>\$ 4,798,599</u>	<u>\$ 1,157</u>	<u>\$ 2,379,983</u>	<u>\$ -</u>	<u>\$ 102,877</u>	<u>\$ 41,993,766</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities:							
Accounts payable	\$	\$ 6,002,654	\$	\$	\$	\$ 458	\$ 6,003,112
Bond anticipation notes		5,444,000					5,444,000
Unearned revenue		303,963					303,963
Due to other funds		<u>18,277,204</u>	<u>12,727</u>		<u>91,679</u>	<u>5,977,268</u>	<u>24,358,878</u>
Total liabilities	<u>-</u>	<u>30,027,821</u>	<u>12,727</u>	<u>-</u>	<u>91,679</u>	<u>5,977,726</u>	<u>36,109,953</u>
Deferred Inflows of Resources:							
Unavailable resources - special assessments			<u>1,157</u>	<u>590,132</u>			<u>591,289</u>
Fund balances:							
Committed		34,711,150		1,789,851			36,501,001
Unassigned		<u>(25,229,222)</u>	<u>(12,727)</u>		<u>(91,679)</u>	<u>(5,874,849)</u>	<u>(31,208,477)</u>
Total fund balances		<u>34,711,150</u>	<u>(12,727)</u>	<u>1,789,851</u>	<u>(91,679)</u>	<u>(5,874,849)</u>	<u>5,292,524</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 34,711,150</u>	<u>\$ 4,798,599</u>	<u>\$ 1,157</u>	<u>\$ 2,379,983</u>	<u>\$ -</u>	<u>\$ 102,877</u>	<u>\$ 41,993,766</u>

**TOWN OF STRATFORD, CONNECTICUT
CAPITAL PROJECTS FUND
PROJECT COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	<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	\$	\$	\$ 2,784	\$ 150,811	\$	\$	\$ 153,595
Intergovernmental		14,209,556					14,209,556
Total revenues	-	14,209,556	2,784	150,811	-	-	14,363,151
Expenditures:							
Capital outlay		42,236,550				701,881	42,938,431
Excess (Deficiency) of Revenues over Expenditures	-	(28,026,994)	2,784	150,811	-	(701,881)	(28,575,280)
Other Financing Sources (Uses):							
Transfers in		413,000					413,000
Net Change in Fund Balances	-	(27,613,994)	2,784	150,811	-	(701,881)	(28,162,280)
Fund Balances at Beginning of Year	34,711,150	2,384,772	(15,511)	1,639,040	(91,679)	(5,172,968)	33,454,804
Fund Balances at End of Year	\$ 34,711,150	\$ (25,229,222)	\$ (12,727)	\$ 1,789,851	\$ (91,679)	\$ (5,874,849)	\$ 5,292,524

Nonmajor Enterprise Funds

NONMAJOR 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
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020**

	<u>Short Beach Golf Course</u>	<u>Emergency Medical Services</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 2,068	\$ 192,765	\$ 194,833
Receivables:			
Accounts receivable, net		360,563	360,563
Due from other funds	45,693	75,107	120,800
Total current assets	<u>47,761</u>	<u>628,435</u>	<u>676,196</u>
Capital assets:			
Assets being depreciated, net	114,730	1,885,992	2,000,722
Total capital assets	<u>114,730</u>	<u>1,885,992</u>	<u>2,000,722</u>
Total assets	<u>162,491</u>	<u>2,514,427</u>	<u>2,676,918</u>
Liabilities:			
Current:			
Accounts payable	10,611	108,698	119,309
Unearned revenue	1,732		1,732
Advance from other funds	1,220,363		1,220,363
Due to other funds		2,745,195	2,745,195
Bonds payable		139,000	139,000
Capital lease payable		6,197	6,197
Compensated absences		85,096	85,096
Total current liabilities	<u>1,232,706</u>	<u>3,084,186</u>	<u>4,316,892</u>
Noncurrent liabilities:			
Bonds payable		713,000	713,000
Compensated absences		198,558	198,558
Total noncurrent liabilities	<u>-</u>	<u>911,558</u>	<u>911,558</u>
Total liabilities	<u>1,232,706</u>	<u>3,995,744</u>	<u>5,228,450</u>
Net Position:			
Net investment in capital assets	114,730	1,027,795	1,142,525
Unrestricted	<u>(1,184,945)</u>	<u>(2,509,112)</u>	<u>(3,694,057)</u>
Total Net Position	<u>\$ (1,070,215)</u>	<u>\$ (1,481,317)</u>	<u>\$ (2,551,532)</u>

