

**Town of Stratford  
Connecticut**



**Annual Comprehensive Financial Report**

Fiscal Year Ended June 30, 2021



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

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

**Finance Department  
Dawn Savo  
Finance Director**



# **Introductory Section**



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**JUNE 30, 2021**

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April 12, 2022

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, 2021.

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, 2021. 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. The Sikorsky Memorial Airport is located within Stratford and provides business, charter and private flights. 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, located one half mile from Interstate 95 and Sikorsky Airport, is the site of much business growth in recent years.

The Town’s public school system provides a balanced curriculum for 6,699 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 a variety of museums (including the two newest: Stratford Veterans Museum and The African American History Museum), plus 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 52,100 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 by 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, is imminent, as the Army prepares to transfer the property to the developer, Point Stratford Renewal, in the second quarter of 2022. This developed site will stimulate the economy in Stratford and the surrounding region.

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 selecting one of two finalist developers 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 ahead of schedule, with completion of the northbound on-ramp and the southbound ramp slated for completion in the spring 2022. This long-awaited development 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. Night Shift Brewing out of Massachusetts opened their first out-of-state distribution center in Stratford, and Fairfield Craft Ales rounds out the offerings under new ownership.

Additionally, on Stratford Avenue where Two Roads is located, the Town has a streetscape project in the design phase, creating a whole new corridor along the “doorway to Stratford” with improvements in this area 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 10.9 acre, Town-owned brownfield property, site of the former Contract Plating Company, 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 Knott’s Landing development was completed in January 2021 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.

The first phase of a new development behind Ryder’s Landing, to be called “Parkway Plaza,” is now underway. This first phase will consist of a coffee shop (Starbucks?), to be followed by a restaurant, a retail and office building, and a boutique hotel on this six-acre property. The second phase will most likely begin in 2022.

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 (former site of Mobil Chemical) was sold to a developer who recently completed construction of a 400K SF distribution facility at the site. FedEx is the new tenant, and this property will be a significant addition to Stratford’s tax rolls.

Down the road on Access Rd, the old Aptar building is in the process of being retrofitted for a medical marijuana manufacturer, bringing in a significant number of competitive paying jobs.

In addition to the aforementioned major developments, there are a number of thriving Stratford businesses that are looking for expansion space within Town. Together with the many businesses that continue to bypass lower Fairfield County and choose Stratford, these businesses will all 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 that continued during fiscal year 2021 with additional variants and required response by Public Safety and Public Health. The Town was able to pivot public hearings and meetings to a digital online format as needed and authorize a budget for FY2021 that anticipated uncertainty in all areas of operations while ensuring continuation of critical government services. The Mayor and the Town Council met the challenge. The Mayor has

proposed a budget to Town Council for FY2022 again that maintains public services to the community without increasing the mil rate despite the challenges of the pandemic and uncertain State funding. The Town was awarded American Rescue Plan Act funding in the amount of \$25,928,479.41 to be released in two tranches, one in 2021 and the second in 2022. The funds can be used for revenue recovery if needed. The Town Council authorized roughly \$4.5 million to be used for capital plan purchases rather than borrowing funds. During the pandemic, The Town continues to serve the residents, businesses, and taxpayers while remaining fully open to the public.

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 2021 and ending with Fiscal Year 2025.

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, 2021, the General Fund ended in a year-end operating surplus of \$3,990,102,

The year end surplus is largely due to a combination of cost containment efforts such as halting all non essential projects and monitoring purchases; as well as robust tax collections. Though the Town Council offered tax deferrals due to the Covid-19 impact on personal and business finances, very few residents and businesses made use of the program.

Although there are more unknowns than usual heading into Fiscal Year 2021-2022 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 2021, the Town continued to pay principal and interest payments on its Pension Obligation Bonds directly from the General Fund. On December 8, 2020, the Town issued \$29,105,000 of general obligation bonds and \$13,845,000 of general obligation bond anticipation notes. The Town also issued \$78,100,000 in general obligation refunding bonds. The new money bonds will mature through 2040 and the refunding will mature through 2034. The bond anticipation note (BAN) was redeemed in December 2021 and the Town issued \$12,245,000 million of BANS again in December of 2021 and March of 2022 at a rate of 1% with a net interest cost (NIC) of .304% and .698% respectively. The BANS will mature in May of 2022 when the Town will bond again for capital projects. The Town's refunding 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 2021, the Town collected 97.98% of its current tax levy. Property taxes levied increased by \$4,409,733 over the prior year. The current year tax collections totaled \$185,465,100 with the arrear taxes and interest collected was \$5,261,506.

#### Acknowledgements

I am grateful for our independent audit team from CliftonLarsonAllen 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 who worked numerous hours on the preparation of this report – they are amazing and really rose to the occasion during this health, public safety, and economic crisis to continue 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.

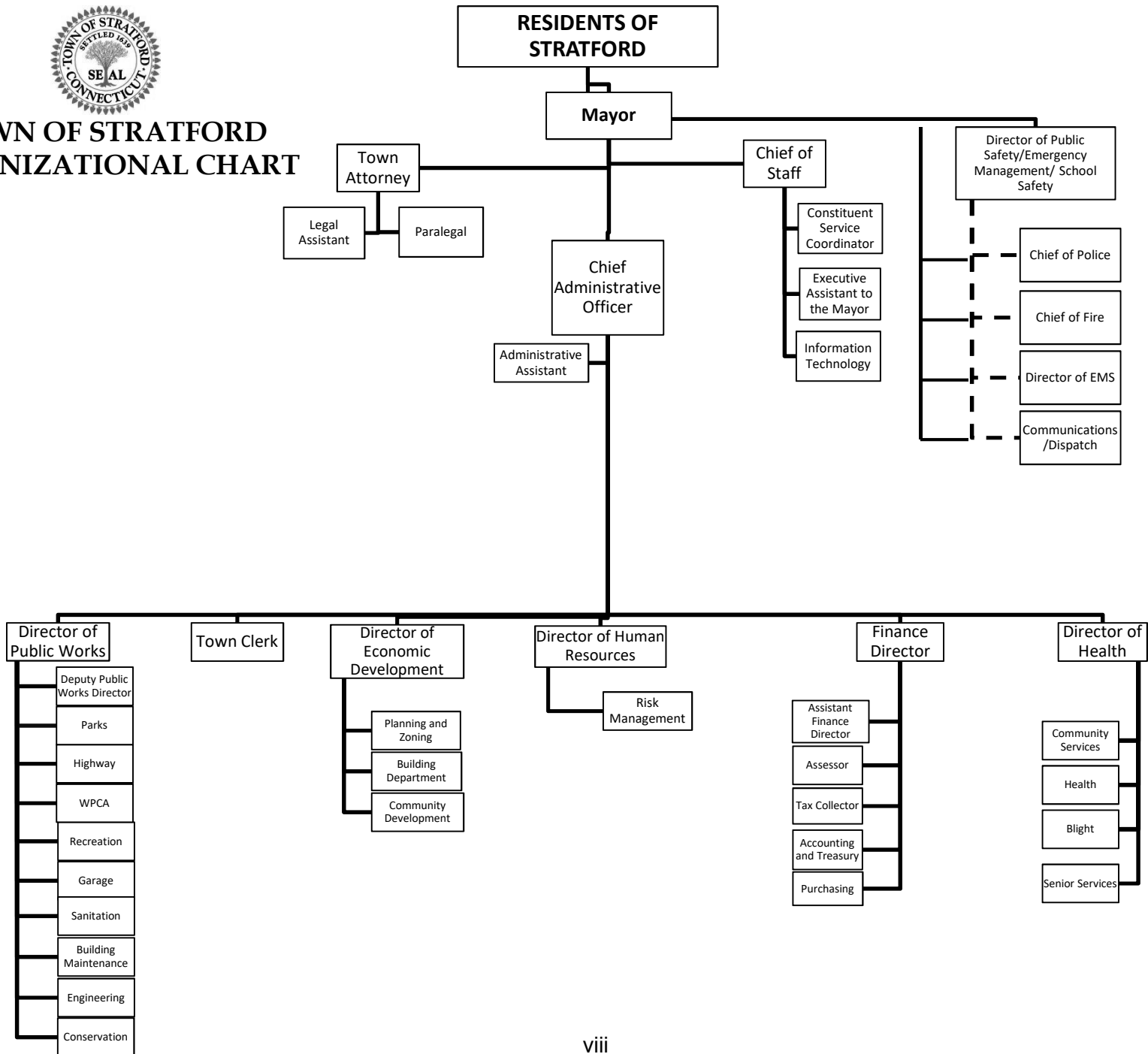
Respectfully Submitted,

*Dawn M. Savo*

Dawn M. Savo, Finance Director



# 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

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# 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, 2021, 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stratford, Connecticut, as of June 30, 2021 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.

## ***Emphasis of Matter***

During fiscal year ended June 30, 2021, the Town of Stratford, Connecticut adopted GASB Statement No. 84 *Fiduciary Activities*. As a result of the implementation of this standard, the Town of Stratford, Connecticut reported a restatement for the change in accounting principle (see Note 13) Our auditors' opinion was not modified with respect to the restatement.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

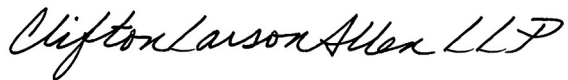
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Stratford, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section 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 April 12, 2022 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
April 12, 2022

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**TOWN OF STRATFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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, 2021. 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 \$28,968 inclusive of a restatement due to implementation of GASB Statement No. 84 *Fiduciary Activities*. The net position of our business-type activities increased by \$8,025.
- During the year, the Town's governmental activities program expenses were \$27.8 million less than the \$299.9 million generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues from charges for services are \$13.1 million while operating expenses are \$14.2 million primarily due to the Water Treatment plant.
- Total cost of all of the Town's programs increased by \$6.8 million to \$286.4 million. The main increases were in Education \$18 million program expenses offset by decreases of \$10 million in Public Safety.
- The General Fund reported a fund balance this year of \$11.9 million, which is an increase of \$4 million 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 \$(380.3) million to \$(343.3) 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)**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 61,514	\$ 58,058	\$ 3,254	\$ 3,194	\$ 64,768	\$ 61,252
Capital assets, net of depreciation	304,002	277,248	46,383	40,169	350,385	317,417
Total assets	<u>365,516</u>	<u>335,306</u>	<u>49,637</u>	<u>43,363</u>	<u>415,153</u>	<u>378,669</u>
Deferred outflows - pension	9,315	4,171	281	130	9,596	4,301
Deferred outflows - OPEB	45,119	28,125	1,134	620	46,253	28,745
Deferred outflows on refunding	6,318	1,602			6,318	1,602
Total deferred outflows of resources	<u>60,752</u>	<u>33,898</u>	<u>1,415</u>	<u>750</u>	<u>62,167</u>	<u>34,648</u>
Current liabilities	63,995	47,158	1,484	1,258	65,479	48,416
Long-term debt outstanding	622,634	699,314	28,397	32,141	651,031	731,455
Total liabilities	<u>686,629</u>	<u>746,472</u>	<u>29,881</u>	<u>33,399</u>	<u>716,510</u>	<u>779,871</u>
Deferred inflows - pension	36,139		1,092		37,231	-
Deferred inflows - OPEB	65,126	13,485	1,637	297	66,763	13,782
Deferred inflows on refunding	159				159	
Total deferred inflows of resources	<u>101,424</u>	<u>13,485</u>	<u>2,729</u>	<u>297</u>	<u>104,153</u>	<u>13,782</u>
Net Position:						
Net investment in capital assets	113,217	81,970	23,500	14,691	136,717	96,661
Restricted	4,348	6,069.0			4,348	6,069
Unrestricted	<u>(479,350)</u>	<u>(478,792)</u>	<u>(5,058)</u>	<u>(4,274)</u>	<u>(484,408)</u>	<u>(483,066)</u>
Total Net Position	<u>\$ (361,785)</u>	<u>\$ (390,753)</u>	<u>\$ 18,442</u>	<u>\$ 10,417</u>	<u>\$ (343,343.00)</u>	<u>\$ (380,336)</u>

Net position of the Town's governmental activities increased to \$(361.7) million as comparable to the prior year as restated at \$(390.7). 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 \$(478.8) million at June 30, 2020 to \$(479.3) million at the end of this year.

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 9,239	\$ 7,903	\$ 13,129	\$ 13,332	\$ 22,368	\$ 21,235
Operating grants and contributions	68,365	53,418			68,365	53,418
Capital grants and contributions	27,708	25,794	10,030	730	37,738	26,524
General revenues:						
Property taxes	191,353	187,064			191,353	187,064
Grants and contributions not restricted to specific purposes	1,431	589			1,431	589
Unrestricted investment earnings	931	1,044			931	1,044
Miscellaneous	916	1,655			916	1,655
Total revenues	<u>299,943</u>	<u>277,467</u>	<u>23,159</u>	<u>14,062</u>	<u>323,102</u>	<u>291,529</u>
Program expenses:						
General government	30,391	35,401			30,391	35,401
Human development	8,520	8,164			8,520	8,164
Physical development	25,812	21,145			25,812	21,145
Public safety	27,082	37,296			27,082	37,296
Education	168,119	157,922			168,119	157,922
Interest expense	12,266	13,684			12,266	13,684
Waste operating			10,948	10,436	10,948	10,436
Short Beach Golf Course			150	158	150	158
Emergency Medical Services			3,136	2,841	3,136	2,841
Total program expenses	<u>272,190</u>	<u>273,612</u>	<u>14,234</u>	<u>13,435</u>	<u>286,424</u>	<u>287,047</u>
Excess before transfers	27,753	3,855	8,925	627	36,678	4,482
Transfers	900	900	(900)	(900)	-	-
Change in Net Position	28,653	4,755	8,025	(273)	36,678	4,482
Net Position at Beginning 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>
Restatement	315				315	
Net Position at End of Year	<u>\$ (361,785)</u>	<u>\$ (390,753)</u>	<u>\$ 18,442</u>	<u>\$ 10,417</u>	<u>\$ (343,343)</u>	<u>\$ (380,336)</u>

The Town's total revenues were \$323.1 million. The total cost of all programs and services was \$286.4 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	\$34,521
Change in Deferred Outflows Related to Pension	5,143
Change in Deferred Inflows Related to Pension	(36,138)
Change in Total OPEB Liability	38,743
Change in Deferred Outflows Related to OPEB	16,993
Change in Deferred Inflows related to OPEB	<u>(51,641)</u>
Statement of Activities - Change in Pension/OPEB	<u>\$7,621*</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 63.7% of the revenues were derived from property taxes; the remaining 36.2% of revenue is made up of operating and capital grants and investment earnings.

Major revenue factors include:

- Property taxes increased by \$4.3 million over the prior year. Current tax collections totaled \$185.5 million or 98.2% of the collectible taxes. Arrear taxes and interest collected was \$4.98 million.
- Operating grants for governmental activities increased by \$14.9 million over the prior year. The State of Connecticut Education Cost Sharing grant, Special education, and Municipal Grants-in-Aid totaled \$31.7 million of the Operating grants total.
- Governmental expenses decreased from \$273.6 million to \$272.2 million this year. These decreases consisted of \$10.2 million in public safety and \$5 million in general government. There was a corresponding increase of \$10.2 million in education, \$4.7 million in physical development.

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	
	2021	2020	2021	2020
General government	\$ 30,391	\$ 35,401	\$ 21,295	\$ 27,530
Public safety	27,082	37,296	25,021	34,949
Physical development	25,812	21,145	7,957	2,872
Education	168,119	157,922	93,102	100,685
Human development	8,520	8,164	7,237	6,777
All others	12,266	13,684	12,266	13,684
<b>Total</b>	<b>\$ 272,190</b>	<b>\$ 273,612</b>	<b>\$ 166,878</b>	<b>\$ 186,497</b>

**Business-Type Activities**

Business-type activities increased the Town's net position by \$8 million. The key factors were \$9.78 million in program revenues in Waste Operating Fund.

**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 \$11.1 million, a decrease of \$11.3 million in comparison with the prior year. This is due to the deficiency of revenues over expenditures of \$28.3 million of which \$27.9 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 \$11.9 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 \$4 million during the current fiscal year.

The Capital Projects Fund has a fund balance of -\$7.4 million at the end of the year, a decrease of \$12.7 million from the prior year. Major projects in 2021 are as follows:

- The Stratford High School Project of \$16.5 million.
- Road Resurfacing, sidewalk improvement, street improvement, and bridge improvement of \$7.5 million.
- Other school Improvements have expenditures for \$2.3 million.
- Capital equipment purchases for public works, police and fire of \$7.8 thousand.

Other nonmajor governmental funds have a total fund balance of \$6.6 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 \$18.4 million at the end of 2021, increasing by \$8 million from the previous year.

Net position of the Waste Operating Fund at the end of the year is \$20.9 million, 113% of total net position of the proprietary funds. Other non-major activities have net deficit of \$2.5 million or -13.6% 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 2021 totaled (\$11) million; thereby, increasing the deficit by \$1.9 million from the previous year.