**TOWN OF STRATFORD, CONNECTICUT
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Short Beach Golf Course</u>	<u>Emergency Medical Services</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ <u>209,307</u>	\$ <u>2,187,763</u>	\$ <u>2,397,070</u>
Operating Expenses:			
Operating and maintenance	145,796	2,493,253	2,639,049
Depreciation	<u>12,179</u>	<u>309,311</u>	<u>321,490</u>
Total operating expenses	<u>157,975</u>	<u>2,802,564</u>	<u>2,960,539</u>
Operating Income (Loss)	51,332	(614,801)	(563,469)
Nonoperating Expenses:			
Interest expense	<u> </u>	<u>(37,001)</u>	<u>(37,001)</u>
Change in Net Position	51,332	(651,802)	(600,470)
Net Position - Beginning of Year	<u>(1,121,547)</u>	<u>(829,515)</u>	<u>(1,951,062)</u>
Net Position - End of Year	<u>\$ (1,070,215)</u>	<u>\$ (1,481,317)</u>	<u>\$ (2,551,532)</u>

**TOWN OF STRATFORD, CONNECTICUT
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	Short Beach Golf Course	Emergency Medical Services	Total
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 209,307	\$ 2,231,252	\$ 2,440,559
Cash payments to suppliers	(91,154)	(137,485)	(228,639)
Cash payments to employees	(69,963)	(2,292,586)	(2,362,549)
(Payments) receipts for interfund services	(53,272)	700,813	647,541
Net cash provided by (used in) operating activities	<u>(5,082)</u>	<u>501,994</u>	<u>496,912</u>
Cash Flows from Capital and Related Financing Activities:			
Principal payments on debt		(147,000)	(147,000)
Principal payments on capital lease		(41,865)	(41,865)
Interest paid on debt		(37,001)	(37,001)
Acquisition of capital assets		(361,316)	(361,316)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(587,182)</u>	<u>(587,182)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(5,082)	(85,188)	(90,270)
Cash and Cash Equivalents at Beginning of Year	<u>7,150</u>	<u>277,953</u>	<u>285,103</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,068</u>	<u>\$ 192,765</u>	<u>\$ 194,833</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 51,332	\$ (614,801)	\$ (563,469)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	12,179	309,311	321,490
Change in assets and liabilities:			
(Increase) decrease in due from other funds	(45,693)	(28,605)	(74,298)
(Increase) decrease in accounts receivable		43,489	43,489
Increase (decrease) in accounts payable	(14,536)	12,015	(2,521)
Increase (decrease) in unearned revenues	(785)		(785)
Increase (decrease) in due to other funds	(7,579)	729,418	721,839
Increase (decrease) compensated absences		51,167	51,167
Net Cash Provided by (Used in) Operating Activities	<u>\$ (5,082)</u>	<u>\$ 501,994</u>	<u>\$ 496,912</u>
Noncash Investing and Capital Financing Activities:			
Contributions of Capital Assets from Town	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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 Fund - to provide reserves necessary to support an insurance program for health benefits.

Workers' Compensation Fund - to provide reserves necessary to support an insurance program for workers' compensation claims.

**TOWN OF STRATFORD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020**

	<u>Health Benefit</u>	<u>Workers' Compensation</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$	\$ 80,000	\$ 80,000
Due from other funds	1,715,025	2,655,122	4,370,147
Total assets	<u>1,715,025</u>	<u>2,735,122</u>	<u>4,450,147</u>
Current liabilities:			
Accounts payable	2,339	21,454	23,793
Due to other funds	46,502		46,502
Risk management claims	595,000		595,000
Total current liabilities	<u>643,841</u>	<u>21,454</u>	<u>665,295</u>
Noncurrent liabilities:			
Risk management claims		12,983,355	12,983,355
Total liabilities	<u>643,841</u>	<u>13,004,809</u>	<u>13,648,650</u>
Net Position:			
Unrestricted	<u>\$ 1,071,184</u>	<u>\$ (10,269,687)</u>	<u>\$ (9,198,503)</u>

**TOWN OF STRATFORD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Health Benefit</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 3,680,479	\$ 2,910,843	\$ 6,591,322
Operating Expenses:			
Operating and maintenance	<u>3,915,217</u>	<u>3,648,817</u>	<u>7,564,034</u>
Change in Net Position	(234,738)	(737,974)	(972,712)
Net Position - Beginning of Year	<u>1,305,922</u>	<u>(9,531,713)</u>	<u>(8,225,791)</u>
Net Position - End of Year	<u>\$ 1,071,184</u>	<u>\$ (10,269,687)</u>	<u>\$ (9,198,503)</u>

**TOWN OF STRATFORD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Health Benefit</u>	<u>Workers' Compensation</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 3,680,479	\$ 2,910,843	\$ 6,591,322
Cash payments to suppliers	(4,065,258)	(3,604,016)	(7,669,274)
(Payments) receipts for interfund services	<u>384,779</u>	<u>693,173</u>	<u>1,077,952</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 (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ (234,738)	\$ (737,974)	\$ (972,712)
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/to other funds	384,779	693,173	1,077,952
Increase (decrease) in accounts payable	959	(1,096)	(137)
Increase (decrease) in risk management liability	<u>(151,000)</u>	<u>45,897</u>	<u>(105,103)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fiduciary Funds

FIDUCIARY FUND

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
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
Student Activity Fund				
Assets:				
Cash and cash equivalents	\$ <u>321,125</u>	\$ <u>702,478</u>	\$ <u>708,144</u>	\$ <u>315,459</u>
Liabilities:				
Due to student groups	\$ <u>321,125</u>	\$ <u>702,478</u>	\$ <u>708,144</u>	\$ <u>315,459</u>
Senior Taxpayer Escrow				
Assets:				
Cash and cash equivalents	\$ <u>14,528</u>	\$ <u>26,427</u>	\$ <u>30,249</u>	\$ <u>10,706</u>
Liabilities:				
Payable to others	\$ <u>14,528</u>	\$ <u>26,427</u>	\$ <u>30,249</u>	\$ <u>10,706</u>
Planning & Zoning Performance Bonds				
Assets:				
Cash and cash equivalents	\$ <u>387,072</u>	\$ <u>105</u>	\$ <u>269,246</u>	\$ <u>117,931</u>
Liabilities:				
Payable to others	\$ <u>387,072</u>	\$ <u>105</u>	\$ <u>269,246</u>	\$ <u>117,931</u>
Inland/Wetland Performance Bonds				
Assets:				
Cash and cash equivalents	\$ <u>289,972</u>	\$ <u>206,142</u>	\$ <u>-</u>	\$ <u>496,114</u>
Liabilities:				
Payable to others	\$ <u>289,972</u>	\$ <u>206,142</u>	\$ <u>-</u>	\$ <u>496,114</u>
Teacher's Retiree Fund				
Assets:				
Cash and cash equivalents	\$ <u>201,547</u>	\$ <u>1,817,174</u>	\$ <u>1,811,607</u>	\$ <u>207,114</u>
Liabilities:				
Payable to others	\$ <u>201,547</u>	\$ <u>1,817,174</u>	\$ <u>1,811,607</u>	\$ <u>207,114</u>
Total Agency Funds				
Assets:				
Cash and cash equivalents	\$ <u>1,214,244</u>	\$ <u>2,752,326</u>	\$ <u>2,819,246</u>	\$ <u>1,147,324</u>
Liabilities:				
Due to student groups	\$ <u>321,125</u>	\$ <u>702,478</u>	\$ <u>708,144</u>	\$ <u>315,459</u>
Payable to others	<u>893,119</u>	<u>2,049,848</u>	<u>2,111,102</u>	<u>831,865</u>
Total Liabilities	\$ <u>1,214,244</u>	\$ <u>2,752,326</u>	\$ <u>2,819,246</u>	\$ <u>1,147,324</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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
Net investment in capital assets	\$ 81,971	\$ 45,522	\$ 90,461	\$ 85,697	\$ 81,259	\$ 78,329	\$ 82,429	\$ 58,172	\$ 57,747	\$ 49,667
Restricted	6,069	2,719	2,755	2,670	2,476	2,709	2,793	2,527	2,407	2,543
Unrestricted	(478,792)	(443,749)	(496,884)	(314,761)	(293,902)	(271,441)	(69,279)	(37,138)	(47,371)	(46,500)
Total governmental activities net position	<u>(390,753)</u>	<u>(395,508)</u>	<u>(403,668)</u>	<u>(226,394)</u>	<u>(210,167)</u>	<u>(190,403)</u>	<u>15,943</u>	<u>23,561</u>	<u>12,783</u>	<u>5,710</u>
Business-type activities:										
Net investment in capital assets	14,691	14,628	15,411	14,787	15,720	14,577	18,134	19,149	19,806	20,691
Restricted	(4,274)	(5,291)	1,160	5,388	5,746	7,676	6,094	6,710	6,615	8,475
Total business-type activities net position	<u>10,417</u>	<u>9,337</u>	<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>
Total:										
Net investment in capital assets	96,662	60,150	105,872	100,484	96,979	92,906	100,563	77,321	77,553	70,358
Restricted	6,069	2,719	2,755	2,670	2,476	2,709	2,793	2,527	2,407	2,543
Unrestricted	<u>(483,066)</u>	<u>(449,040)</u>	<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>
Total Net Position	<u>\$ (380,336)</u>	<u>\$ (386,171)</u>	<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>