Net position of the Health Benefit Fund and Workers' Compensation as of June 30, 2021 is (\$748) thousand and (\$10.4) 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 over budgetary estimates by \$4.5 million and total expenditures were under budgetary estimates by \$4.2 million. The town had a positive revenue variance that was the result of improved tax collections over the previous year, transfer in of \$3.5 million in bond premium, increased miscellaneous revenue of \$390 thousand, increased building permits and Town Clerk revenues of \$131 and \$664 thousand respectively. Expenditures were under budget estimates in all categories except public safety which had a negative variance of \$706,048 or 2.5%, and physical development which as a negative variance of \$213,079 or 1.4%.

### **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, 2021 amounted to \$304 million and \$46.4 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 \$32.9 million.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land	\$ 15,855	\$ 15,855	\$	\$	\$ 15,855	\$ 15,855
Land improvements	11,394	8,061	18	25	11,412	8,086
Buildings and improvements	212,419	97,458	24,933	28,189	237,352	125,647
Infrastructure	30,484	29,748	6,210	6,488	36,694	36,236
Machinery and equipment	10,723	10,919	1,850	1,451	12,573	12,370
Construction in progress	23,127	115,207	13,372	4,016	36,499	119,223
<b>Total</b>	<b>\$ 304,002</b>	<b>\$ 277,248</b>	<b>\$ 46,383</b>	<b>\$ 40,169</b>	<b>\$ 350,385</b>	<b>\$ 317,417</b>

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, 2021 the Town had \$331.6 million in bonds and notes outstanding versus \$334.5 million last year, a decrease of .9% as shown in Table 5.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
General and pension obligation bonds	\$ 308,530	\$ 308,734	\$ 1,007	\$ 1,161	\$ 309,537	\$ 309,895
Capital leases	170	334	11	26	180	360
Notes payable			21,867	24,292	21,867	24,292
<b>Totals</b>	<b>\$ 308,700</b>	<b>\$ 309,068</b>	<b>\$ 22,884</b>	<b>\$ 25,479</b>	<b>\$ 331,583</b>	<b>\$ 334,547</b>

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 6.6% in October of 2021 as compared to 8.6% in October 2019

All of these factors were considered in preparing the Town's budget for fiscal year 2022. The fiscal year 2022 General Fund budget calls for \$241,017,612 in revenues with matching expenditures resulting in an increase of \$7,699.623 over fiscal year 2021 or a 3.3% increase. The Grand List increased by 1.65% from 2021. Due to increase in State funding the Town's mill rate decreased by .43%.

During the current fiscal year, unassigned fund balance in the General Fund increased by \$3,890,566 for an unassigned balance of \$10,231,519. The Town did not utilize general fund balance for the fiscal year 2022 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](http://www.townofstratford.com)) If you have questions about this report or need additional financial information, contact the Finance Director, Town of Stratford at 2725 Main Street, Stratford, Connecticut 06615.

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# **Basic Financial Statements**



**TOWN OF STRATFORD, CONNECTICUT  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 39,673,783	\$ 380,935	\$ 40,054,718
Investments	2,995,454		2,995,454
Receivables, net	17,613,310	3,936,255	21,549,565
Supplies and prepaids	168,742		168,742
Advance to other funds	1,063,061	(1,063,061)	-
<b>Capital assets:</b>			
Assets not being depreciated	38,982,007	13,371,510	52,353,517
Assets being depreciated, net	265,019,929	33,011,744	298,031,673
<b>Total assets</b>	<u>365,516,286</u>	<u>49,637,383</u>	<u>415,153,669</u>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to pension	9,314,885	281,434	9,596,319
Deferred outflows related to OPEB	45,118,865	1,134,212	46,253,077
Deferred outflows on refunding	6,317,697		6,317,697
<b>Total deferred outflows of resources</b>	<u>60,751,447</u>	<u>1,415,646</u>	<u>62,167,093</u>
<b>Liabilities:</b>			
Accounts and other payables	11,817,132	371,369	12,188,501
Accrued liabilities	5,977,520	113,320	6,090,840
Unearned revenue	5,522,846	2,246	5,525,092
Internal balances	1,821,021	(1,821,021)	-
Bond anticipation notes	13,845,000		13,845,000
<b>Noncurrent liabilities:</b>			
Due within one year	25,011,522	2,819,425	27,830,947
Due in more than one year	622,633,829	28,396,866	651,030,695
<b>Total liabilities</b>	<u>686,628,870</u>	<u>29,882,205</u>	<u>716,511,075</u>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to pension	36,138,690	1,091,873	37,230,563
Deferred inflows related to OPEB	65,126,157	1,637,162	66,763,319
Deferred inflows on refunding	158,529		158,529
<b>Total deferred inflows of resources</b>	<u>101,423,376</u>	<u>2,729,035</u>	<u>104,152,411</u>
<b>Net Position:</b>			
Net investment in capital assets	113,217,556	23,499,359	136,716,915
<b>Restricted for:</b>			
Nonexpendable trust	3,109,114		3,109,114
Debt service	25,236		25,236
Education	251,322		251,322
Human development	77,025		77,025
Physical development	884,959		884,959
Unrestricted	(479,349,725)	(5,057,570)	(484,407,295)
<b>Total Net Position</b>	<u>\$ (361,784,513)</u>	<u>\$ 18,441,789</u>	<u>\$ (343,342,724)</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, 2021**

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
Governmental activities:						
General government	\$ 30,391,225	\$ 4,098,049	\$ 315,308	\$ 4,682,925	\$ (21,294,943)	\$ (21,294,943)
Human development	8,520,303	465,205	750,385	67,327	(7,237,386)	(7,237,386)
Physical development	25,811,614	2,299,096		15,555,924	(7,956,594)	(7,956,594)
Public safety	27,081,814	1,877,938	182,545		(25,021,331)	(25,021,331)
Education	168,119,325	498,602	67,116,541	7,402,308	(93,101,874)	(93,101,874)
Debt service	12,266,185				(12,266,185)	(12,266,185)
Total governmental activities	<u>272,190,466</u>	<u>9,238,890</u>	<u>68,364,779</u>	<u>27,708,484</u>	<u>(166,878,313)</u>	<u>(166,878,313)</u>
Business-type activities:						
Waste Operating	10,948,387	10,707,287		10,029,524		9,788,424
Emergency Medical Services	3,135,414	2,125,743				(1,009,671)
Short Beach Golf Course	150,003	296,092				146,089
Total business-type activities	<u>14,233,804</u>	<u>13,129,122</u>	<u>-</u>	<u>10,029,524</u>	<u>-</u>	<u>8,924,842</u>
Total	<u>\$ 286,424,270</u>	<u>\$ 22,368,012</u>	<u>\$ 68,364,779</u>	<u>\$ 37,738,008</u>	<u>(166,878,313)</u>	<u>8,924,842</u>
General revenues:						
Property taxes					191,353,154	191,353,154
Grants and contributions not restricted to specific programs					1,430,507	1,430,507
Unrestricted investment earnings					929,913	929,913
Miscellaneous					917,307	917,307
Total general revenues					<u>194,630,881</u>	<u>194,630,881</u>
Transfers					900,000	(900,000)
General Revenue and Transfers					<u>195,530,881</u>	<u>(900,000)</u>
Change in net position					28,652,568	8,024,842
Net Position - Beginning of Year, as restated					<u>(390,437,081)</u>	<u>10,416,947</u>
Net Position - End of Year					<u>\$ (361,784,513)</u>	<u>\$ 18,441,789</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF STRATFORD, CONNECTICUT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2021**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 38,347,614	\$	\$ 1,246,169	\$ 39,593,783
Investments			2,995,454	2,995,454
Receivables, net	12,741,881	1,418,853	3,452,576	17,613,310
Supplies and prepaids	105,832		62,910	168,742
Advance to other funds	1,063,061			1,063,061
Due from other funds	<u>108,994,946</u>	<u>84,354,245</u>	<u>6,529,759</u>	<u>199,878,950</u>
Total Assets	<u>\$ 161,253,334</u>	<u>\$ 85,773,098</u>	<u>\$ 14,286,868</u>	<u>\$ 261,313,300</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts and other payables	\$ 4,383,557	\$ 4,959,845	\$ 2,433,128	\$ 11,776,530
Accrued liabilities	823,399		30,450	853,849
Unearned revenue		5,035,530	487,316	5,522,846
Bond anticipation notes		13,845,004		13,845,004
Due to other funds	<u>132,701,294</u>	<u>68,355,575</u>	<u>3,210,425</u>	<u>204,267,294</u>
Total liabilities	<u>137,908,250</u>	<u>92,195,954</u>	<u>6,161,319</u>	<u>236,265,523</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	7,915,454			7,915,454
Unavailable revenue - property taxes interest	3,491,861			3,491,861
Unavailable revenue - other receivables	34,411		1,523,173	1,557,584
Unavailable revenue - special assessments		<u>1,003,461</u>		<u>1,003,461</u>
Total deferred inflows of resources	<u>11,441,726</u>	<u>1,003,461</u>	<u>1,523,173</u>	<u>13,968,360</u>
Fund Balances:				
Nonspendable	1,168,893		3,172,024	4,340,917
Restricted			1,238,542	1,238,542
Committed		36,617,630	3,416,170	40,033,800
Assigned	502,946			502,946
Unassigned	<u>10,231,519</u>	<u>(44,043,947)</u>	<u>(1,224,360)</u>	<u>(35,036,788)</u>
Total fund balances	<u>11,903,358</u>	<u>(7,426,317)</u>	<u>6,602,376</u>	<u>11,079,417</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 161,253,334</u>	<u>\$ 85,773,098</u>	<u>\$ 14,286,868</u>	<u>\$ 261,313,300</u>

(Continued on next page)

**TOWN OF STRATFORD, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2021**

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 11,079,417
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Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 533,076,983	
Less accumulated depreciation	<u>(229,075,047)</u>	
Net capital assets		304,001,936

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	7,915,454
Interest receivable on property taxes	3,491,861
Assessments receivable	502,005
Other receivables and deferred amounts	2,059,040
Deferred outflows related to Pension	9,314,885
Deferred outflows related to OPEB	45,118,865
Deferred charges on refunding	6,317,697

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.

(11,078,088)

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	(292,992,583)
Bond premium	(15,537,326)
Capital lease	(169,626)
Interest payable on bonds and notes	(5,117,893)
Compensated absences	(11,336,771)
Landfill closure	(7,800,000)
Deferred charges on refunding	(158,529)
Claims and judgments	(1,000,000)
Net pension liability	(31,495,739)
Net OPEB liability	(273,634,271)
Deferred inflows related to Pension	(36,138,690)
Deferred inflows related to OPEB	<u>(65,126,157)</u>

Net Position of Governmental Activities (Exhibit I)	\$ <u><u>(361,784,513)</u></u>
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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, 2021**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes and assessments	\$ 190,726,606	\$ 116,629	\$	\$ 190,843,235
State and Federal governments	49,714,746	13,834,745	12,482,609	76,032,100
Department revenue	2,981,652		3,213,655	6,195,307
Licenses and permits	1,066,298		108,088	1,174,386
Investment income	22,420		907,493	929,913
Other	635,275	125,888	576,418	1,337,581
Total revenues	<u>245,146,997</u>	<u>14,077,262</u>	<u>17,288,263</u>	<u>276,512,522</u>
Expenditures:				
Current:				
General government:				
Administration	5,595,510		127,365	5,722,875
Contingency	3,627,246			3,627,246
Employee benefits	20,146,212			20,146,212
Finance	1,821,275			1,821,275
Human development	5,651,247		1,910,824	7,562,071
Physical development	15,444,312		2,091,180	17,535,492
Public safety	27,567,001		1,734,476	29,301,477
Education	132,123,348		11,406,189	143,529,537
Debt service:				
Principal retirements	25,403,579			25,403,579
Interest and other charges	7,485,321	64,427		7,549,748
Capital outlay	163,073	41,968,218	509,245	42,640,536
Total expenditures	<u>245,028,124</u>	<u>42,032,645</u>	<u>17,779,279</u>	<u>304,840,048</u>
Excess (Deficiency) of Revenues over Expenditures	<u>118,873</u>	<u>(27,955,383)</u>	<u>(491,016)</u>	<u>(28,327,526)</u>
Other Financing Sources (Uses):				
Issuance of bonds	92,104,976	14,600,024		106,705,000
Premium on bond issuance	5,877,594			5,877,594
Premium on BAN issuance		239,518		239,518
Payment to bond escrow agent	(97,054,563)			(97,054,563)
Transfers in	4,430,242	397,000	1,090,020	5,917,262
Transfers out	(1,487,020)		(3,530,242)	(5,017,262)
Total other financing sources	<u>3,871,229</u>	<u>15,236,542</u>	<u>(2,440,222)</u>	<u>16,667,549</u>
Net Change in Fund Balances	3,990,102	(12,718,841)	(2,931,238)	(11,659,977)
Fund Balances at Beginning of Year	<u>7,913,256</u>	<u>5,292,524</u>	<u>9,533,614</u>	<u>22,739,394</u>
Fund Balances at End of Year	<u>\$ 11,903,358</u>	<u>\$ (7,426,317)</u>	<u>\$ 6,602,376</u>	<u>\$ 11,079,417</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, 2021**

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) \$ (11,659,977)

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 147,292,541  
Depreciation expense (10,083,934)

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. (110,454,245)

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 105,868  
Property tax interest receivable 493,335  
Assessments (89,284)  
Other receivables and deferred amounts 1,961,311  
Change in deferred outflows related to Pension 5,143,661  
Change in deferred outflows related to OPEB 16,993,481  
Deferred outflow on refunding 4,715,397

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 10,607,050  
Premium on bonds issued (5,877,594)  
Payments to bond refunding agent 97,054,563  
Issuance of bonds and notes (106,705,000)  
Amortization of premiums and discounts 5,125,549  
Capital lease payments 164,337

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 259,736  
Accrued interest 158,158  
Deferred inflow on refunding (158,529)  
Change in net pension liability 34,521,613  
Change in net OPEB liability 38,743,932  
Change in deferred inflows related to Pension (36,138,690)  
Change in deferred inflows related to OPEB (51,641,126)

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.

(1,879,585)

Change in Net Positions of Governmental Activities (Exhibit II) \$ 28,652,568

The accompanying notes are an integral part of the financial statements



**TOWN OF STRATFORD, CONNECTICUT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2021**

EXHIBIT V

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Major Fund</b>			<b>Activities</b>
	<b>Waste Operating Fund</b>	<b>Nonmajor Funds</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$	\$ 380,935	\$ 380,935	\$ 80,000
<b>Receivables:</b>				
Accounts and other		447,486	447,486	
Sewer usage receivable	2,054,049		2,054,049	
Unbilled sewer usage receivable	1,434,720		1,434,720	
Due from other funds	29,421,927	140,564	29,562,491	16,586,147
Total current assets	32,910,696	968,985	33,879,681	16,666,147
<b>Capital assets:</b>				
Assets not being depreciated	13,151,510	220,000	13,371,510	
Assets being depreciated, net	30,641,435	2,370,309	33,011,744	
Total capital assets	43,792,945	2,590,309	46,383,254	-
Total assets	76,703,641	3,559,294	80,262,935	16,666,147
<b>Deferred Outflows of Resources:</b>				
Related to Pension	281,434		281,434	
Related to OPEB	1,134,212		1,134,212	
Total deferred outflows of resources	1,415,646	-	1,415,646	-
<b>Liabilities:</b>				
<b>Current:</b>				
Accounts payable	227,664	143,705	371,369	46,376
Accrued wages and benefits	113,320		113,320	
Unearned revenue		2,246	2,246	
Advance from other funds		1,063,061	1,063,061	
Due to other funds	23,813,216	3,825,358	27,638,574	14,121,720
Risk management claims				683,000
Bonds payable	30,122	157,000	187,122	
Serial notes payable	2,470,922		2,470,922	
Capital lease	10,751		10,751	
Compensated absences	67,693	82,937	150,630	
Total current liabilities	26,733,688	5,274,307	32,007,995	14,851,096
<b>Noncurrent liabilities:</b>				
Bonds payable	248,510	571,000	819,510	
Serial notes payable	19,395,590		19,395,590	
Risk management claims				12,996,035
Net pension liability	951,594		951,594	
Net OPEB liability	6,878,704		6,878,704	
Compensated absences	157,949	193,519	351,468	
Total noncurrent liabilities	27,632,347	764,519	28,396,866	12,996,035
Total liabilities	54,366,035	6,038,826	60,404,861	27,847,131
<b>Deferred Inflows of Resources:</b>				
Related to Pension	1,091,873		1,091,873	
Related to OPEB	1,637,162		1,637,162	
Total deferred inflows of resources	2,729,035		2,729,035	
<b>Net Position:</b>				
Net investment in capital assets	21,637,050	1,862,309	23,499,359	
Unrestricted	(612,833)	(4,341,841)	(4,954,674)	(11,180,984)
Total Net Position	21,024,217	(2,479,532)	18,544,685	(11,180,984)
<b>Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds</b>				
	(61,313)	(41,583)	(102,896)	102,896
Net Position of Business-Type Activities	\$ 20,962,904	\$ (2,521,115)	\$ 18,441,789	\$ (11,078,088)