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental activities:										
General government	\$ 35,401	\$ 40,788	\$ 42,394	\$ 32,000	\$ 31,845	\$ 33,728	\$ 30,840	\$ 38,354	\$ 38,445	\$ 38,499
Human development	8,164	11,084	7,731	8,794	10,145	8,277	8,518	8,852	9,029	8,033
Physical development	21,145	29,201	18,709	23,659	22,908	20,537	15,320	18,900	15,466	15,099
Public safety	37,296	27,261	26,839	34,067	35,826	28,289	35,654	24,111	23,712	29,459
Education	150,477	135,011	140,801	148,968	136,979	129,334	127,895	115,002	114,759	115,686
Debt service	13,684	11,612	12,734	13,696	12,058	12,530	9,636	4,548	3,484	6,033
Total governmental activities expenses	266,167	254,957	249,208	261,184	249,761	232,695	227,863	209,767	204,895	212,809
Business-type activities:										
Waste Operating	10,436	18,311	10,570	11,232	11,394	11,768	10,560	10,106	9,654	11,685
Other	2,999	3,099	2,902	2,738	2,875	2,451	2,324	2,225	1,745	1,739
Total business-type activities	13,435	21,410	13,472	13,970	14,269	14,219	12,884	12,331	11,399	13,424
Total Expenses	279,602	276,367	262,680	275,154	264,030	246,914	240,747	222,098	216,294	226,233
Program revenues:										
Governmental activities:										
Charges for services:										
General government	2,974	2,498	3,141	2,774	2,267	2,264	2,238	1,997	2,201	1,652
Human Development	681	885	1,433	1,354	3,440	3,709	3,907	3,811	3,844	4,132
Physical Development	1,188	1,460	1,196	1,377	2,052	1,940	1,810	749	619	876
Public Safety	1,986	1,467	163	2,002	1,023	1,468	1,412	1,512	1,462	1,422
Education	1,075	2,029	1,743	2,263	1,975	1,932	2,668	2,232	2,294	2,135
Operating grants and contributions	45,973	35,952	46,589	51,984	45,266	43,875	42,140	41,710	43,581	40,374
Capital grants and contributions	25,794	29,462	26,657	7,303	4,965	12,886	4,813	3,206		146
Total governmental activities program revenues	79,671	73,753	80,922	69,057	60,988	68,074	58,988	55,217	54,001	50,737
Business-type activities:										
Charges for services	13,332	13,625	13,406	13,378	14,181	12,944	11,932	11,998	9,215	8,890
Capital grants and contributions	730	1,780	26,524					348	13	518
Total business-type activities program revenues	14,062	15,405	39,930	13,378	14,181	12,944	11,932	12,346	9,228	9,408
Total Primary Government Program Revenues	93,733	89,158	120,852	82,435	75,169	81,018	70,920	67,563	63,229	60,145
Net revenues (expenses):										
Governmental activities	(186,496)	(181,204)	(168,286)	(192,127)	(188,773)	(164,621)	(168,875)	(154,550)	(150,894)	(162,072)
Business-type activities	627	(6,005)	26,458	(592)	(88)	(1,275)	(952)	15	(2,171)	(4,016)
Total Net Expense	(185,869)	(187,209)	(141,828)	(192,719)	(188,861)	(165,896)	(169,827)	(154,535)	(153,065)	(166,088)
General Revenues and Other Changes in Net Assets:										
Governmental activities:										
Property taxes	187,064	183,456	179,758	173,323	166,649	163,847	158,477	156,673	152,523	150,503
Grants and contributions not restricted to specific purposes	589	496	708	1,389	1,593	1,550	1,750	6,152	3,948	3,986
Unrestricted investment earnings	1,044	1,279	481	489	67	158	349	209	1	453
Miscellaneous	1,655	2,901	1,729					1,695	894	72
Transfers	900	1,230	3,537	700	700	700	681	600	600	680
Total governmental activities	191,252	189,362	186,213	175,901	169,009	166,255	161,257	165,329	157,966	155,694
Business-type activities:										
Property transfer										
Unrestricted investment earnings			1,044					23	27	42
Transfers	(900)	(1,230)	(3,537)	(700)	(700)	(700)	(681)	(600)	(600)	(680)
Total business-type activities	(900)	(1,230)	(2,493)	(700)	(700)	(700)	(681)	(577)	(573)	(638)
Total Primary Government General Revenues	190,352	188,132	183,720	175,201	168,309	165,555	160,576	164,752	157,393	155,056
Changes in Net Position:										
Governmental activities	4,756	8,159	17,928	(16,226)	(19,764)	1,634	(7,618)	10,779	7,072	(6,378)
Business-type activities	(273)	(7,235)	23,965	(1,292)	(788)	(1,975)	(1,633)	(562)	(2,744)	(4,654)
Total Primary Government Changes in Net Position	\$ 4,483	\$ 924	\$ 41,893	\$ (17,518)	\$ (20,552)	\$ (341)	\$ (9,251)	\$ 10,217	\$ 4,328	\$ (11,032)

Notes: Schedule prepared on the accrual basis of accounting.

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Nonspendable	\$ 1,469	\$ 1,619	\$ 1,405	\$ 1,120	\$ 1,071	\$ 770	\$ 670	\$	\$	\$
Restricted						116	116			
Assigned	103	191	1,064	211	17	127	612	1,666	2,284	2,322
Unassigned	<u>6,341</u>	<u>5,246</u>	<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>\$ 7,913</u>	<u>\$ 7,056</u>	<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>
All Other Governmental Funds:										
Nonspendable	\$ 2,793	\$ 39	\$ 36	\$ 33	\$ 36	\$ 34	\$ 29	\$ 28	\$ 32	\$ 33
Restricted	3,380	3,571	3,441	23,184	3,154	3,356	3,344	3,011	2,784	2,777
Committed	40,118	47,559	38,141	1,593	7,030	23,275	8,953	20,612	18,045	24,116
Unassigned	<u>(31,781)</u>	<u>(5,549)</u>	<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>\$ 14,511</u>	<u>\$ 45,620</u>	<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>

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

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Property taxes and assessments	\$ 185,737	\$ 184,163	\$ 180,610	\$ 174,282	\$ 165,013	\$ 163,967	\$ 158,063	\$ 154,248	\$ 153,069	\$ 150,408
Intergovernmental	71,829	76,025	66,113	61,476	51,818	57,375	49,273	50,978	47,876	45,050
Department revenue	7,101	7,937	6,257	6,320	5,642	5,320	5,445	4,935	5,028	4,949
Licenses and permits	1,350	1,046	1,249	1,161	1,309	1,215	1,076	961	760	831
Investment income	1,043	1,279	481	489	67	159	349	209	1	454
Other	1,656	2,901	1,793	2,510	4,600	5,443	5,513	5,842	5,661	4,543
Total revenues	<u>268,715</u>	<u>273,351</u>	<u>256,503</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>
Expenditures:										
Administration	5,501	5,911	5,984	4,979	4,591	4,821	4,247	4,115	4,421	4,354
Contingency	3,422	4,431	4,733	2,642	3,688	4,013	4,203	2,853	3,031	2,087
Employee benefits	19,231	19,303	19,310	20,423	19,573	21,433	181,535	27,030	26,010	25,324
Finance	2,562	1,883	2,198	2,194	2,120	2,075	2,219	1,956	2,115	2,015
Human development	7,472	7,441	8,243	8,055	8,828	7,427	7,375	8,087	8,554	7,762
Physical development	16,972	14,680	14,283	12,811	13,351	13,891	14,228	16,260	13,222	13,422
Public safety	28,701	27,462	25,644	25,817	25,428	23,936	23,789	23,630	22,487	22,389
Education	139,237	138,160	127,869	133,878	120,859	118,380	115,647	112,560	110,889	107,915
Capital outlay	43,300	52,103	46,491	16,208	17,124	32,595	20,305	23,392	19,134	11,143
Debt service:										
Principal retirement	18,732	24,095	21,627	14,701	12,955	13,004	16,675	14,275	13,683	12,336
Interest and other charges	14,737	5,795	13,753	18,398	18,425	18,327	5,809	4,828	3,614	7,013
Total expenditures	<u>299,866</u>	<u>301,264</u>	<u>290,135</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>
Excess of revenue over (under) expenditures	<u>(31,151)</u>	<u>(27,913)</u>	<u>(33,632)</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>
Other financing sources:										
Transfers in	5,148	3,058	5,104	4,715	6,533	4,982	6,482	2,580	2,091	2,402
Transfers out	(4,248)	(1,828)	(1,567)	(4,015)	(5,833)	(4,282)	(5,801)	(1,980)	(1,491)	(1,722)
Proceeds from capital leases					414	1263	253	2,097	2,300	
Payments to escrow agents						(9,995)	(18,139)		(19,325)	(66,088)
Proceeds from refunding bonds						8,945	16,418		18,062	65,572
Premiums on refunding				3,270		4,207			1,424	935
Bonds issued		70,000		25,260		33,795	163,137	21,475	8,212	11,700
Premiums on bonds		6,815					1,905	263		267
Total other financing sources	<u>900</u>	<u>78,045</u>	<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>
Net Change in Fund Balances	<u>\$ (30,251)</u>	<u>\$ 50,132</u>	<u>\$ (30,095)</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>
Debt Service as a Percentage of Noncapital Expenditures	<u>13.0%</u>	<u>12.0%</u>	<u>14.5%</u>	<u>13.6%</u>	<u>13.7%</u>	<u>13.8%</u>	<u>6.0%</u>	<u>8.9%</u>	<u>8.3%</u>	<u>9.5%</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							
2020	2018	\$ 3,003,231,950	\$ 853,178,360	\$ 73,125,660	\$ 450,125,790	\$ 4,379,661,760	\$ 575,631,130	\$ 351,015,990	\$ 5,306,308,880	39.87	\$ 688,577,880	\$ 4,617,731,000	87%
2019	2017	2,998,977,860	843,089,200	66,764,870	434,211,890	4,343,043,820	544,923,142	345,667,180	5,233,634,142	39.97	679,710,260	4,553,923,882	87%
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%