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, 2021**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Major Fund</b>			
	<b>Waste Operating Fund</b>	<b>Nonmajor Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
Operating Revenues:				
Charges for services	\$ 10,601,311	\$ 2,463,418	\$ 13,064,729	\$ 4,984,693
Other	167,289		167,289	
Total operating revenues	<u>10,768,600</u>	<u>2,463,418</u>	<u>13,232,018</u>	<u>4,984,693</u>
Operating Expenses:				
Operating and maintenance	6,963,543	2,938,853	9,902,396	6,967,174
Depreciation	<u>3,511,045</u>	<u>304,412</u>	<u>3,815,457</u>	
Total operating expenses	<u>10,474,588</u>	<u>3,243,265</u>	<u>13,717,853</u>	<u>6,967,174</u>
Operating Income (Loss)	294,012	(779,847)	(485,835)	(1,982,481)
Nonoperating Expenses:				
Interest expense	<u>(473,799)</u>	<u>(42,152)</u>	<u>(515,951)</u>	
Income (Loss) Before Contributions and Transfers	(179,787)	(821,999)	(1,001,786)	(1,982,481)
Capital Contributions	9,135,525	893,999	10,029,524	
Transfers Out	<u>(900,000)</u>		<u>(900,000)</u>	
Change in Net Position	8,055,738	72,000	8,127,738	(1,982,481)
Net Position - Beginning of Year	<u>12,968,479</u>	<u>(2,551,532)</u>	<u>10,416,947</u>	<u>(9,198,503)</u>
Net Position - End of Year	<u>21,024,217</u>	<u>(2,479,532)</u>	<u>18,544,685</u>	<u>(11,180,984)</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds	<u>(61,313)</u>	<u>(41,583)</u>	<u>(102,896)</u>	<u>102,896</u>
Net Position of Business-Type Activities	<u>\$ 20,962,904</u>	<u>\$ (2,521,115)</u>	<u>\$ 18,441,789</u>	<u>\$ (11,078,088)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF STRATFORD, CONNECTICUT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2021**

	<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	\$ 10,768,600	\$ 2,376,495	\$ 13,145,095	\$ 4,984,693
Cash payments to suppliers	(3,033,569)	(586,599)	(3,620,168)	(6,843,911)
Cash payments to employees	(2,828,373)	(2,334,542)	(5,162,915)	
(Payments) receipts for interfund services	(1,068,995)	903,097	(165,898)	1,859,218
Net cash provided by (used in) operating activities	<u>3,837,663</u>	<u>358,451</u>	<u>4,196,114</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	(2,455,224)	(124,000)	(2,579,224)	
Principal payments on capital lease	(8,640)	(6,197)	(14,837)	
Interest paid on debt	<u>(473,799)</u>	<u>(42,152)</u>	<u>(515,951)</u>	
Net cash provided by (used in) capital and related financing activities	<u>(2,937,663)</u>	<u>(172,349)</u>	<u>(3,110,012)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	186,102	186,102	-
Cash and Cash Equivalents at Beginning of Year	<u>-</u>	<u>194,833</u>	<u>194,833</u>	<u>80,000</u>
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 380,935</u>	<u>\$ 380,935</u>	<u>\$ 80,000</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 294,012	\$ (779,847)	\$ (485,835)	\$ (1,982,481)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	3,511,045	304,412	3,815,457	
Loss on disposition of capital assets				
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	293,607	(86,923)	206,684	
(Increase) decrease in unbilled accounts receivable	76,740		76,740	
(Increase) decrease in due from other funds	(21,021,626)	(19,764)	(21,041,390)	(12,216,000)
Increase (decrease) in accounts payable and accrued expenses	31,271	24,396	55,667	22,583
Increase (decrease) in risk management claim liability		514	514	100,680
Increase (decrease) in compensated absences	52,113	(7,198)	44,915	
Increase (decrease) in due to other funds	19,952,631	922,861	20,875,492	14,075,218
Increase (decrease) in net pension liability	(1,111,528)		(1,111,528)	
Increase (decrease) in net OPEB liability	(7,065)		(7,065)	
(Increase) decrease in deferred outflows of resources - pension	(151,078)		(151,078)	
Increase (decrease) in deferred inflows of resources - pension	1,091,873		1,091,873	
(Increase) decrease in deferred outflows of resources - OPEB	(514,243)		(514,243)	
Increase (decrease) in deferred inflows of resources - OPEB	1,339,911		1,339,911	
Net Cash Provided by (Used in) Operating Activities	<u>\$ 3,837,663</u>	<u>\$ 358,451</u>	<u>\$ 4,196,114</u>	<u>\$ -</u>
Noncash Investing and Capital Financing Activities:				
Contributions of Capital Assets from Town	<u>\$ 9,135,525</u>	<u>\$ 893,999</u>	<u>\$ 10,029,524</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, 2021**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Custodial Fund Teachers' Retiree</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 3,172,276	\$ 27,697
<b>Investments:</b>		
Pooled, common, and collective trusts	125,566,666	
Mutual funds	94,930,593	
Real estate investment funds	51,340,763	
Equity hedge funds	35,008,527	
	<u>310,018,825</u>	<u>27,697</u>
<b>Total assets</b>	<b>310,018,825</b>	<b>27,697</b>
<b>Liabilities:</b>		
Accounts payable	8,400	
	<u>8,400</u>	
<b>Net Position:</b>		
Restricted for Pension Benefits	301,760,735	
Restricted for OPEB Benefits	8,249,690	
Restricted for Teacher's Retirement Fund		27,697
	<u>310,010,425</u>	<u>27,697</u>
<b>Total net position</b>	<b>\$ 310,010,425</b>	<b>\$ 27,697</b>

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, 2021**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Custodial Fund Teachers' Retiree</b>
Additions:		
Contributions:		
Plan members	\$ 1,320,364	\$
Employer	16,284,564	
Other		1,697,076
Total contributions	<u>17,604,928</u>	<u>1,697,076</u>
Investment income:		
Net change in fair value of investments	<u>71,212,326</u>	
Total investment income	71,212,326	
Investment fee	<u>(359,938)</u>	
Net investment income	<u>70,852,388</u>	<u>-</u>
Total additions	<u>88,457,316</u>	<u>1,697,076</u>
Deductions:		
Benefits	32,691,369	
Other	93,190	1,876,493
Total deductions	<u>32,784,559</u>	<u>1,876,493</u>
Change in net position	55,672,757	(179,417)
Net Position - Beginning of Year	<u>254,337,668</u>	<u>207,114</u>
Net Position - End of Year	<u>\$ 310,010,425</u>	<u>\$ 27,697</u>

The accompanying notes are an integral part of the financial statements

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## **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 State of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

### **Fiduciary Component Units**

The Town has established a single-employer Public Retirement Systems (PERS) and a postretirement retiree health plan (OPEB) to provide retirement benefits and post-retirement health care benefits to employees and their beneficiaries. The Town appoints a majority of the Pension Board and is required to make contributions to the pension and OPEB plans and can impose its will.

The financial statements of the fiduciary component units are reported as Pension and OPEB Trust funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

### **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.

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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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, including fiduciary component units, 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.

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 for property taxes and certain other revenues and 120 days for grants.

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.



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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 fiduciary 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.

The Custodial Funds are used to account for assets held by the Town in a custodial capacity for teachers.

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.

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**E. Supplies**

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.

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

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reports a deferred outflow on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred outflow 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).

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 a deferred inflow on refunding and deferred inflows related to OPEB in the government-wide statement of net position. A deferred inflow 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 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.

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.

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**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.

**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.

**TOWN OF STRATFORD, CONNECTICUT  
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**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, 2021.

**B. Expenditures Exceeding Appropriations**

The following line items exceeded appropriations for the year ended June 30, 2021:

Human resources	\$	(19,685)
Registrar of Voters		(3,781)
Administration		(3,241)
Short Beach		(5,538)
Administration		(139,727)
Highways		(134,401)
Sanitation/refuse		(391,605)
Fire suppression		(931,617)
Investigation		(69,440)
Patrol		(299,532)
Transfers out		(287,020)

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

The following funds had fund deficits at June 30, 2021:

Major, Nonmajor and Other Funds:	
Capital Projects Fund*	7,426,317
Community Development**	754,195
Railroad Property**	210,197
Miscellaneous Grants**	259,968
Short Beach Golf Course**	360,489
Emergency Medical Services**	2,119,043
Internal Service - Health Benefit***	748,200
Internal Service - Workers' Compensation***	10,432,784

\* Deficit will be eliminated through future debt proceeds

\*\* 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.

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**Deposits**

**Deposit Custodial Credit Risk**

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$33,785,365 of the Town’s bank balance of \$35,144,136 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 30,281,828
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>3,503,537</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 33,785,365</u></u>

**Cash Equivalents**

At June 30, 2021, the Town’s cash equivalents amounted to \$9,826,811. State Short-Term Investment Fund (STIF) is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates. The Wells Fargo 100% Treasury Money Market Fund is exclusively invested in U.S. Treasury obligations. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

**Credit Risk – Cash Equivalents**

Credit risk is the risk that an issuer of an investments will not fulfill its obligation to the holder. This is measure by the assignment of a rating by a nationally recognized statistical rating organization. The following chart summarizes year-end ratings for the Town as rated by Standard & Poor’s:

	<u>Standard &amp; Poor’s</u>
State Short-Term Investment Fund (STIF)	AAAm
Wells Fargo 100% Treasury Money Market Fund	AAAm



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**Investments**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2021:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level:				
Mutual funds	\$ 97,926,047	\$ 97,926,047	\$	\$
Pooled, common and collective funds	<u>125,566,666</u>	<u></u>	<u>125,566,666</u>	<u></u>
Total Investments by Fair Value Level	223,492,713	<u>\$ 97,926,047</u>	<u>\$ 125,566,666</u>	<u>\$ -</u>
Investments recorded at net asset value (NAV):				
Equity hedge funds	35,008,527			
Real estate investment funds	<u>51,340,763</u>			
Total Investments	<u>\$ 309,842,003</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	\$ 35,008,527	\$	Quarterly	Various
Real estate investment funds	<u>51,340,763</u>	<u></u>	Quarterly	Various
Total Investments Measured at NAV	<u>\$ 86,349,290</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

**TOWN OF STRATFORD, CONNECTICUT  
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**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, 2021, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent, that were not in the Town's name.

**4. RECEIVABLES**

Receivables as of June 30, 2021 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	\$ 13,009,415					\$ 13,009,415
Accounts and other	354,589			667,890	1,807,835	2,830,314
Special assessments		502,005				502,005
Sewer usage			2,054,049			2,054,049
Unbilled sewer usage receivable			1,434,720			1,434,720
Intergovernmental	27,877	916,848			1,644,741	2,589,466
Gross receivables	<u>13,391,881</u>	<u>1,418,853</u>	<u>3,488,769</u>	<u>667,890</u>	<u>3,452,576</u>	<u>22,419,969</u>
Less allowance for uncollectibles	<u>650,000</u>			<u>220,404</u>		<u>870,404</u>
Net Total Receivables	<u>\$ 12,741,881</u>	<u>\$ 1,418,853</u>	<u>\$ 3,488,769</u>	<u>\$ 447,486</u>	<u>\$ 3,452,576</u>	<u>\$ 21,549,565</u>

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**5. CAPITAL ASSETS**

	<u>Beginning Balance</u>	<u>Transfers/ 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	115,207,400	18,319,680	110,399,602	23,127,478
Total capital assets not being depreciated	<u>131,061,929</u>	<u>18,319,680</u>	<u>110,399,602</u>	<u>38,982,007</u>
Capital assets being depreciated:				
Land improvements	18,440,108	4,109,236		22,549,344
Buildings and improvements	181,418,332	120,079,702	162,836	301,335,198
Machinery and equipment	45,815,470	1,963,570	197,011	47,582,029
Infrastructure	119,808,052	2,820,353		122,628,405
Total capital assets being depreciated	<u>365,481,962</u>	<u>128,972,861</u>	<u>359,847</u>	<u>494,094,976</u>
Less accumulated depreciation for:				
Land improvements	10,378,681	776,881		11,155,562
Buildings and improvements	83,961,290	5,064,155	110,089	88,915,356
Machinery and equipment	34,896,273	2,158,176	195,115	36,859,334
Infrastructure	90,060,073	2,084,722		92,144,795
Total accumulated depreciation	<u>219,296,317</u>	<u>10,083,934</u>	<u>305,204</u>	<u>229,075,047</u>
Total capital assets being depreciated, net	<u>146,185,645</u>	<u>118,888,927</u>	<u>54,643</u>	<u>265,019,929</u>
Governmental Activities Capital Assets, Net	<u>\$ 277,247,574</u>	<u>\$ 137,208,607</u>	<u>\$ 110,454,245</u>	<u>\$ 304,001,936</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 4,015,985	\$ 9,355,525	\$	\$ 13,371,510
Capital assets being depreciated:				
Land improvements	2,148,942			2,148,942
Buildings and improvements	71,576,138			71,576,138
Machinery and equipment	7,737,961	674,000		8,411,961
Infrastructure	21,593,626			21,593,626
Total capital assets being depreciated	<u>103,056,667</u>	<u>674,000</u>	<u>-</u>	<u>103,730,667</u>
Less accumulated depreciation for:				
Land improvements	2,123,639	6,947		2,130,586
Buildings and improvements	43,387,711	3,254,547		46,642,258
Machinery and equipment	6,286,927	275,147		6,562,074
Infrastructure	15,105,189	278,816		15,384,005
Total accumulated depreciation	<u>66,903,466</u>	<u>3,815,457</u>	<u>-</u>	<u>70,718,923</u>
Total capital assets being depreciated, net	<u>36,153,201</u>	<u>(3,141,457)</u>	<u>-</u>	<u>33,011,744</u>
Business-Type Activities Capital Assets, Net	<u>\$ 40,169,186</u>	<u>\$ 6,214,068</u>	<u>\$ -</u>	<u>\$ 46,383,254</u>

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

Governmental activities:	
General government	\$ 437,281
Human development	394,595
Physical development	3,202,524
Public safety	1,438,414
Education	<u>4,611,120</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 10,083,934</u>
Business-type activities:	
Waste operating	\$ 3,511,045
Short Beach Golf Course	12,723
Emergency medical services	<u>291,689</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,815,457</u>

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

The composition of interfund balances as of June 30, 2021 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Internal Service Funds	\$ 14,075,218
General Fund	Waste Operating	19,952,641
General Fund	Capital Projects	68,355,575
General Fund	Nonmajor Enterprise	3,825,358
General Fund	Nonmajor Governmental	2,786,154
Internal Service Funds	General Fund	16,379,367
Internal Service Funds	Waste Operating	186,395
Internal Service Funds	Nonmajor Governmental	20,385
Waste Operating	General Fund	29,421,927
Capital Projects	General Fund	80,276,179
Capital Projects	Waste Operating	3,674,180
Capital Projects	Nonmajor Governmental	403,886
Nonmajor Enterprise	General Fund	94,062
Nonmajor Enterprise	Internal Service Funds	46,502
Nonmajor Governmental	General Fund	6,529,759
		<u>\$ 246,027,588</u>
Total		<u>\$ 246,027,588</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.

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Interfund transfers for the year ended June 30, 2021 are as follows:

	Transfers In			Total Transfers Out
	General	Capital Projects	Nonmajor Governmental	
Transfers out:				
General Fund	\$	\$ 397,000	\$ 1,090,020	\$ 1,487,020
Waste Operating Fund	900,000			900,000
Nonmajor Governmental Funds	3,530,242			3,530,242
Total Transfers In	\$ 4,430,242	\$ 397,000	\$ 1,090,020	\$ 5,917,262

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

**7. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds and notes	\$ 293,949,196	\$ 106,705,000	\$ 107,661,613	\$ 292,992,583	\$ 20,757,865
Premium on general obligation bonds	14,785,281	5,877,594	5,125,549	15,537,326	
Capital leases	333,963		164,337	169,626	169,626
Claims and judgments	1,000,000			1,000,000	
Compensated absences	11,596,507	20,351,760	20,611,496	11,336,771	3,401,031
Landfill monitoring closure and postclosure costs	7,800,000			7,800,000	
Net pension liability	66,017,352		34,521,613	31,495,739	
Net OPEB liability	312,378,203		38,743,932	273,634,271	
Risk management	13,578,355	695,680	595,000	13,679,035	683,000
Governmental Activities Long-Term Liabilities	\$ 721,438,857	\$ 133,630,034	\$ 207,423,540	\$ 647,645,351	\$ 25,011,522
Business-Type activities:					
General obligation bonds payable	\$ 1,160,754	\$ 500,000	\$ 654,122	\$ 1,006,632	\$ 187,122
Notes payable	24,291,614		2,425,102	21,866,512	2,470,922
Capital leases	25,588		14,836	10,752	10,752
Compensated absences	457,183	689,875	644,961	502,097	150,629
Net pension liability	2,063,122		1,111,528	951,594	
Net OPEB liability	6,885,769		7,065	6,878,704	
Business-Type Activities Long-Term Liabilities	\$ 34,884,030	\$ 1,189,875	\$ 4,857,614	\$ 31,216,291	\$ 2,819,425

**TOWN OF STRATFORD, CONNECTICUT  
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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.