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
2020	2018	\$ 182,676,632	\$ 178,292,393	97.60%	\$ -	\$ 178,292,393	97.60%
2019	2017	182,262,885	178,033,540	97.68%	1,848,107	179,881,647	98.69%
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%

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>2020</u>			<u>Taxpayer</u>	<u>2011</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>
Lockheed Martin Co.	\$ 160,539	1	3.48%	United Illuminating	\$ 14,761	9	0.32%
United Illuminating	131,626	2	2.86%	Sikorsky Aircraft	185,095	1	4.00%
Sikorsky Aircraft	74,431	3	1.62%	Southern Connecticut Gas	16,777	5	0.36%
Southern Connecticut Gas	32,096	4	0.71%	Second Avenue Development LLC	12,951	10	0.28%
Second Avenue Development LLC	21,192	5	0.47%	Ashcroft Inc.	16,861	4	0.36%
Ashcroft Inc.	20,274	6	0.45%	Stonybrook Gardens Inc.	19,110	3	0.41%
Stonybrook Gardens Cooperative	19,100	7	0.42%	UB Dockside LLC	24,109	2	0.52%
UB Dockside LLC (Urstadt Biddle Prop)	17,097	8	0.38%				
Avalon at Stratford LLC	16,277	9	0.36%	Kramont Operating Partnership	16,520	8	0.36%
ETCL Stratford, LLC	15,546	10	0.35%	Home Depot	16,755	6	0.36%
				Walmart	16,730	7	0.36%
TOTAL	\$ 508,178		11.10%	TOTAL	\$ 339,669		7.33%

Source: Town of Stratford, Office of Tax Assessor

* Total taxable assessed value (Table 5) \$ 4,617,731

\$ 4,626,512

**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	General Obligation Bonds	Notes	Leases				
2020	\$ 308,734	\$ 334	\$ 1,161	\$ 24,292	\$ 26	\$ 334,547	7.24%	\$ 5,841	17.1%
2019	328,238	538	1,338	26,666	74	356,854	7.84%	5,162	21.0%
2018	271,210	1,155	1,513	29,913	146	303,937	6.77%	5,162	17.9%
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%	5,457	19.2%
2015	305,060	2,418	1,948	35,702	46	345,174	7.57%	5,772	20.3%
2014	287,215	1,214	2,086	37,983	51	328,549	7.25%	5,373	19.3%
2013	138,865	1,841	2,159	40,431		183,296	4.05%	2,665	10.9%
2012	131,846	2,300	2,038	42,682		178,866	3.96%	2,532	10.6%
2011	136,829		2,069	44,976		183,874	4.03%	2,636	10.9%

(1) Amounts include unamortized bond premiums.