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:

Description	Balance Outstanding June 30, 2021
Governmental Activities:	
School bonds with interest rates ranging from 2.0% to 5.125% and varying expiration dates ranging from July 2024 to January 2041	\$ 101,708,249
General obligation pension bonds with interest rates ranging from 0.5% to 5.037% and varying expiration dates from August 2020 to August 2038	122,875,000
General obligation bonds with interest rates ranging from 2.0% to 5.125% and expiration dates from July 2024 to January 2041	<u>68,409,334</u>
Total Governmental Activities	<u>\$ 292,992,583</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	\$ 728,000
WPCA Bonds with interest rates ranging from 1.0% to 5.0% and an expiration date of June 2030	<u>278,632</u>
Total Business-Type Activities	<u>\$ 1,006,632</u>

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

**Governmental Activities:**

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 20,757,865	\$ 11,596,111	\$ 32,353,976
2023	21,030,239	10,641,754	31,671,993
2024	21,159,239	9,757,631	30,916,870
2025	19,465,239	8,979,160	28,444,399
2026	19,395,239	8,347,062	27,742,301
2027-2031	84,024,762	34,054,267	118,079,029
2032-2036	71,430,000	18,114,815	89,544,815
2037-2041	<u>35,730,000</u>	<u>3,039,100</u>	<u>38,769,100</u>
Total	\$ <u>292,992,583</u>	\$ <u>104,529,900</u>	\$ <u>397,522,483</u>

**Business-type Activities:**

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 187,122	\$ 19,170	\$ 206,292
2023	125,122	13,749	138,871
2024	261,122	10,487	271,609
2025	165,122	7,696	172,818
2026	140,122	5,477	145,599
2027-2030	<u>128,022</u>	<u>9,760</u>	<u>137,782</u>
Total	\$ <u>1,006,632</u>	\$ <u>66,339</u>	\$ <u>1,072,971</u>

**Bonds Authorized but Unissued**

The total of authorized but unissued bonds at June 30, 2021 are as follows:

General Purpose	\$ 27,043,924
School	18,124,286
Sewers	<u>1,527,141</u>
Total	\$ <u>46,695,351</u>

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

**Clean Water Fund Notes**

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

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

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,470,922	\$ 414,823	\$ 2,885,745
2023	2,520,526	364,949	2,885,475
2024	2,568,977	314,069	2,883,046
2025	2,623,588	262,161	2,885,749
2026	2,676,540	209,196	2,885,736
2027-2030	<u>9,005,959</u>	<u>309,254</u>	<u>9,315,213</u>
Total	\$ <u>21,866,512</u>	\$ <u>1,874,452</u>	\$ <u>23,740,964</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	\$ 417,789,542	\$ 101,425,258	\$ 316,364,284
Schools	835,579,085	127,315,208	708,263,877
Sewer and Water	696,315,904	23,672,285	672,643,619
Urban Renewal	603,473,783	-	603,473,783
Unfunded Pension Benefit Obligation	557,052,723	122,875,000	434,177,723

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).



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**Bond Anticipation Notes Payable**

Bond anticipation notes outstanding at June 30, 2021 were as follows:

	<u>Amount</u>
Notes payable, July 1, 2020	\$ 5,444,000
Notes Issued	13,845,000
Notes retired	<u>(5,444,000)</u>
Notes Payable, June 30, 2021	<u>\$ 13,845,000</u>

During the year, the Town issued \$13,845,000 in notes dated December 8, 2020, which matured on December 16, 2021. The notes carried an interest rate of 2%. 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>(2,288,922)</u>	<u>(205,609)</u>
Net Book Value	<u>\$ 923,204</u>	<u>\$ 85,823</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2022	\$ 171,246	\$ 10,854
Total minimum lease payments	171,246	10,854
Less amount representing interest	<u>(1,620)</u>	<u>(102)</u>
Present Value of Minimum Lease Payments	<u>\$ 169,626</u>	<u>\$ 10,752</u>

**TOWN OF STRATFORD, CONNECTICUT  
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**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, 2021. 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, 2021 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	\$ 105,832	\$	\$ 62,910	\$ 168,742
Nonexpendable trusts			3,109,114	3,109,114
Advances to other funds	1,063,061			1,063,061
Restricted for:				
Debt service			25,236	25,236
Education			251,322	251,322
Human development			77,025	77,025
Physical development			884,959	884,959
Committed to:				
General Government			297,349	297,349
Education			530,380	530,380
Human development			461,272	461,272
Physical development			870,087	870,087
Public safety			907,701	907,701
Student activities			349,381	349,381
Capital projects		36,617,630		36,617,630
Assigned to:				
Education encumbrances	502,946			502,946
Unassigned	<u>10,231,519</u>	<u>(44,043,947)</u>	<u>(1,224,360)</u>	<u>(35,036,788)</u>
<b>Total Fund Balances</b>	<b>\$ <u>11,903,358</u></b>	<b>\$ <u>(7,426,317)</u></b>	<b>\$ <u>6,602,376</u></b>	<b>\$ <u>11,079,417</u></b>

**TOWN OF STRATFORD, CONNECTICUT  
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Encumbrances of approximately \$503,000, \$1,128,000 and \$123,000 at June 30, 2021 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**

**B. 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, 2020, the date of the most recent actuarial valuation, membership consisted of the following:

Actives	179
Terminated vested and other inactive	14
Retirees and beneficiaries	<u>655</u>
 Total	 <u><u>848</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.

**C. 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.

**D. 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.

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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.

**E. 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, 2021.

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, 2021, 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%	1.28%
U.S. Large Caps	22.5%	3.33%
U.S. MidCap Growth	10.0%	3.96%
U.S. MidCap Value	10.0%	3.47%
Non-U.S. Equity	10.0%	4.84%
Private Real Estate Property	15.0%	3.13%
Timber	2.5%	3.23%
	<u>100%</u>	

**Concentrations**

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

BR Russell 2500 Index	13%
SSGA S&P 500 R Flagship NL Fund	29%
Ernest Partners International	12%
Prime Property Fund LLC	7%
U.S. Real Estate Inv Fund LLC	6%
Pimco Total Retirement Fund	17%
Vanguard Mid-Cap Index Fund	12%

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**Rate of Return**

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 28.22%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Deferred Retirement Option Plan (DROP)**

The Town offers a DROP to bargaining unit members employed on or after July 1, 2001. Any bargaining unit member who is a member of the Retirement Plan for full-time employees of the Police Department of the Town upon completing his/her 25th year of service may elect the DROP at any time up to and through the completion of his/her 29th year of service. No bargaining unit member may elect the DROP after the completion of his/her 29th year of service. Upon the election of the DROP, no further pension benefits will accrue. During the DROP period, the employee's monthly pension benefits will be made to the employee's separately designated DROP account equal to 96% of the pension payment the employee was entitled to receive had that employee not elected the DROP. Upon separation from Town service, the monthly pension benefit shall increase to 100% of the monthly pension payment. During the DROP period, the employee will continue to make employee contributions equivalent to the amounts in effect at the time the DROP was elected, and these contributions will be made to the Town's Pension Fund, not the member's separate DROP account. The DROP period has a minimum length of one year and a maximum of five years. At June 30, 2021, there are three participants. The account balance is \$607,526 at June 30, 2021.

**Net Pension Liability of the Town**

The components of the net pension liability of the Town at June 30, 2021 were as follows:

Total pension liability	\$ 334,208,067
Plan fiduciary net position	<u>301,760,734</u>
Net Pension Liability	<u>\$ 32,447,333</u>
Plan fiduciary net position as a percentage of the total pension liability	90.29%

**E. Actuarial Assumptions**

The total pension liability for the plan was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75% 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 Pub-2010 Mortality (Public Safety variant for Police, Fire and Public Works employees and General variant for all others) with generational projection per MP 2019.

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**F. 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.

**G. 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, 2020	\$ 316,495,066	\$ 248,414,592	\$ 68,080,474
Changes for the year:			
Service cost	2,817,656		2,817,656
Interest on total pension liability	20,787,809		20,787,809
Differences between expected and actual experience	19,192,638		19,192,638
Effect of economic/demographic gains or losses	(2,018,096)		(2,018,096)
Employer contributions		6,610,201	(6,610,201)
Member contributions		1,320,364	(1,320,364)
Net investment income		68,688,547	(68,688,547)
Benefit payments, including refund of employee contributions	(23,067,006)	(23,067,006)	
Administrative expenses		(205,964)	205,964
Net changes	<u>17,713,001</u>	<u>53,346,142</u>	<u>(35,633,141)</u>
Balances as of June 30, 2021	\$ <u>334,208,067</u>	\$ <u>301,760,734</u>	\$ <u>32,447,333</u>

**H. 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:

	Current		
	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 68,815,827	\$ 32,447,333	\$ 1,760,760

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

For the year ended June 30, 2021, the Town recognized pension expense of \$2,912,884. At June 30, 2021, 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>
Difference between expected and actual experience	\$ 9,596,319	\$ 1,009,048
Changes of assumptions	9,596,319	
Net difference between projected and actual earnings on pension plan investments		<u>36,221,515</u>
Total	<u>\$ 9,596,319</u>	<u>\$ 37,230,563</u>

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

2022	\$ (679,378)
2023	(8,080,147)
2024	(8,387,258)
2025	<u>(10,487,461)</u>
Total	<u>\$ (27,634,244)</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](http://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).

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**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, 2021, the amount of "on-behalf" contributions made by the State was \$15,919,928 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, 2021, 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>248,199,613</u>
Total	\$	<u><u>248,199,613</u></u>



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The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2021, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2021, the Town recognized pension expense and revenue of \$35,553,417 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, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00%-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

**Cost-of-Living Allowance**

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%.

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**Long-Term Rate of Return**

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

<b>Asset Class</b>	<b>Expected Return</b>		<b>Target Allocation</b>	
Domestic Equity Fund	5.60	%	20.00	%
Developed Market Intl. Stock Fund	6.00		11.00	
Emerging Market Intl. Stock Fund	7.90		9.00	
Core Fixed Income Fund	2.10		16.00	
Inflation Linked Bond Fund	1.10		5.00	
Emerging Market Debt Fund	2.70		5.00	
High Yield Bond Fund	4.00		6.00	
Real Estate Fund	4.50		10.00	
Private Equity	7.30		10.00	
Alternative Investments	2.90		7.00	
Liquidity Fund	0.40		1.00	
Total			100.00	%

**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.

**TOWN OF STRATFORD, CONNECTICUT  
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**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, 2021 was \$1,570,832.

**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, 2020, plan membership consisted of the following:

Active members	1,215
Retired members	927
Beneficiaries	75
Spouses of retired members	<u>305</u>
Total Participants	<u><u>2,522</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.

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**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  
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**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  
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**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, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 38.18%. 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, 2021, were as follows:

Total OPEB Liability	\$	288,762,665
Plan fiduciary net position		<u>8,249,690</u>
Net OPEB Liability	\$	<u><u>280,512,975</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		2.86%

**TOWN OF STRATFORD, CONNECTICUT  
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**E. Actuarial Assumptions**

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

Inflation	2.50%
Discount rate	2.16%
Healthcare cost trend rates	Varies by Medical plan, group, and age

Mortality rates were based on the Pub-2010 Mortality Table with generational projection per the MP-2019 Ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after benefit commencement. The Public Safety variant was used for the Police and Fire groups, the General variant was used for all other groups.

The actuarial assumptions used in the July 1, 2020 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, 2021 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%	1.36%
U.S. Large Caps	20%	4.55%
U.S. Midcap Growth	10%	5.66%
U.S. Midcap Value	10%	5.11%
Non-U.S. Equity	10%	6.50%
Private Real Estate Property	15%	3.85%
Timber	5%	4.06%
	100%	

**TOWN OF STRATFORD, CONNECTICUT  
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**F. Discount Rate**

The discount rate used to measure the total OPEB liability was 2.16%. 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, 2020	\$ 325,187,048	\$ 5,923,076	\$ 319,263,972
Changes for the year:			
Service cost	9,011,584		9,011,584
Interest on total OPEB liability	7,280,022		7,280,022
Effect of plan changes	(4,728,917)		(4,728,917)
Effect of economic/demographic gains or losses	(67,527,196)		(67,527,196)
Effect of assumptions/changes or inputs	29,164,487		29,164,487
Employer contributions		9,674,363	(9,674,363)
Net investment income		2,279,804	(2,279,804)
Benefit payments, including refund of employee contributions	(9,624,363)	(9,624,363)	-
Administrative expenses		(3,190)	3,190
Net changes	(36,424,383)	2,326,614	(38,750,997)
Balances as of June 30, 2021	\$ 288,762,665	\$ 8,249,690	\$ 280,512,975

**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 (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB Liability	\$ 329,554,699	\$ 280,512,975	\$ 241,808,482



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**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 \$	235,859,969	\$ 280,512,975	\$ 338,615,970

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

For the year ended June 30, 2021, the Town recognized OPEB expense of \$6,396,679. At June 30, 2021, 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	\$ 46,253,077	\$ 63,135,921
Changes of assumptions		1,699,315
Net difference between projected and actual earnings on OPEB plan investments		<u>1,928,083</u>
Total	<u>\$ 46,253,077</u>	<u>\$ 66,763,319</u>

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

2022	\$ 3,828,204
2023	2,049,853
2024	2,000,070
2025	5,207,071
2026	6,187,533
Thereafter	<u>1,237,511</u>
Total	<u>\$ 20,510,242</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](http://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.

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**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, 2021, the amount of "on-behalf" contributions made by the State was \$384,203 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

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*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, 2021, 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>37,018,981</u>
Total	<u>\$ 37,018,981</u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2021, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2021, the Town recognized OPEB expense and revenue of \$1,709,996 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, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health care costs trend rate	5.125% for 2020, decreasing to an ultimate Rate of 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Investment rate of return	2.21%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2021

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

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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 (0.42%).

**G. 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 total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%; 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. Annual State contributions were assumed to be equal to the most recent five-year average of State contributions to the fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2021 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](http://www.ct.gov).

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**11. PENSION AND OPEB TRUST FUNDS COMBINING SCHEDULES**

**Combining Schedule of Net Position - Trust Funds**

	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 3,116,698	\$ 55,578	\$ 3,172,276
<b>Investments:</b>			
Mutual funds	86,728,081	8,202,512	94,930,593
Pooled, common and collective trusts	125,566,666		125,566,666
Real estate investment funds	51,340,763		51,340,763
Equity hedge funds	35,008,527		35,008,527
	<u>301,760,735</u>	<u>8,258,090</u>	<u>310,018,825</u>
<b>Total assets</b>			
<b>Liabilities:</b>			
Accounts payable		8,400	8,400
	<u>-</u>	<u>8,400</u>	<u>8,400</u>
<b>Total liabilities</b>			
<b>Net Position:</b>			
Restricted for Pension and OPEB Benefits	\$ <u>301,760,735</u>	\$ <u>8,249,690</u>	\$ <u>310,010,425</u>

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Combining Schedule of Changes in Net Position - Trust Funds**

	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total</b>
Additions:			
Contributions:			
Plan members	\$ 1,320,364	\$	\$ 1,320,364
Employer	<u>6,610,201</u>	<u>9,674,363</u>	<u>16,284,564</u>
Total contributions	<u>7,930,565</u>	<u>9,674,363</u>	<u>17,604,928</u>
Investment income:			
Net appreciation in fair value of investments	<u>68,932,522</u>	<u>2,279,804</u>	<u>71,212,326</u>
Total investment income	<u>68,932,522</u>	<u>2,279,804</u>	<u>71,212,326</u>
Investment fees	<u>(359,938)</u>		<u>(359,938)</u>
Net investment income	<u>68,572,584</u>	<u>2,279,804</u>	<u>70,852,388</u>
Total additions	<u>76,503,149</u>	<u>11,954,167</u>	<u>88,457,316</u>
Deductions:			
Benefits	23,067,006	9,624,363	32,691,369
Other	<u>90,000</u>	<u>3,190</u>	<u>93,190</u>
Total deductions	<u>23,157,006</u>	<u>9,627,553</u>	<u>32,784,559</u>
Net Increase (Decrease)	53,346,143	2,326,614	55,672,757
Net Position - Beginning of Year	<u>248,414,592</u>	<u>5,923,076</u>	<u>254,337,668</u>
Net Position - End of Year	<u>\$ 301,760,735</u>	<u>\$ 8,249,690</u>	<u>\$ 310,010,425</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, 2021.