**TOWN OF STRATFORD, CONNECTICUT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2020**

None

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

Fiscal Year Ended June 30	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Debt Per Capita
2020	\$ 308,734	\$ 3,380	\$ 305,354	6.61%	\$ 5,841
2019	328,238	6,815	321,423	7.06%	6,146
2018	271,210		271,210	6.04%	5,162
2017	293,473	443	293,030	6.54%	5,598
2016	285,472	887	284,585	6.40%	5,457
2015	305,060	1,387	303,673	6.66%	5,772
2014	287,215	3,887	283,328	6.25%	5,373
2013	138,865		138,865	3.07%	2,665
2012	131,846		131,846	2.92%	2,532
2011	136,829		136,829	3.00%	2,636

(1) Amounts include unamortized bond premiums.

**TOWN OF STRATFORD, CONNECTICUT
COMPUTATION OF LEGAL DEBT LIMITATION
JUNE 30, 2020**

Total tax collections (including interest and lien fees) for the year ended June 30, 2019					\$ <u>183,564,143</u>
	<u>General Purpose</u>	<u>Schools</u>	<u>Sewer & Water</u>	<u>Urban Renewal</u>	<u>Unfunded Pension Benefit Obligation</u>
Debt limitation:					
2-1/4 times base	\$ 413,019,322	\$	\$	\$	\$
4-1/2 times base		826,038,644			
3-3/4 times base			688,365,536		
3-1/4 times base				596,583,465	
3 times base					550,692,429
Total debt limitation	<u>413,019,322</u>	<u>826,038,644</u>	<u>688,365,536</u>	<u>596,583,465</u>	<u>550,692,429</u>
Indebtedness:					
Bonds payable	71,064,557	99,254,639	308,754		123,630,000
Bonds authorized, unissued	12,440,724	18,795,737	1,527,141		
BAN Payable		5,444,000			
Clean Water Fund notes			24,291,614		
Grant commitments		(35,667,534)			
Total indebtedness	<u>83,505,281</u>	<u>87,826,842</u>	<u>26,127,509</u>	<u>-</u>	<u>123,630,000</u>
Debt Limitation in Excess of Outstanding and Authorized Indebtedness					
	<u>\$ 329,514,041</u>	<u>\$ 738,211,802</u>	<u>\$ 662,238,027</u>	<u>\$ 596,583,465</u>	<u>\$ 427,062,429</u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$1,284,949,001).

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt limitation	\$ 1,284,949	\$ 1,258,666	\$ 1,213,970	\$ 1,154,855	\$ 1,144,289	\$ 1,098,867	\$ 1,077,251	\$ 1,074,213	\$ 1,049,881	\$ 980,203
Total net debt applicable to limit	<u>321,086</u>	<u>325,666</u>	<u>350,587</u>	<u>375,969</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>
Legal Debt Margin	<u>\$ 963,863</u>	<u>\$ 933,000</u>	<u>\$ 863,383</u>	<u>\$ 778,886</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>
Total net debt applicable to the limit as a percentage of debt limit	24.99%	25.87%	28.88%	32.56%	40.10%	37.10%	40.00%	24.01%	24.15%	26.57%

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**

Fiscal Year	Population(1)	Per Capita Income(2)	Median Age(1)	School Enrollment(3)	Unemployment Rate(4)	Personal Income
2020	52,279	\$ 37,485	44.0	6,956	8.6%	\$ 1,959,678,315
2019	52,300	35,175	44.0	6,916	4.2%	1,839,652,500
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

(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] - Current Rate impacted by COVID-19

TABLE 14

**TOWN OF STRATFORD, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Business Name	Nature of Business	2020			2011		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Lockheed Martin-Sikorsky Aircraft	Manufacturer of Helicopters	5799	1	23.87%	8800	1	35.22%
Town of Stratford	Government/Education	1331	2	5.49%	1343	2	5.38%
United Parcel Service	Package Delivery	521	3	2.15%	750	3	3.01%
Yale New Haven Technology Center	Electronic Storage	510	4	2.11%	200	12	0.81%
Ashcroft Holdings	Manufacturer of Gauges, Valves	400	5	1.66%	475	5	
Lord Chamberlain	Skilled Nursing Facility	332	6	1.38%	350	6	
Connecticut Distributor	Liquor Distributors	297	7	1.23%	243	11	
Aptar	Manufacturer Pump Atomizers	271	8	1.13%	270	9	
Encon	HVAC	240	9	1.00%			
Amazon	Distribution Center	230	10	0.96%			0.01%
Burns Construction	Construction	199	11	0.83%			0.01%
Bridgeport Fittings	Manufacturer of Electrical Fittings	186	12	0.78%	185	14	0.75%
ShopRite	Retail Grocery Products	176	13	0.73%	180	15	
William B. Myers	Moving, Storage & Rigging	153	14	0.64%	175	16	0.71%
Cablevision	Cable Television, Internet, Telecom.				300	7	1.21%
Stop & Shop	Retail Grocery Products				192	13	0.78%
Stratford Retailer Condo Assoc.	Retail Chains				541	4	2.17%
Aurora Products	Dried Fruit Packaging				131	18	0.53%
Home Depot	Home / Garden / Repair Goods				144	17	0.59%
Walmart	Consumer Goods				280	8	1.13%
CCT Global	Health and Beauty Care				125	19	0.51%
AT&T	Telecommunications				250	10	1.01%
Total		<u>10,645</u>		<u>43.96%</u>	<u>14,934</u>		<u>53.83%</u>
Total Employment		<u>24,304</u>			<u>24,990</u>		