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

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**Health Benefit Fund:**

<u>Fiscal Year</u>	<u>Claims Payable July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Payment of Claims</u>	<u>Claims Payable June 30,</u>
2020	\$ 746,000	\$ 3,764,217	\$ 3,915,217	\$ 595,000
2021	595,000	4,532,928	4,444,928	683,000

**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>
2020	\$ 12,937,458	\$ 3,694,714	\$ 3,648,817	\$ 12,983,355
2021	12,983,355	2,534,926	2,522,246	12,996,035

**B. Contingent Liabilities and Commitments**

**Lawsuits**

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



**TOWN OF STRATFORD, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021**

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**Municipal Solid Waste Service Agreement**

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

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

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

**13. GASB 84 - RESTATEMENT**

The Town previously reported the activities of the Student Activity Fund, Senior Taxpayer' Escrow Fund, Planning & Zoning Performance Bonds, Inland/Wetland Performance Bonds and the Teacher's Retiree Fund as fiduciary funds. As a result of implementation of GASB No. 84, *Fiduciary Activities*, as of July 1, 2020, the Town made the following reporting changes: The activities of the Senior Taxpayer' Escrow Fund, Planning & Zoning Performance Bonds, and Inland/Wetland Performance Bonds are reported with the general fund activities, the Student Activity Fund is reported as a special revenue fund, and the Teacher's Retiree Fund is reported as a custodial fund. Accordingly, the Town increased the beginning assets and liabilities of the General Fund by \$624,751, and thus no effect to the beginning fund balance. The Town created a new special revenue fund for the Student Activity Fund, thus increasing assets and fund balance of \$315,459. The Town created a new custodial fund for the Teacher's Retiree Fund with a beginning net position by \$207,114. Accordingly, the Town restated beginning balances of the assets, liabilities, fund balance and net position as follows:

	<b>Governmental Activities Net Position</b>	<b>Nonmajor Governmental Funds Fund Balance</b>
<b>Governmental Funds:</b>	<u>                    </u>	<u>                    </u>
Balance as previously reported June 30, 2020	\$ (390,752,540)	\$ 9,218,155
Adjustment:		
Student Activity Fund now reported as a Special Revenue Fund	<u>315,459</u>	<u>315,459</u>
Balance as restated July 1, 2020	<u>\$ (390,437,081)</u>	<u>\$ 9,533,614</u>

**TOWN OF STRATFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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<b>Fiduciary Funds:</b>	<u>Agency Funds</u>	<u>Custodial Fund</u>
Balance as previously reported June 30, 2020	\$ 1,147,324	\$ -
Adjustments:		
Student Activity Fund now reported as a Special Revenue Fund	(315,459)	
Senior Taxpayer Escrow Fund now reported in the General Fund	(10,706)	
Planning & Zoning Performance Bonds now reported in the General Fund	(117,931)	
Inland Wetland Performance Bonds now reported in the General Fund	(496,114)	
Teachers' Retiree Fund now reported as a Custodial Fund	<u>(207,114)</u>	<u>207,114</u>
Balance as restated July 1, 2020	\$ <u><u>-</u></u>	\$ <u><u>207,114</u></u>

**14. SUBSEQUENT EVENTS**

On December 16, 2021, the Town issued \$12,245,000 of General Obligation Bond Anticipation Notes that have an interest rate of 1%. The notes were due March 15, 2022 but were extended through May 17, 2022.

**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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Property taxes:				
Current levy	\$ 185,054,696	\$ 185,054,696	\$ 184,383,977	\$ (670,719)
Arrears	5,446,500	5,446,500	5,520,657	74,157
Interest and lien fees	551,500	551,500	626,275	74,775
Suspense Taxes			195,995	195,995
Tax refunds and adjustments			(300)	(300)
Payments in lieu of taxes	213,514	213,514	198,950	(14,564)
Total property taxes	<u>191,266,210</u>	<u>191,266,210</u>	<u>190,925,554</u>	<u>(340,656)</u>
Intergovernmental revenues:				
State:				
Education equalization grant	24,116,337	24,116,337	24,345,693	229,356
Special education	2,500,000	2,500,000	2,678,711	178,711
Veterans' additional relief	115,000	115,000	100,933	(14,067)
In lieu of State property tax	200,000	200,000	213,514	13,514
State disability exemption	8,000	8,000	6,992	(1,008)
State Health CGS 10-217A	70,000	70,000	76,590	6,590
State telecom personal property	100,000	100,000	94,711	(5,289)
Municipal Grants-in-Aid	4,682,925	4,682,925	4,682,925	-
Airplane registration	55,000	55,000	46,460	(8,540)
Mashantucket grant	30,567	30,567	30,567	-
Total state	<u>31,877,829</u>	<u>31,877,829</u>	<u>32,277,096</u>	<u>399,267</u>
Federal:				
Civil preparedness	19,200	19,200	-	(19,200)
Payments in Lieu - Federal	1,500	1,500	1,335	(165)
Total federal	<u>20,700</u>	<u>20,700</u>	<u>1,335</u>	<u>(19,365)</u>
Total intergovernmental revenues	<u>31,898,529</u>	<u>31,898,529</u>	<u>32,278,431</u>	<u>379,902</u>

(Continued on next page)

**TOWN OF STRATFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Departmental revenues:				
Education	\$ 88,500	\$ 88,500	\$ 39,456	\$ (49,044)
Economic Development	-	-	24,700	24,700
Finance	200,000	200,000	231,731	31,731
Fire Department	45,000	45,000	48,647	3,647
Health Department	110,250	110,250	96,269	(13,981)
Conservation	16,000	16,000	9,234	(6,766)
Planning and Zoning	115,000	115,000	116,505	1,505
Police Department	203,000	203,000	124,875	(78,125)
Public Works	575,250	575,250	332,381	(242,869)
Recreation Department	47,500	47,500	326	(47,174)
Sanitation	265,000	265,000	366,188	101,188
Senior services	7,000	7,000	-	(7,000)
Town Attorney	-	-	44,245	44,245
Town Clerk	1,132,750	1,132,750	1,797,289	664,539
Total departmental revenues	<u>2,805,250</u>	<u>2,805,250</u>	<u>3,231,846</u>	<u>426,596</u>
Licenses and permits:				
Building permits	750,000	750,000	881,798	131,798
Boothe Memorial Park permits	38,000	38,000	21,328	(16,672)
Street and sewer permits	23,000	23,000	27,921	4,921
Beach stickers/concessions	145,000	145,000	72,657	(72,343)
Total licenses and permits	<u>956,000</u>	<u>956,000</u>	<u>1,003,704</u>	<u>47,704</u>
Investment income	<u>940,000</u>	<u>940,000</u>	<u>22,419</u>	<u>(917,581)</u>
Other:				
Miscellaneous rental:				
Cell tower rentals	165,000	165,000	164,753	(247)
Baldwin rental	4,000	4,000		(4,000)
Community services rental			41,250	41,250

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**TOWN OF STRATFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other (continued):				
Other insurance recovery	\$	\$	\$ 1,024	\$ 1,024
Miscellaneous	659,000	659,000	1,049,297	390,297
Boothe Estates	95,000	95,000	100,786	5,786
Total other	<u>923,000</u>	<u>923,000</u>	<u>1,357,110</u>	<u>434,110</u>
Total revenues	228,788,989	228,788,989	228,819,064	30,075
Other financing sources:				
Transfers in			<u>4,430,242</u>	<u>4,430,242</u>
Total	<u>\$ 228,788,989</u>	<u>\$ 228,788,989</u>	233,249,306	<u>\$ 4,460,317</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	15,919,928
State of Connecticut OPEB on-behalf contributions related to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted	384,203
Issuance of bonds	92,104,976
Premium on bond issuance	5,877,594
Revenues consolidated for GASB Statement No. 54	<u>23,802</u>

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

\$ 347,559,809

**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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Administration:				
Council Clerk	\$ 87,285	\$ 87,285	\$ 73,441	\$ 13,844
Office of the Mayor	295,297	295,297	281,939	13,358
Human resources	436,945	436,945	456,630	(19,685)
Town Attorney	1,850,470	1,850,470	1,505,560	344,910
Chief Administrative Officer	363,894	363,894	322,917	40,977
Department of Planning	405,480	405,480	377,686	27,794
Registrar of Voters	286,657	286,657	290,438	(3,781)
Town Clerk	405,623	405,623	403,026	2,597
Town buildings	1,348,750	1,348,750	1,230,598	118,152
Agencies	205,315	205,315	145,352	59,963
Information Technology	544,351	544,351	507,921	36,430
Total	<u>6,230,067</u>	<u>6,230,067</u>	<u>5,595,508</u>	<u>634,559</u>
Contingency	<u>4,001,291</u>	<u>4,001,291</u>	<u>3,814,847</u>	<u>186,444</u>
Employee benefits	<u>33,739,142</u>	<u>33,739,142</u>	<u>32,168,243</u>	<u>1,570,899</u>
Finance:				
Administration	193,215	193,215	196,456	(3,241)
Accounting	593,559	593,559	473,669	119,890
Purchasing	243,115	243,115	178,646	64,469
Tax Assessor	527,109	527,109	485,060	42,049
Tax Collector	557,567	557,567	517,042	40,525
Total	<u>2,114,565</u>	<u>2,114,565</u>	<u>1,850,873</u>	<u>263,692</u>
Human development:				
Community services	514,851	514,851	502,353	12,498
Economic Community Development	264,161	264,161	250,396	13,765
Health Department	811,514	811,514	774,435	37,079
Recreation Department	766,065	766,065	686,358	79,707
Senior Services	550,121	550,121	434,744	115,377
Sterling House	171,950	171,950	171,950	-
Stratford Library Association	3,211,685	3,211,685	2,717,609	494,076
Visiting Nurses Association	53,500	53,500	53,500	-
Short Beach	-	-	5,538	(5,538)
Total	<u>6,343,847</u>	<u>6,343,847</u>	<u>5,596,883</u>	<u>746,964</u>

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**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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Physical development:				
Public works:				
Administration	\$ 648,004	\$ 648,004	\$ 787,731	\$ (139,727)
Building inspection	266,774	266,774	263,718	3,056
Building maintenance	2,288,235	2,288,235	2,128,589	159,646
Engineering	381,341	381,341	308,846	72,495
Parks	2,808,978	2,808,978	2,706,734	102,244
Highways	2,654,315	2,654,315	2,788,716	(134,401)
Town garage	890,871	890,871	775,658	115,213
Sanitation/refuse	4,843,045	4,843,045	5,234,650	(391,605)
Total	<u>14,781,563</u>	<u>14,781,563</u>	<u>14,994,642</u>	<u>(213,079)</u>
Public safety:				
Fire Department:				
Administration	389,811	389,811	382,332	7,479
Fire suppression	12,618,116	12,618,116	13,549,733	(931,617)
Fire prevention	530,529	530,529	515,451	15,078
Communications center	1,321,785	1,321,785	1,230,404	91,381
Police Department:				
Administration	655,543	655,543	536,983	118,560
Investigation	2,141,187	2,141,187	2,210,627	(69,440)
Patrol	7,093,669	7,093,669	7,393,201	(299,532)
Traffic	627,643	627,643	597,975	29,668
Professional Standards	744,934	744,934	530,163	214,771
Police records	444,813	444,813	327,209	117,604
Total	<u>26,568,030</u>	<u>26,568,030</u>	<u>27,274,078</u>	<u>(706,048)</u>
Board of Education	<u>117,539,695</u>	<u>117,539,695</u>	<u>116,445,144</u>	<u>1,094,551</u>
Debt service:				
Bonds payable:				
Principal and interest	<u>20,845,789</u>	<u>20,845,789</u>	<u>19,938,863</u>	<u>906,926</u>
Total	<u>20,845,789</u>	<u>20,845,789</u>	<u>19,938,863</u>	<u>906,926</u>
Total expenditures	<u>232,163,989</u>	<u>232,163,989</u>	<u>227,679,081</u>	<u>4,484,908</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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing uses:				
Transfers out	\$ <u>1,200,000</u>	\$ <u>1,200,000</u>	\$ <u>1,487,020</u>	\$ <u>(287,020)</u>
Total	\$ <u>233,363,989</u>	\$ <u>233,363,989</u>	229,166,101	\$ <u>4,197,888</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			15,919,928	
State of Connecticut OPEB on-behalf contributions relative to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted			384,203	
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.			(502,948)	
Encumbrances for purchases and commitments ordered in the previous year, that were received and liquidated in the current year are reported for financial statement reporting purposes.			102,859	
Encumbrances for purchases and commitments ordered in the previous year, that were cancelled in the current year are reported as a reduction of expenditures for budgetary purposes.			(225,840)	
Bond issuance costs not budgeted			928,007	
Payment to bond escrow agent			97,054,563	
Expenditures consolidated for GASB Statement No. 54			<u>742,834</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>343,569,707</u>	

**TOWN OF STRATFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**PENSION**  
**LAST EIGHT 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>	<u>2021</u>
Total pension liability:								
Service cost	\$ 3,739	\$ 3,386	\$ 3,338	\$ 3,169	\$ 3,143	\$ 3,009	\$ 3,003	\$ 2,818
Interest	19,881	19,991	20,161	20,268	20,662	20,644	20,756	20,787
Effect of economic/demographic gains or losses	(462)	(1,301)	1,019	4,548	(1,327)	1,070	-	(2,018)
Effect of assumption changes or inputs								19,193
Benefit payments	(20,286)	(20,807)	(21,504)	(22,019)	(22,252)	(22,967)	(23,143)	(23,067)
Net change in total pension liability	2,872	1,269	3,014	5,966	226	1,756	616	17,713
Total pension liability - beginning	300,776	303,648	304,917	307,931	313,897	314,123	315,879	316,495
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>	<u>334,208</u>
Plan fiduciary net position:								
Contributions - employer	162,209	5,221	5,393	5,385	5,644	5,400	5,349	6,610
Contributions - member	1,683	1,578	1,661	1,447	1,387	1,309	1,282	1,320
Net investment income (loss)	26,333	9,918	(1,004)	28,887	22,479	15,456	6,376	68,689
Benefit payments, including refunds of member contributions	(20,286)	(20,807)	(21,504)	(22,019)	(22,252)	(22,967)	(23,143)	(23,067)
Administrative expense	(239)	(400)	(264)	(295)	(305)	(326)	(276)	(206)
Net change in plan fiduciary net position	169,700	(4,490)	(15,718)	13,405	6,953	(1,128)	(10,412)	53,346
Plan fiduciary net position - beginning	90,105	259,805	255,315	239,597	253,002	259,955	258,827	248,415
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>	<u>301,761</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>	<u>\$ 32,447</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%	90.29%
Covered payroll	\$ 22,771	\$ 22,237	\$ 20,317	\$ 19,912	\$ 18,756	\$ 18,713	\$ 17,810	\$ 16,509
Net pension liability as a percentage of covered payroll	192.54%	223.06%	336.34%	305.82%	288.80%	304.88%	382.26%	196.54%

\*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>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>	<u>2021</u>
Actuarially determined contribution	\$ 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	\$ 6,610,201
Contributions in relation to the actuarially determined contribution	<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>	<u>6,610,201</u>
Contribution Deficiency (Excess)	\$ <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>	\$ <u>-</u>
Covered payroll	\$ 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	\$ 16,508,932
Contributions as a percentage of covered payroll	35.40%	41.52%	712.36%	23.48%	26.54%	27.05%	30.09%	28.86%	30.03%	40.04%

**Notes to Schedule**

Valuation date: July 1, 2020  
 Measurement date: June 30, 2021

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   23 years  
 Asset valuation method           5-year, Non-asymptotic, no corridor  
 Inflation                           2.50%  
 Salary increases                 3.75% 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                         Pub-2010 Mortality (Public Safety variant for Police, Fire and Public Works employees and General variant for all others) with generational projection per MP 2019 Ultimate Scale

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

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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</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%	28.22%

\*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 SEVEN FISCAL YEARS\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town's proportion of the net pension liability	0.00%	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>	<u>248,199,613</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>	<u>\$ 248,199,613</u>
Town's covered payroll	\$ 47,921,000	\$ 49,711,000	\$ 51,654,000	\$ 53,337,000	\$ 53,913,000	\$ 56,384,995	\$ 58,257,295
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%	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%	49.24%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019: - Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%. - Decrease payroll growth assumption from 3.25% to 3.00%. - Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increase	3.25%-6.50%, including inflation
Investment rate of return	6.90%, net of investment related expense

**Notes:**

- This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability:					
Service cost	\$ 10,903	\$ 9,287	\$ 9,059	\$ 10,105	\$ 9,012
Interest	8,890	10,221	10,954	10,321	7,280
Effect of Plan Changes					(4,729)
Economic/demographic (gains) or losses			(13,465)		(67,527)
Changes of assumptions	(36,171)	(13,028)	13,360	24,641	29,164
Benefit payments	(8,447)	(8,427)	(8,968)	(9,259)	(9,624)
Net change in total OPEB liability	<u>(24,825)</u>	<u>(1,947)</u>	<u>10,940</u>	<u>35,808</u>	<u>(36,424)</u>
Total OPEB liability - beginning	305,210	280,385	278,438	289,378	325,186
Total OPEB liability - ending	<u>280,385</u>	<u>278,438</u>	<u>289,378</u>	<u>325,186</u>	<u>288,762</u>
Plan fiduciary net position:					
Contributions - employer	8,497	8,477	9,018	9,310	9,674
Net investment income	611	573	433	379	2,280
Benefit payments	(8,447)	(8,427)	(8,968)	(9,259)	(9,624)
Administrative expense	(2)	(43)	(11)	(2)	(3)
Net change in plan fiduciary net position	<u>659</u>	<u>580</u>	<u>472</u>	<u>428</u>	<u>2,327</u>
Plan fiduciary net position - beginning	3,784	4,443	5,023	5,495	5,923
Plan fiduciary net position - ending	<u>4,443</u>	<u>5,023</u>	<u>5,495</u>	<u>5,923</u>	<u>8,250</u>
Net OPEB Liability - Ending	<u>\$ 275,942</u>	<u>\$ 273,415</u>	<u>\$ 283,884</u>	<u>\$ 319,264</u>	<u>\$ 280,513</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.58%	1.80%	1.90%	1.82%	2.86%
Covered payroll	\$ 71,201	\$ 71,201	\$ 79,532	\$ 79,532	\$ 103,885
Net OPEB liability as a percentage of covered payroll	387.55%	384.00%	356.94%	401.43%	270.02%

\*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**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution (1)	\$ 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	\$ 26,133,040
Contributions in relation to the actuarially determined contribution	6,518,400	7,012,000	7,076,900	7,635,300	8,139,200	8,496,506	8,477,088	9,017,976	9,310,404	9,674,363
Contribution Deficiency	\$ 4,382,900	\$ 4,631,400	\$ 6,253,100	\$ 12,846,900	\$ 11,560,500	\$ 12,554,247	\$ 12,202,176	\$ 13,115,364	\$ 13,867,178	\$ 16,458,677
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 71,200,894	\$ 71,200,894	\$ 79,531,950	\$ 79,531,950	\$ 103,884,532
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	11.93%	11.91%	11.34%	11.71%	9.31%

(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, 2020  
Measurement date: June 30, 2021

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	17 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Healthcare cost trend rates	Town pre-65 trend is 15.30%-4.00% over 53 years, Town post-65 trend is 3.20%-4.00% over 54 years. BOE pre-65 trend is 7.70%-4.00% over 54 years, BOE post-65 trend is 1.30%-4.00% over 54 years, and BOE Medicare Part B trend rate is 4.50%-4.10% over 31 years.
Salary increases	3.75% for Police and Fire, graded by age for teachers and administrators, graded by age for all others
Investment rate of return	2.21%
Retirement age	Retirement ages and rates vary
Mortality	Teachers and Administrators: PubT-2010 Mortality Table for Employees and Healthy Annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP-2019 Ultimate scale. The PubT-2010 Contingent Survivor Table projected generationally per the MP-2019 Ultimate scale and set forward 1 year for both males and females is used for survivors and beneficiaries. All others: Pub-2010 Mortality Table with generational projection per the MP-2019 Ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after benefit commencement. The Public Safety variant was used for the Police and Fire groups, the General variant was used for all other groups.



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

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	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	15.98%	12.83%	8.54%	6.84%	38.18%

\*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 FOUR FISCAL YEARS\***

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town's proportion of the net OPEB liability	0.00%	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>	<u>37,018,981</u>
Total	<u>\$ 43,693,067</u>	<u>\$ 34,110,853</u>	<u>\$ 34,512,756</u>	<u>\$ 37,018,981</u>
Town's covered payroll	\$ 53,337,000	\$ 53,913,000	\$ 56,384,995	\$ 58,257,295
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%	2.08%	2.50%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	<p>Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2020 was updated to equal the Municipal Bond Index Rate as of June 30, 2020;</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;</p> <p>Long-term health care cost trend rates were updated;</p> <p>The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated based on observed plan experience. Additionally, participants are no longer assumed to migrate from the Medicare Supplement Plan to the Medicare Advantage Plan after selecting an option; and,</p> <p>The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019. The changes in assumptions are summarized below:</p> <ul style="list-style-type: none"> <li>- Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%.</li> <li>- Decrease payroll growth assumption from 3.25% to 3.00%.</li> <li>- Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.</li> </ul>
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 years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's 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, 2021**

Grand List	Uncollected Taxes July 01, 2020	Current Levy	Lawful Corrections	Transfers To Suspense	Adjusted Taxes Collectible	Collections				Total Collected	Uncollected Taxes June 30, 2021
						Taxes Paid	Interest	Lien	Other		
2019	\$	\$ 187,537,471	\$ 1,443,664	\$	\$ 188,981,135	\$ 184,886,111	\$ 624,884	\$ 1,392	\$ 29,199	\$ 185,541,586	\$ 4,095,024
2018	4,391,158		(33,681)		4,357,477	2,368,685	493,271	7,128	413	2,869,497	1,988,792
2017	2,016,622		(49,665)		1,966,957	780,960	314,566	2,880	36,892	1,135,298	1,185,997
2016	1,404,448		(1,203)		1,403,245	331,952	202,257	1290	19,880	555,379	1,071,293
2015	976,835		14,410	(325,247)	665,998	169,904	98,071	600	1,043	269,618	496,094
2014	254,828		(601)		254,227	58,942	43,249	360		102,551	195,285
2013	148,103		(625)		147,478	16,250	11,386	48		27,684	131,228
2012	125,806				125,806	7,756	6,899	48		14,703	118,050
2011	86,688		(115)		86,573	1,873	854	24		2,751	84,700
2010	72,503		115		72,618	1,089	1,049	48		2,186	71,529
2009	58,826				58,826	558	277	48		883	58,268
2008	15,714				15,714	10	16	48		74	15,704
2007	5,218				5,218					-	5,218
2006	189				189					-	189
2005	183				183					-	183
2004	168		(168) *		-					-	-
	<u>\$ 9,557,289</u>	<u>\$ 187,537,471</u>	<u>\$ 1,372,131</u>	<u>\$ (325,247)</u>	<u>\$ 198,141,644</u>	<u>\$ 188,624,090</u>	<u>\$ 1,796,779</u>	<u>\$ 13,914</u>	<u>\$ 87,427</u>	<u>\$ 190,522,210</u>	<u>\$ 9,517,554</u>

\* Operation of law

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**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
Student Activity	Program fees	School activities
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, 2021**

	Special Revenue Funds							
	School Lunch Program	Community Development	Education Federal and State Programs	Shellfish and Oysters	Counseling Center	Continuing Education	Redevelopment Agency	Railroad Property
<b>Assets</b>								
Cash and cash equivalents	\$ 15,531	\$	\$ 192,820	\$	\$	\$ 512,125	\$	\$
Investments								
Accounts receivable		1,252,433	310,689	5,049		38,827		17,470
Intergovernmental receivable	795,237							
Due from other funds	965,020	34,640		292,300	113,246		157,665	763,689
Inventory	62,910							
<b>Total Assets</b>	<b>\$ 1,838,698</b>	<b>\$ 1,287,073</b>	<b>\$ 503,509</b>	<b>\$ 297,349</b>	<b>\$ 113,246</b>	<b>\$ 550,952</b>	<b>\$ 157,665</b>	<b>\$ 781,159</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 1,762,386	\$ 377,239	\$ 76,838	\$	\$ 4,938	\$ 20,572	\$ 1,100	\$ 14,521
Accrued liabilities		3,068						5,809
Unearned revenue			188,751					
Due to other funds		931,354						971,026
Total liabilities	<u>1,762,386</u>	<u>1,311,661</u>	<u>265,589</u>	<u>-</u>	<u>4,938</u>	<u>20,572</u>	<u>1,100</u>	<u>991,356</u>
<b>Deferred Inflows of Resources:</b>								
Unavailable resources - other receivables		729,607						
<b>Fund balances:</b>								
Nonspendable	62,910							
Restricted	13,402		237,920					
Committed				297,349	108,308	530,380	156,565	
Unassigned		(754,195)						(210,197)
Total fund balances	<u>76,312</u>	<u>(754,195)</u>	<u>237,920</u>	<u>297,349</u>	<u>108,308</u>	<u>530,380</u>	<u>156,565</u>	<u>(210,197)</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,838,698</b>	<b>\$ 1,287,073</b>	<b>\$ 503,509</b>	<b>\$ 297,349</b>	<b>\$ 113,246</b>	<b>\$ 550,952</b>	<b>\$ 157,665</b>	<b>\$ 781,159</b>

(Continued on next page)

**TOWN OF STRATFORD, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	Special Revenue Funds								
	Miscellaneous Grants	Department of Children and Family Services	Recreation	Student Activity Fund	Town Aid Road	Senior Citizens	Police Special Services	Harbor Management	Sewer Maintenance
<b>Assets</b>									
Cash and cash equivalents	\$	\$	\$	\$ 349,381	\$	\$	\$ 62,652	\$	\$
Investments									
Accounts receivable	143,545	32,811							
Intergovernmental receivable	849,504								
Due from other funds	1,181,128	52,455	249,576		885,854	114,433		202,726	35,576
Inventory									
<b>Total Assets</b>	<b>\$ 2,174,177</b>	<b>\$ 85,266</b>	<b>\$ 249,576</b>	<b>\$ 349,381</b>	<b>\$ 885,854</b>	<b>\$ 114,433</b>	<b>\$ 62,652</b>	<b>\$ 202,726</b>	<b>\$ 35,576</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 83,690	\$ 925	\$ 6,752	\$	\$ 895	\$ 226	\$	\$ 1,957	\$
Accrued liabilities	8,838	7,316	4,067					1,184	
Unearned revenue	239,159								
Due to other funds	1,308,892								
Total liabilities	<u>1,640,579</u>	<u>8,241</u>	<u>10,819</u>	<u>-</u>	<u>895</u>	<u>226</u>	<u>-</u>	<u>3,141</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>									
Unavailable resources - other receivables	<u>793,566</u>								
<b>Fund balances:</b>									
Nonspendable									
Restricted		77,025			884,959				
Committed			238,757	349,381		114,207	62,652	199,585	35,576
Unassigned	(259,968)								
Total fund balances	<u>(259,968)</u>	<u>77,025</u>	<u>238,757</u>	<u>349,381</u>	<u>884,959</u>	<u>114,207</u>	<u>62,652</u>	<u>199,585</u>	<u>35,576</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,174,177</b>	<b>\$ 85,266</b>	<b>\$ 249,576</b>	<b>\$ 349,381</b>	<b>\$ 885,854</b>	<b>\$ 114,433</b>	<b>\$ 62,652</b>	<b>\$ 202,726</b>	<b>\$ 35,576</b>

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**TOWN OF STRATFORD, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	Special Revenue Funds				Permanent Funds					Interfund Eliminations	Total Nonmajor Governmental Funds
	Solid Waste Remediation	Reserve	Police Private Duty	Debt Service	Stratford High School	Bunnell High School	Stephen Boothe	David Boothe	Total		
<b>Assets</b>											
Cash and cash equivalents	\$	\$	\$	\$	\$ 44,847	\$ 20,716	\$ 7,484	\$ 40,613	\$ 113,660	\$	\$ 1,246,169
Investments					208,002	96,842	843,604	1,847,006	2,995,454		2,995,454
Accounts receivable			7,011						-		1,807,835
Intergovernmental receivable									-		1,644,741
Due from other funds	100,000	519,024	838,038	25,236					-	(847)	6,529,759
Inventory									-		62,910
<b>Total Assets</b>	<b>\$ 100,000</b>	<b>\$ 519,024</b>	<b>\$ 845,049</b>	<b>\$ 25,236</b>	<b>\$ 252,849</b>	<b>\$ 117,558</b>	<b>\$ 851,088</b>	<b>\$ 1,887,619</b>	<b>\$ 3,109,114</b>	<b>\$ (847)</b>	<b>\$ 14,286,868</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>											
<b>Liabilities:</b>											
Accounts payable	\$	\$ 81,089	\$	\$	\$	\$	\$	\$	\$ -	\$	\$ 2,433,128
Accrued liabilities		168							-		30,450
Unearned revenue		59,406							-		487,316
Due to other funds									-	(847)	3,210,425
Total liabilities	-	140,663	-	-	-	-	-	-	-	(847)	6,161,319
<b>Deferred Inflows of Resources:</b>											
Unavailable resources - other receivables											1,523,173
<b>Fund balances:</b>											
Nonspendable					252,849	117,558	851,088	1,887,619	3,109,114		3,172,024
Restricted				25,236					-		1,238,542
Committed	100,000	378,361	845,049						-		3,416,170
Unassigned									-		(1,224,360)
Total fund balances	100,000	378,361	845,049	25,236	252,849	117,558	851,088	1,887,619	3,109,114	-	6,602,376
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 100,000</b>	<b>\$ 519,024</b>	<b>\$ 845,049</b>	<b>\$ 25,236</b>	<b>\$ 252,849</b>	<b>\$ 117,558</b>	<b>\$ 851,088</b>	<b>\$ 1,887,619</b>	<b>\$ 3,109,114</b>	<b>\$ (847)</b>	<b>\$ 14,286,868</b>

**TOWN OF STRATFORD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021**

	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	\$ 2,316,336	\$ 522,826	\$ 7,381,494	\$ 66,995	\$ 7,775	\$ 512,388	\$	\$ 66,175
Departmental revenue	38,947				89,354			108,088
Licenses and permits								
Investment income								
Other			121,563					
Total revenues	<u>2,355,283</u>	<u>522,826</u>	<u>7,503,057</u>	<u>66,995</u>	<u>97,129</u>	<u>512,388</u>	<u>-</u>	<u>174,263</u>
Expenditures:								
Current:								
General government				2,400				
Education	2,800,819		7,486,289			360,594		
Human development					45,831			
Physical development		1,252,433					10,256	365,050
Public safety								
Capital outlay								
Total expenditures	<u>2,800,819</u>	<u>1,252,433</u>	<u>7,486,289</u>	<u>2,400</u>	<u>45,831</u>	<u>360,594</u>	<u>10,256</u>	<u>365,050</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(445,536)</u>	<u>(729,607)</u>	<u>16,768</u>	<u>64,595</u>	<u>51,298</u>	<u>151,794</u>	<u>(10,256)</u>	<u>(190,787)</u>
Other Financing Uses:								
Transfers in	965,020						75,000	
Transfers out								(175,000)
Total other financing sources (uses)	<u>965,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>(175,000)</u>
Net Change in Fund Balances	519,484	(729,607)	16,768	64,595	51,298	151,794	64,744	(365,787)
Fund Balances at Beginning of Year	(443,172)	(24,588)	221,152	232,754	57,010	378,586	91,821	155,590
Fund Balances at End of Year	<u>\$ 76,312</u>	<u>\$ (754,195)</u>	<u>\$ 237,920</u>	<u>\$ 297,349</u>	<u>\$ 108,308</u>	<u>\$ 530,380</u>	<u>\$ 156,565</u>	<u>\$ (210,197)</u>

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**TOWN OF STRATFORD, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds								
	Miscellaneous Grants	Department of Children and Family Services	Recreation	Student Activity Fund	Town Aid Road	Senior Citizens	Police Special Services	Harbor Management	Sewer Maintenance
Revenues:									
Intergovernmental	\$ 1,355,042	\$ 101,108	\$	\$	598,932	\$ 4,847	\$	\$ 100,339	\$
Departmental revenue	109,008	259,857	208,209			2,293		22,802	
Licenses and permits									
Investment income							52		
Other				420,199			23,983		
Total revenues	<u>1,464,050</u>	<u>360,965</u>	<u>208,209</u>	<u>420,199</u>	<u>598,932</u>	<u>7,140</u>	<u>24,035</u>	<u>123,141</u>	<u>-</u>
Expenditures:									
Current:									
General government									
Education				386,277					
Human development	1,369,045	399,326	86,261			10,361			
Physical development	397,331	246						33,220	
Public safety	168,670						45,601		
Capital outlay					509,245				
Total expenditures	<u>1,935,046</u>	<u>399,572</u>	<u>86,261</u>	<u>386,277</u>	<u>509,245</u>	<u>10,361</u>	<u>45,601</u>	<u>33,220</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(470,996)</u>	<u>(38,607)</u>	<u>121,948</u>	<u>33,922</u>	<u>89,687</u>	<u>(3,221)</u>	<u>(21,566)</u>	<u>89,921</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>	<u>-</u>
Net Change in Fund Balances	(470,996)	(38,607)	121,948	33,922	89,687	(3,221)	(21,566)	89,921	-
Fund Balances at Beginning of Year	211,028	115,632	116,809	315,459	795,272	117,428	84,218	109,664	35,576
Fund Balances at End of Year	<u>\$ (259,968)</u>	<u>\$ 77,025</u>	<u>\$ 238,757</u>	<u>\$ 349,381</u>	<u>\$ 884,959</u>	<u>\$ 114,207</u>	<u>\$ 62,652</u>	<u>\$ 199,585</u>	<u>\$ 35,576</u>

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**TOWN OF STRATFORD, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021**

	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	\$	\$ 93,910	\$	\$	\$	\$	\$	\$	\$ 12,482,609
Departmental revenue		18,709	1,818,918						3,213,655
Licenses and permits									108,088
Investment income					224,165	175,269	160,572	347,435	907,493
Other					7,178	3,495			576,418
Total revenues	<u>-</u>	<u>112,619</u>	<u>1,818,918</u>	<u>-</u>	<u>231,343</u>	<u>178,764</u>	<u>160,572</u>	<u>347,435</u>	<u>17,288,263</u>
Expenditures:									
Current:									
General government							39,815	85,150	127,365
Education					200,185	172,025			11,406,189
Human development									1,910,824
Physical development		32,644							2,091,180
Public safety			1,520,205						1,734,476
Capital outlay									509,245
Total expenditures	<u>-</u>	<u>32,644</u>	<u>1,520,205</u>	<u>-</u>	<u>200,185</u>	<u>172,025</u>	<u>39,815</u>	<u>85,150</u>	<u>17,779,279</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>79,975</u>	<u>298,713</u>	<u>-</u>	<u>31,158</u>	<u>6,739</u>	<u>120,757</u>	<u>262,285</u>	<u>(491,016)</u>
Other Financing Uses:									
Transfers in	50,000								1,090,020
Transfers out				(3,355,242)					(3,530,242)
Total other financing sources (uses)	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>(3,355,242)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,440,222)</u>
Net Change in Fund Balances	50,000	79,975	298,713	(3,355,242)	31,158	6,739	120,757	262,285	(2,931,238)
Fund Balances at Beginning of Year	50,000	298,386	546,336	3,380,478	221,691	110,819	730,331	1,625,334	9,533,614
Fund Balances at End of Year	<u>\$ 100,000</u>	<u>\$ 378,361</u>	<u>\$ 845,049</u>	<u>\$ 25,236</u>	<u>\$ 252,849</u>	<u>\$ 117,558</u>	<u>\$ 851,088</u>	<u>\$ 1,887,619</u>	<u>\$ 6,602,376</u>