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)

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government	93	89	93	91	81	79	78	83	64	89
Police	116	107	107	106	104	113	111	106	117	116
Fire	113	108	101	111	107	111	109	117	111	100
Refuse collection	32	29	28	28	29	31	29	28	29	32
Other public works	77	83	83	77	76	76	74	67	76	64
Parks	29	30	29	24	22	22	23	16	21	24
Recreation	4	4	4	4	4	4	5	3	6	7
Total Non-Education	<u>464</u>	<u>450</u>	<u>445</u>	<u>441</u>	<u>423</u>	<u>436</u>	<u>429</u>	<u>420</u>	<u>424</u>	<u>432</u>
Education	<u>890</u>	<u>884</u>	<u>884</u>	<u>886</u>	<u>882</u>	<u>891</u>	<u>891</u>	<u>890</u>	<u>864</u>	<u>847</u>
Total Including Education	<u>1,354</u>	<u>1,334</u>	<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>

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government:										
Building permits issued	951	951	724	736	687	739	736	749	709	669
Building inspections conducted	3,554	3,554	3,674	3,713	3,665	3,889	3,426	3,151	3,090	3,188
Police:										
Physical arrests	1,020	1,020	1,860	1,563	1,704	1,566	1,144	1,403	1,520	1,419
Parking violations	8,510	8,510	6,608	9,970	7,567	397	468	464	631	431
Traffic violations	2,181	2,181	1,940	1,658	1,558	1,386	1,767	2,158	2,595	2,969
Fire:										
Emergency responses	6,456	6,456	6,342	5,905	6,092	5,749	5,749	6,772	5,556	5,707
Fires extinguished	166	166	207	209	219	208	208	318	304	311
Inspections	1,520	1,520	1,356	1,410	2,180	1,941	1,941	1,992	1,747	1,216
Refuse collection:										
Refuse collected (tons per year)	22,170	22,170	21,167	22,103	20,522	21,571	21,961	23,100	24,035	24,636
Recyclables collected (tons per year)	3,301	3,301	3,235	3,332	3,297	3,232	3,196	3,126	3,173	3,365
Parks and recreation:										
Athletic field permits issued	6,000	8,920	6,819	9,000	7,987	8,801	9,304	9,570	9,379	10,192
Library										
Volumes in collection (Books & Serials)							149,357	160,557	152,384	151,115
Volumes in collection (All Other Items)							18,352	19,837	17,783	16,009
Total volumes borrowed (Books & Serials)							277,195	279,641	292,047	286,470
Total volumes borrowed (All Other Items)							153,156	158,799	179,563	175,639
Water:										
Average daily sewage treatment (thousands of gallons)	9,708	9,708	7,800	7,120	6,501	7,669	7,669	7,896	6,700	8,826

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units (Number of Vehicles)	33	33	34	32	31	33	33	32	32	30
Fire stations	4	4	4	4	4	4	4	4	4	4
Refuse collection:										
Refuse collection trucks	10	7	6	6	6	6	6	6	6	6
Recycling collection trucks	3	3	4	3	3	3	3	3	3	3
Yard Waste Trucks	2	1	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	30	30	27	27	27	27
Baseball/softball diamonds	37	37	37	37	38	38	42	45	45	45
Soccer/football fields	14	14	14	14	14	14	13	13	13	13
Community centers	2	2	2	2	2	2	2	2	2	2
Wastewater:										
Sanitary sewers (miles)	201	201	201	201	170	200	200	200	200	200
Storm sewers (miles)	149	149	149	149	125	125	125	125	125	125
Treatment capacity (thousands of gallons)	16,000	16,000	16,000	16,000	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