# **Capital Projects Fund**

## CAPITAL PROJECTS FUND

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

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

**TOWN OF STRATFORD, CONNECTICUT  
CAPITAL PROJECTS FUND  
PROJECT COMBINING BALANCE SHEET  
JUNE 30, 2021**

	<u>Capital Improvements</u>	<u>Capital Special Projects</u>	<u>Sidewalk and Roads</u>	<u>Sewer Revolving</u>	<u>Water Hookup</u>	<u>ARPA</u>	<u>Capital Equipment</u>	<u>Total</u>
<b>Assets</b>								
Special assessments	\$	\$	\$ 1,157	\$ 500,848	\$	\$	\$	\$ 502,005
Intergovernmental receivable		916,848						916,848
Due from other funds	34,711,150	42,598,208		1,906,480		5,035,530	102,877	84,354,245
<b>Total Assets</b>	<b>\$ 34,711,150</b>	<b>\$ 43,515,056</b>	<b>\$ 1,157</b>	<b>\$ 2,407,328</b>	<b>\$ -</b>	<b>\$ 5,035,530</b>	<b>\$ 102,877</b>	<b>\$ 85,773,098</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>								
Liabilities:								
Accounts payable	\$	\$ 4,959,845	\$	\$	\$	\$	\$	\$ 4,959,845
Bond anticipation notes		13,845,004						13,845,004
Unearned revenue						5,035,530		5,035,530
Due to other funds		61,734,036	12,727		91,679		6,517,133	68,355,575
<b>Total liabilities</b>	<b>-</b>	<b>80,538,885</b>	<b>12,727</b>	<b>-</b>	<b>91,679</b>	<b>5,035,530</b>	<b>6,517,133</b>	<b>92,195,954</b>
Deferred Inflows of Resources:								
Unavailable resources - special assessments		501,456	1,157	500,848				1,003,461
Fund balances:								
Committed	34,711,150			1,906,480				36,617,630
Unassigned		(37,525,285)	(12,727)		(91,679)		(6,414,256)	(44,043,947)
<b>Total fund balances</b>	<b>34,711,150</b>	<b>(37,525,285)</b>	<b>(12,727)</b>	<b>1,906,480</b>	<b>(91,679)</b>	<b>-</b>	<b>(6,414,256)</b>	<b>(7,426,317)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 34,711,150</b>	<b>\$ 43,515,056</b>	<b>\$ 1,157</b>	<b>\$ 2,407,328</b>	<b>\$ -</b>	<b>\$ 5,035,530</b>	<b>\$ 102,877</b>	<b>\$ 85,773,098</b>

**TOWN OF STRATFORD, CONNECTICUT  
CAPITAL PROJECTS FUND  
PROJECT COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Capital Improvements</u>	<u>Capital Special Projects</u>	<u>Sidewalk and Roads</u>	<u>Sewer Revolving</u>	<u>Water Hookup</u>	<u>ARPA</u>	<u>Capital Equipment</u>	<u>Total</u>
Revenues:								
Property taxes and assessments	\$	\$	\$	\$ 116,629	\$	\$	\$	\$ 116,629
Charges for services								-
Intergovernmental		13,834,745						13,834,745
Other		125,888						125,888
Total revenues	-	13,960,633	-	116,629	-	-	-	14,077,262
Expenditures:								
Debt service	-	64,427						64,427
Capital outlay	-	41,428,811					539,407	41,968,218
Total expenditures	-	41,493,238	-	-	-	-	539,407	42,032,645
Excess (Deficiency) of Revenues over Expenditures	-	(27,532,605)	-	116,629	-	-	(539,407)	(27,955,383)
Other Financing Sources (Uses):								
Proceeds from bond issuance		14,600,024						14,600,024
Premium on BAN issuance		239,518						239,518
Transfers in		397,000						397,000
Total other financing sources (uses)	-	15,236,542	-	-	-	-	-	15,236,542
Net Change in Fund Balances	-	(12,296,063)	-	116,629	-	-	(539,407)	(12,718,841)
Fund Balances at Beginning of Year	34,711,150	(25,229,222)	(12,727)	1,789,851	(91,679)	-	(5,874,849)	5,292,524
Fund Balances at End of Year	\$ 34,711,150	\$ (37,525,285)	\$ (12,727)	\$ 1,906,480	\$ (91,679)	\$ -	\$ (6,414,256)	\$ (7,426,317)

# **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, 2021**

	<b>Short Beach Golf Course</b>	<b>Emergency Medical Services</b>	<b>Total</b>
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 3,841	\$ 377,094	\$ 380,935
<b>Receivables:</b>			
Accounts receivable, net		447,486	447,486
Due from other funds	46,215	94,349	140,564
Total current assets	<u>50,056</u>	<u>918,929</u>	<u>968,985</u>
<b>Capital assets:</b>			
Assets not being depreciated		220,000	220,000
Assets being depreciated, net	665,644	1,704,665	2,370,309
Total capital assets	<u>665,644</u>	<u>1,924,665</u>	<u>2,590,309</u>
Total assets	<u>715,700</u>	<u>2,843,594</u>	<u>3,559,294</u>
<b>Liabilities:</b>			
<b>Current:</b>			
Accounts payable	10,882	132,823	143,705
Unearned revenue	2,246		2,246
Advance from other funds	1,063,061		1,063,061
Due to other funds		3,825,358	3,825,358
Bonds payable		157,000	157,000
Compensated absences		82,937	82,937
Total current liabilities	<u>1,076,189</u>	<u>4,198,118</u>	<u>5,274,307</u>
<b>Noncurrent liabilities:</b>			
Bonds payable		571,000	571,000
Compensated absences	-	193,519	193,519
Total noncurrent liabilities	<u>-</u>	<u>764,519</u>	<u>764,519</u>
Total liabilities	<u>1,076,189</u>	<u>4,962,637</u>	<u>6,038,826</u>
<b>Net Position:</b>			
Net investment in capital assets	665,644	1,196,665	1,862,309
Unrestricted	<u>(1,026,133)</u>	<u>(3,315,708)</u>	<u>(4,341,841)</u>
Total Net Position	<u>(360,489)</u>	<u>(2,119,043)</u>	<u>(2,479,532)</u>
<b>Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds</b>			
	<u>-</u>	<u>(41,583)</u>	<u>(41,583)</u>
Net Position of Business-Type Activities	<u>\$ (360,489)</u>	<u>\$ (2,160,626)</u>	<u>\$ (2,521,115)</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, 2021**

	<b>Short Beach Golf Course</b>	<b>Emergency Medical Services</b>	<b>Total</b>
Operating Revenues:			
Charges for services	\$ 296,092	\$ 2,167,326	\$ 2,463,418
Operating Expenses:			
Operating and maintenance	137,280	2,801,573	2,938,853
Depreciation	12,723	291,689	304,412
Total operating expenses	<u>150,003</u>	<u>3,093,262</u>	<u>3,243,265</u>
Operating Income (Loss)	146,089	(925,936)	(779,847)
Nonoperating Expenses:			
Interest expense	<u>                    </u>	<u>(42,152)</u>	<u>(42,152)</u>
Net Loss Before Transfers	146,089	(968,088)	(821,999)
Capital Contributions	<u>563,637</u>	<u>330,362</u>	<u>893,999</u>
Change in Net Position	709,726	(637,726)	72,000
Net Position - Beginning of Year	<u>(1,070,215)</u>	<u>(1,481,317)</u>	<u>(2,551,532)</u>
Net Position - End of Year	<u>(360,489)</u>	<u>(2,119,043)</u>	<u>(2,479,532)</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds	<u>                    -</u>	<u>(41,583)</u>	<u>(41,583)</u>
Net Position of Business-Type Activities	<u>\$ (360,489)</u>	<u>\$ (2,160,626)</u>	<u>\$ (2,521,115)</u>



**TOWN OF STRATFORD, CONNECTICUT  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Short Beach Golf Course</b>	<b>Emergency Medical Services</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 296,092	\$ 2,080,403	\$ 2,376,495
Cash payments to suppliers	(77,624)	(508,975)	(586,599)
Cash payments to employees	(58,871)	(2,275,671)	(2,334,542)
(Payments) receipts for interfund services	(157,824)	1,060,921	903,097
Net cash provided by (used in) operating activities	<u>1,773</u>	<u>356,678</u>	<u>358,451</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Principal payments on debt		(124,000)	(124,000)
Principal payments on capital lease		(6,197)	(6,197)
Interest paid on debt		(42,152)	(42,152)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(172,349)</u>	<u>(172,349)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,773	184,329	186,102
Cash and Cash Equivalents at Beginning of Year	<u>2,068</u>	<u>192,765</u>	<u>194,833</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,841</u>	<u>\$ 377,094</u>	<u>\$ 380,935</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Operating income (loss)	\$ 146,089	\$ (925,936)	\$ (779,847)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	12,723	291,689	304,412
Change in assets and liabilities:			
(Increase) decrease in due from other funds	(522)	(19,242)	(19,764)
(Increase) decrease in accounts receivable		(86,923)	(86,923)
Increase (decrease) in accounts payable	271	24,125	24,396
Increase (decrease) in unearned revenues	514		514
Increase (decrease) in due to other funds	(157,302)	1,080,163	922,861
Increase (decrease) compensated absences		(7,198)	(7,198)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,773</u>	<u>\$ 356,678</u>	<u>\$ 358,451</u>
<b>Noncash Investing and Capital Financing Activities:</b>			
Contributions of Capital Assets from Town	<u>\$ 563,637</u>	<u>\$ 330,362</u>	<u>\$ 893,999</u>

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# **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, 2021**

	<u>Health Benefit</u>	<u>Workers' Compensation</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$	\$ 80,000	\$ 80,000
Due from other funds	14,070,915	2,515,232	16,586,147
Total assets	<u>14,070,915</u>	<u>2,595,232</u>	<u>16,666,147</u>
Current liabilities:			
Accounts payable	14,395	31,981	46,376
Due to other funds	14,121,720		14,121,720
Risk management claims	683,000		683,000
Total current liabilities	<u>14,819,115</u>	<u>31,981</u>	<u>14,851,096</u>
Noncurrent liabilities:			
Risk management claims		12,996,035	12,996,035
Total liabilities	<u>14,819,115</u>	<u>13,028,016</u>	<u>27,847,131</u>
Net Position:			
Unrestricted	\$ <u><u>(748,200)</u></u>	\$ <u><u>(10,432,784)</u></u>	\$ <u><u>(11,180,984)</u></u>

**TOWN OF STRATFORD, CONNECTICUT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021**

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	<u>Health Benefit</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 2,625,544	\$ 2,359,149	\$ 4,984,693
Operating Expenses:			
Operating and maintenance	<u>4,444,928</u>	<u>2,522,246</u>	<u>6,967,174</u>
Change in Net Position	(1,819,384)	(163,097)	(1,982,481)
Net Position - Beginning of Year	<u>1,071,184</u>	<u>(10,269,687)</u>	<u>(9,198,503)</u>
Net Position - End of Year	<u>\$ (748,200)</u>	<u>\$ (10,432,784)</u>	<u>\$ (11,180,984)</u>

**TOWN OF STRATFORD, CONNECTICUT**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Health Benefit</u>	<u>Workers' Compensation</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 2,625,544	\$ 2,359,149	\$ 4,984,693
Cash payments to suppliers	(4,344,872)	(2,499,039)	(6,843,911)
(Payments) receipts for interfund services	<u>1,719,328</u>	<u>139,890</u>	<u>1,859,218</u>
Net cash provided by (used in) operating activities	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
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)	\$ (1,819,384)	\$ (163,097)	\$ (1,982,481)
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	(12,355,890)	139,890	(12,216,000)
Decrease (increase) in receivables			
Increase (decrease) in accounts payable	12,056	10,527	22,583
Increase (decrease) in due to other funds	14,075,218		14,075,218
Increase (decrease) in risk management liability	<u>88,000</u>	<u>12,680</u>	<u>100,680</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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# 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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
Net investment in capital assets	\$ 113,218	\$ 81,971	\$ 45,522	\$ 90,461	\$ 85,697	\$ 81,259	\$ 78,329	\$ 82,429	\$ 58,172	\$ 57,747
Restricted	4,348	6,069	2,719	2,755	2,670	2,476	2,709	2,793	2,527	2,407
Unrestricted	(479,351)	(478,792)	(443,749)	(496,884)	(314,761)	(293,902)	(271,441)	(69,279)	(37,138)	(47,371)
Total governmental activities net position	<u>(361,785)</u>	<u>(390,752)</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>
Business-type activities:										
Net investment in capital assets	23,499	14,691	14,628	15,411	14,787	15,720	14,577	18,134	19,149	19,806
Unrestricted	(5,057)	(4,274)	(5,291)	1,160	5,388	5,746	7,676	6,094	6,710	6,615
Total business-type activities net position	<u>18,442</u>	<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>
Total:										
Net investment in capital assets	136,717	96,662	60,150	105,872	100,484	96,979	92,906	100,563	77,321	77,553
Restricted	4,348	6,069	2,719	2,755	2,670	2,476	2,709	2,793	2,527	2,407
Unrestricted	<u>(484,408)</u>	<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>
Total Net Position	<u>\$ (343,343)</u>	<u>\$ (380,335)</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>

## 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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 30,391	\$ 35,401	\$ 40,788	\$ 42,394	\$ 32,000	\$ 31,845	\$ 33,728	\$ 30,840	\$ 38,354	\$ 38,445
Human development	8,520	8,164	11,084	7,731	8,794	10,145	8,277	8,518	8,852	9,029
Physical development	25,812	21,145	29,201	18,709	23,659	22,908	20,537	15,320	18,900	15,466
Public safety	27,082	37,296	27,261	26,839	34,067	35,826	28,289	35,654	24,111	23,712
Education	168,119	150,477	135,011	140,801	148,968	136,979	129,334	127,895	115,002	114,759
Debt service	12,266	13,684	11,612	12,734	13,696	12,058	12,530	9,636	4,548	3,484
Total governmental activities expenses	<u>272,190</u>	<u>266,167</u>	<u>254,957</u>	<u>249,208</u>	<u>261,184</u>	<u>249,761</u>	<u>232,695</u>	<u>227,863</u>	<u>209,767</u>	<u>204,895</u>
Business-type activities:										
Waste Operating	10,948	10,436	18,311	10,570	11,232	11,394	11,768	10,560	10,106	9,654
Other	3,286	2,999	3,099	2,902	2,738	2,875	2,451	2,324	2,225	1,745
Total business-type activities	<u>14,234</u>	<u>13,435</u>	<u>21,410</u>	<u>13,472</u>	<u>13,970</u>	<u>14,269</u>	<u>14,219</u>	<u>12,884</u>	<u>12,331</u>	<u>11,399</u>
<b>Total Expenses</b>	<u>286,424</u>	<u>279,602</u>	<u>276,367</u>	<u>262,680</u>	<u>275,154</u>	<u>264,030</u>	<u>246,914</u>	<u>240,747</u>	<u>222,098</u>	<u>216,294</u>
<b>Program revenues:</b>										
Governmental activities:										
Charges for services:										
General government	4,098	2,974	2,498	3,141	2,774	2,267	2,264	2,238	1,997	2,201
Human Development	465	681	885	1,433	1,354	3,440	3,709	3,907	3,811	3,844
Physical Development	2,299	1,188	1,460	1,196	1,377	2,052	1,940	1,810	749	619
Public Safety	1,878	1,986	1,467	163	2,002	1,023	1,468	1,412	1,512	1,462
Education	499	1,075	2,029	1,743	2,263	1,975	1,932	2,668	2,232	2,294
Operating grants and contributions	68,365	45,973	35,952	46,589	51,984	45,266	43,875	42,140	41,710	43,581
Capital grants and contributions	27,708	25,794	29,462	26,657	7,303	4,965	12,886	4,813	3,206	
Total governmental activities program revenues	<u>105,312</u>	<u>79,671</u>	<u>73,753</u>	<u>80,922</u>	<u>69,057</u>	<u>60,988</u>	<u>68,074</u>	<u>58,988</u>	<u>55,217</u>	<u>54,001</u>
Business-type activities:										
Charges for services	13,129	13,332	13,625	13,406	13,378	14,181	12,944	11,932	11,998	9,215
Capital grants and contributions	10,030	730	1,780	26,524					348	13
Total business-type activities program revenues	<u>23,159</u>	<u>14,062</u>	<u>15,405</u>	<u>39,930</u>	<u>13,378</u>	<u>14,181</u>	<u>12,944</u>	<u>11,932</u>	<u>12,346</u>	<u>9,228</u>
<b>Total Primary Government Program Revenues</b>	<u>128,471</u>	<u>93,733</u>	<u>89,158</u>	<u>120,852</u>	<u>82,435</u>	<u>75,169</u>	<u>81,018</u>	<u>70,920</u>	<u>67,563</u>	<u>63,229</u>
<b>Net revenues (expenses):</b>										
Governmental activities	(166,878)	(186,496)	(181,204)	(168,286)	(192,127)	(188,773)	(164,621)	(168,875)	(154,550)	(150,894)
Business-type activities	8,925	627	(6,005)	26,458	(592)	(88)	(1,275)	(952)	15	(2,171)
<b>Total Net Expense</b>	<u>(157,953)</u>	<u>(185,869)</u>	<u>(187,209)</u>	<u>(141,828)</u>	<u>(192,719)</u>	<u>(188,861)</u>	<u>(165,896)</u>	<u>(169,827)</u>	<u>(154,535)</u>	<u>(153,065)</u>
<b>General Revenues and Other Changes in Net Assets:</b>										
Governmental activities:										
Property taxes	191,353	187,064	183,456	179,758	173,323	166,649	163,847	158,477	156,673	152,523
Grants and contributions not restricted to specific purposes	1,431	589	496	708	1,389	1,593	1,550	1,750	6,152	3,948
Unrestricted investment earnings	931	1,044	1,279	481	489	67	158	349	209	1
Miscellaneous	915	1,655	2,901	1,729					1,695	894
Transfers	900	900	1,230	3,537	700	700	700	681	600	600
Total governmental activities	<u>195,530</u>	<u>191,252</u>	<u>189,362</u>	<u>186,213</u>	<u>175,901</u>	<u>169,009</u>	<u>166,255</u>	<u>161,257</u>	<u>165,329</u>	<u>157,966</u>
Business-type activities:										
Property transfer			931	1,044					23	27
Unrestricted investment earnings			(1,230)	(3,537)	(700)	(700)	(700)	(681)	(600)	(600)
Transfers	(900)	(900)	(299)	(2,493)	(700)	(700)	(700)	(681)	(577)	(573)
Total business-type activities	<u>(900)</u>	<u>(900)</u>	<u>(299)</u>	<u>(2,493)</u>	<u>(700)</u>	<u>(700)</u>	<u>(700)</u>	<u>(681)</u>	<u>(577)</u>	<u>(573)</u>
<b>Total Primary Government General Revenues</b>	<u>194,630</u>	<u>190,352</u>	<u>189,063</u>	<u>183,720</u>	<u>175,201</u>	<u>168,309</u>	<u>165,555</u>	<u>160,576</u>	<u>164,752</u>	<u>157,393</u>
<b>Changes in Net Position:</b>										
Governmental activities	28,652	4,756	8,159	17,928	(16,226)	(19,764)	1,634	(7,618)	10,779	7,072
Business-type activities	8,025	(273)	(6,304)	23,965	(1,292)	(788)	(1,975)	(1,633)	(562)	(2,744)
<b>Total Primary Government Changes in Net Position</b>	<u>\$ 36,677</u>	<u>\$ 4,483</u>	<u>\$ 1,855</u>	<u>\$ 41,893</u>	<u>\$ (17,518)</u>	<u>\$ (20,552)</u>	<u>\$ (341)</u>	<u>\$ (9,251)</u>	<u>\$ 10,217</u>	<u>\$ 4,328</u>

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Nonspendable	\$ 1,169	\$ 1,469	\$ 1,619	\$ 1,405	\$ 1,120	\$ 1,071	\$ 770	\$ 670	\$	\$
Restricted							116	116		
Assigned	503	103	191	1,064	211	17	127	612	1,666	2,284
Unassigned	<u>10,232</u>	<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>
Total General Fund	<u>\$ 11,903</u>	<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>
All Other Governmental Funds:										
Nonspendable	\$ 3,172	\$ 2,793	\$ 39	\$ 36	\$ 33	\$ 36	\$ 34	\$ 29	\$ 28	\$ 32
Restricted	1,239	3,380	3,571	3,441	23,184	3,154	3,356	3,344	3,011	2,784
Committed	40,034	40,118	47,559	38,141	1,593	7,030	23,275	8,953	20,612	18,045
Unassigned	<u>(45,268)</u>	<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>
Total All Other Governmental Funds	<u>\$ (824)</u>	<u>\$ 14,510</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>

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Property taxes and assessments	\$ 190,843	\$ 185,737	\$ 184,163	\$ 180,610	\$ 174,282	\$ 165,013	\$ 163,967	\$ 158,063	\$ 154,248	\$ 153,069
Intergovernmental	76,032	71,829	76,025	66,113	61,476	51,818	57,375	49,273	50,978	47,876
Department revenue	6,195	7,101	7,937	6,257	6,320	5,642	5,320	5,445	4,935	5,028
Licenses and permits	1,174	1,350	1,046	1,249	1,161	1,309	1,215	1,076	961	760
Investment income	930	1,043	1,279	481	489	67	159	349	209	1
Other	1,338	1,656	2,901	1,793	2,510	4,600	5,443	5,513	5,842	5,661
Total revenues	<u>276,513</u>	<u>268,716</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>
Expenditures:										
Administration	5,723	5,501	5,911	5,984	4,979	4,591	4,821	4,247	4,115	4,421
Contingency	3,627	3,422	4,431	4,733	2,642	3,688	4,013	4,203	2,853	3,031
Employee benefits	20,146	19,231	19,303	19,310	20,423	19,573	21,433	181,535	27,030	26,010
Finance	1,821	2,562	1,883	2,198	2,194	2,120	2,075	2,219	1,956	2,115
Human development	7,562	7,472	7,441	8,243	8,055	8,828	7,427	7,375	8,087	8,554
Physical development	17,535	16,972	14,680	14,283	12,811	13,351	13,891	14,228	16,260	13,222
Public safety	29,301	28,701	27,462	25,644	25,817	25,428	23,936	23,789	23,630	22,487
Education	143,530	139,237	138,160	127,869	133,878	120,859	118,380	115,647	112,560	110,889
Capital outlay	42,641	43,300	52,103	46,491	16,208	17,124	32,595	20,305	23,392	19,134
Debt service:										
Principal retirement	25,404	18,732	24,095	21,627	14,701	12,955	13,004	16,675	14,275	13,683
Interest and other charges	7,550	14,737	5,795	13,753	18,398	18,425	18,327	5,809	4,828	3,614
Total expenditures	<u>304,840</u>	<u>299,867</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>
Excess of revenue over (under) expenditures	<u>(28,328)</u>	<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>
Other financing sources:										
Transfers in	5,917	5,148	3,058	5,104	4,715	6,533	4,982	6,482	2,580	2,091
Transfers out	(5,017)	(4,248)	(1,828)	(1,567)	(4,015)	(5,833)	(4,282)	(5,801)	(1,980)	(1,491)
Proceeds from capital leases						414	1263	253	2,097	2,300
Payments to escrow agents	(97,055)						(9,995)	(18,139)		(19,325)
Bonds issued	106,705		70,000		25,260		42,740	179,555	21,475	26,274
Premiums on bonds and BANs	6,117		6,815		3,270		4,207	1,905	263	1,424
Total other financing sources	<u>16,668</u>	<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>
Net Change in Fund Balances	\$ <u>(11,660)</u>	\$ <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>
Debt Service as a Percentage of Noncapital Expenditures	<u>20.9%</u>	<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>

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							
2021	2019	\$ 3,164,254,800	\$ 822,207,790	\$ 75,644,390	\$ 456,325,160	\$ 4,518,432,140	\$ 586,022,641	\$ 361,182,757	\$ 5,465,637,538	39.64	\$ 696,528,006	\$ 4,769,109,532	87%
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%

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
2021	2019	\$ 189,265,006	\$ 185,435,100	97.98%	\$ 3,737,978	\$ 189,173,078	99.95%
2020	2018	184,855,273	\$ 180,464,115	97.62%	3,591,069	184,055,184	99.57%
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%

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.



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

<u>Taxpayer</u>	<u>2021</u>			<u>Taxpayer</u>	<u>2012</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.	\$ 157,575	1	3.30%	Sikorsky Aircraft	\$ 242,365	1	5.36%
United Illuminating	139,280	2	2.92%	United Illuminating	74,813	2	1.65%
Sikorsky Aircraft	81,081	3	1.70%	Stonybrook Gardens Inc.	24,493	3	0.54%
Southern Connecticut Gas	35,738	4	0.75%	UB Dockside LLC	19,661	4	0.43%
Ashcroft Inc.	21,649	5	0.45%	Second Avenue Development LLC	19,808	5	0.44%
ETCL Stratford, LLC	21,157	6	0.44%	Southern Connecticut Gas	19,005	6	0.42%
UB Dockside LLC (Urstadt Biddle Prop)	19,937	7	0.42%	Ashcroft Inc.	18,668	7	0.41%
Second Avenue Development LLC	19,093	8	0.40%	Kramont Operating Partnership	14,000	8	0.31%
Stonybrook Gardens Cooperative	18,887	9	0.40%	Merritt 8 Acquisitions, LLC	13,650	9	0.30%
Avalon at Stratford LLC	15,573	10	0.33%	Home Depot	12,530	10	0.28%
<b>TOTAL</b>	<b>\$ 529,970</b>		<b>11.11%</b>	<b>TOTAL</b>	<b>\$ 216,628</b>		<b>4.79%</b>

Source: Town of Stratford, Office of Tax Assessor

\* Total taxable assessed value (Table 5) \$ 4,769,110

\$ 4,525,015

**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				
2021	\$ 308,530	\$ 170	\$ 1,007	\$ 21,867	\$ 11	\$ 331,585	6.95%	\$ 5,919	16.6%
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%

(1) Amounts include unamortized bond premiums.

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

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None

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

<b>Fiscal Year Ended June 30</b>	<b>General Obligation Bonds (1)</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Debt Per Capita</b>
2021	\$ 308,530	\$ 25	\$ 308,505	6.47%	\$ 5,919
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

(1) Amounts include unamortized bond premiums.

**TOWN OF STRATFORD, CONNECTICUT  
COMPUTATION OF LEGAL DEBT LIMITATION  
JUNE 30, 2021**

Total tax collections (including interest and lien fees) for the year ended June 30, 2020					\$ <u>185,684,241</u>
	<u>General Purpose</u>	<u>Schools</u>	<u>Sewer &amp; Water</u>	<u>Urban Renewal</u>	<u>Unfunded Pension Benefit Obligation</u>
Debt limitation:					
2-1/4 times base	\$ 417,789,542	\$	\$	\$	\$
4-1/2 times base		835,579,085			
3-3/4 times base			696,315,904		
3-1/4 times base				603,473,783	
3 times base					557,052,723
Total debt limitation	<u>417,789,542</u>	<u>835,579,085</u>	<u>696,315,904</u>	<u>603,473,783</u>	<u>557,052,723</u>
Indebtedness:					
Bonds payable	68,409,334	101,708,249	278,632		122,875,000
Bonds authorized, unissued	27,043,924	18,124,286	1,527,141		
BAN Payable	5,972,000	7,873,000			
Clean Water Fund notes			21,866,512		
Grant commitments		(390,327)			
Total indebtedness	<u>101,425,258</u>	<u>127,315,208</u>	<u>23,672,285</u>	<u>-</u>	<u>122,875,000</u>
Debt Limitation in Excess of Outstanding and Authorized Indebtedness					
	<u>\$ 316,364,284</u>	<u>\$ 708,263,877</u>	<u>\$ 672,643,619</u>	<u>\$ 603,473,783</u>	<u>\$ 434,177,723</u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$1,299,789,687).

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.

TABLE 12

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limitation	\$ 1,299,790	\$ 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
Total net debt applicable to limit	<u>328,983</u>	<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>
Legal Debt Margin	<u>\$ 970,807</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	25.31%	24.99%	25.87%	28.88%	32.56%	40.10%	37.10%	40.00%	24.01%	24.15%

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

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

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

<b>Fiscal Year</b>	<b>Population(1)</b>	<b>Per Capita Income(2)</b>	<b>Median Age(1)</b>	<b>School Enrollment(3)</b>	<b>Unemployment Rate(4)</b>	<b>Personal Income</b>
2021	52,120	\$ 38,274	42.6	6,699	6.6%	\$ 1,994,840,880
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

(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	2021			2012		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Lockheed Martin-Sikorsky Aircraft	Manufacturer of Helicopters	5679	1	23.62%	7600	1	29.97%
Town of Stratford	Government/Education	1398	2	5.82%	1508	2	5.95%
United Parcel Service	Package Delivery	521	3	2.18%	600	3	2.38%
Lord Chamberlain	Skilled Nursing Facility	444	4	1.86%	400	7	1.59%
Ashcroft Holdings	Manufacturer of Gauges, Valves	400	5	1.67%	445	6	1.76%
Burns Construction	Construction	308	6	1.29%			
Connecticut Distributor	Liquor Distributors	305	7	1.28%	256	11	1.02%
Encon	HVAC	245	8	1.03%			
Nuovo Pasta	Retail Grocery Products	219	9	0.92%			
Bridgeport Fittings	Manufacturer of Electrical Fittings	188	10	0.79%	200	15	0.80%
William B. Myers	Moving, Storage & Rigging	181	11	0.76%	160	17	0.64%
Big Y	Retail Grocery Products	156	12	0.66%			
ShopRite	Retail Grocery Products	154	13	0.65%	188	16	0.75%
Stop & Shop	Retail Grocery Products	139	14	0.59%	200	14	0.80%
Two Roads Brewing	Craft Beer Industry	100	15	0.43%			
Clarity Output Solutions	Communications - Publishing	91	16	0.39%			
Stratford Retailer Condo Assoc.	Retail Chains				541	4	2.14%
Cablevision	Cable Television, Internet, Telecom.				300	5	1.19%
CCT Global	Health and Beauty Care				125	8	0.50%
Walmart	Consumer Goods				254	9	1.01%
Aptar	Manufacturer Pump Atomizers				270	10	1.07%
Yale New Haven Technology Center	Electronic Storage				200	12	0.80%
AT&T	Telecommunications				250	13	1.00%
Aurora Products	Dried Fruit Packaging				125	18	0.50%
Home Depot	Home / Garden / Repair Goods				144	19	0.58%
<b>Total</b>		<u>10,528</u>		<u>43.94%</u>	<u>13,766</u>		<u>54.45%</u>
<b>Total Employment</b>		<u>24,056</u>			<u>25,368</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)**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
General government	84	93	89	93	91	81	79	78	83	64
Police	113	116	107	107	106	104	113	111	106	117
Fire	111	113	108	101	111	107	111	109	117	111
Refuse collection	26	32	29	28	28	29	31	29	28	29
Other public works	80	77	83	83	77	76	76	74	67	76
Parks	25	29	30	29	24	22	22	23	16	21
Recreation	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>5</u>	<u>3</u>	<u>6</u>
Total Non-Education	<u>443</u>	<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>
Education	<u>955</u>	<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>
Total Including Education	<u>1,398</u>	<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>

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government:										
Building permits issued	1,054	951	951	724	736	687	739	736	749	709
Building inspections conducted	3,862	3,554	3,554	3,674	3,713	3,665	3,889	3,426	3,151	3,090
Police:										
Physical arrests	970	1,020	1,020	1,860	1,563	1,704	1,566	1,144	1,403	1,520
Parking violations	1,431	8,510	8,510	6,608	9,970	7,567	397	468	464	631
Traffic violations	818	2,181	2,181	1,940	1,658	1,558	1,386	1,767	2,158	2,595
Fire:										
Emergency responses	5,230	6,456	6,456	6,342	5,905	6,092	5,749	5,749	6,772	5,556
Fires extinguished	174	166	166	207	209	219	208	208	318	304
Inspections	1,405	1,520	1,520	1,356	1,410	2,180	1,941	1,941	1,992	1,747
Refuse collection:										
Refuse collected (tons per year)	27,604	22,170	22,170	21,167	22,103	20,522	21,571	21,961	23,100	24,035
Recyclables collected (tons per year)	3,568	3,301	3,301	3,235	3,332	3,297	3,232	3,196	3,126	3,173
Parks and recreation:										
Athletic field permits issued	6,500	6,000	8,920	6,819	9,000	7,987	8,801	9,304	9,570	9,379
Library										
Volumes in collection (Books & Serials)	113,096							149,357	160,557	152,384
Volumes in collection (All Other Items)	16,613							18,352	19,837	17,783
Total volumes borrowed (Books & Serials)	155,074							277,195	279,641	292,047
Total volumes borrowed (All Other Items)	52,246							153,156	158,799	179,563
Water:										
Average daily sewage treatment (thousands of gallons)	7,566	9,708	9,708	7,800	7,120	6,501	7,669	7,669	7,896	6,700

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  
Town of Stratford, Library

TABLE 17

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

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units (Number of Vehicles)	33	33	33	34	32	31	33	33	32	32
Fire stations	4	4	4	4	4	4	4	4	4	4
Refuse collection:										
Refuse collection trucks	8	10	7	6	6	6	6	6	6	6
Recycling collection trucks	3	3	3	4	3	3	3	3	3	3
Yard Waste Trucks	2	2	1	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	30	27	27	27
Baseball/softball diamonds	37	37	37	37	37	38	38	42	45	45
Soccer/football fields	14	14	14	14	14	14	14	13	13	13
Community centers	2	2	2	2	2	2	2	2	2	2
Wastewater:										
Sanitary sewers (miles)	201	201	201	201	201	170	200	200	200	200
Storm sewers (miles)	149	149	149	149	149	125	125	125	125	125
Treatment capacity (thousands of gallons)	16,000	16,000	16,000	16,000	16,000	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

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