

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 30, 2023

NEW ISSUE

S & P GLOBAL RATINGS:

(See "Ratings" herein)

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds and the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See "Tax Matters" herein.

TOWN OF NORTH BRANFORD, CONNECTICUT

\$14,975,000 GENERAL OBLIGATION BONDS, ISSUE OF 2023 (the "Bonds")

BOOK-ENTRY ONLY

Dated: Date of Delivery

Due: August 1, 2025-2043, as detailed inside this front cover

The Bonds will bear interest payable semiannually on February 1 and August 1 in each year until maturity or earlier redemption, commencing August 1, 2024.

The Bonds are subject to redemption prior to maturity as described herein. (See "Optional Redemption" herein).

The Bonds are being offered for sale in accordance with the official Notice of Sale dated June 30, 2023. Electronic bids via *PARITY*[®] for the Bonds will be received until 11:30 A.M. (E.T.) on Thursday, July 13, 2023 at the office of the Finance Director, Town Hall, 909 Foxon Road, North Branford, Connecticut, 06471 as described in the official Notice of Sale. (See "Appendix F" herein).

S & P GLOBAL RATINGS:

(See "Ratings" herein)

\$24,805,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES (the "Notes")

BOOK-ENTRY ONLY

Dated: Date of Delivery

Due: August 2, 2024

Interest on the Notes will be payable at maturity at such rate per annum as specified by the successful bidder as set forth on the inside front cover.

The Notes are NOT subject to redemption prior to maturity.

The Notes are being offered for sale in accordance with the official Notice of Sale dated June 30, 2023. Electronic bids via *PARITY*[®] for the Notes will be received until 11:00 A.M. (E.T.) on Thursday, July 13, 2023 at the office of the Finance Director, Town Hall, 909 Foxon Road, North Branford, Connecticut, 06471 as described in the official Notice of Sale. (See "Appendix G" herein).

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

The Bonds and the Notes will bear interest payable at such rate or rates per annum and mature on the dates set forth on the inside cover page hereof, and will be issued by means of a book-entry only system, and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds and the Notes. The Beneficial Owners of the Bonds and the Notes will not receive certificates representing their ownership interest in the Bonds and the Notes. Principal of and interest on the Bonds and the Notes will be payable by the Town or its agent to DTC or its nominees as registered owners of the Bonds and the Notes. Ownership of the Bonds and the Notes may be in principal amounts of \$5,000 or integral multiples thereof. (See "Book-Entry Only Transfer System" herein).

The Registrar, Certifying Agent, Transfer Agent and Paying Agent for the Bonds and Notes will be U.S. Bank Trust Company, National Association, in Hartford, Connecticut.

The Bonds and Notes are offered for delivery when, as and if issued, subject to the final approving opinion of Robinson & Cole LLP, of Hartford, Connecticut, Bond Counsel. It is expected that delivery of the Bonds and Notes in book-entry form will be made to the Depository Trust Company, New York, New York on or about August 3, 2023.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which said offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of any such jurisdiction.

TOWN OF NORTH BRANFORD, CONNECTICUT

\$14,975,000 GENERAL OBLIGATION BONDS, ISSUE OF 2023 BOOK-ENTRY ONLY

Dated: Date of Delivery

MATURITY SCHEDULE

Due: August 1, 2025-2043

<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP (1)</u>	<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP (1)</u>
2025	\$ 575,000	%	%	657798***	2035	\$ 800,000	%	%	657798***
2026	850,000			657798***	2036	800,000			657798***
2027	575,000			657798***	2037	800,000			657798***
2028	800,000			657798***	2038	825,000			657798***
2029	800,000			657798***	2039	825,000			657798***
2030	800,000			657798***	2040	825,000			657798***
2031	800,000			657798***	2041	825,000			657798***
2032	800,000			657798***	2042	825,000			657798***
2033	800,000			657798***	2043	850,000			657798***
2034	800,000			657798***					

\$24,805,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES BOOK-ENTRY ONLY

Dated: Date of Delivery

Due: August 2, 2024

<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP (1)</u>
\$ 24,805,000	%	%	657798***

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

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

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

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of this Official Statement.

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

Other than as to matters expressly set forth in Appendices B and C, "Form of Opinion of Bond Counsel – The Bonds" and "Form of Opinion of Bond Counsel – The Notes", respectively, herein, Bond Counsel are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

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

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

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

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THE BONDS ISSUE SUMMARY

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

Date of Sale:	Thursday, July 13, 2023, 11:30 AM (Eastern Time).
Location of Sale:	Office of the Finance Director, Town Hall, 909 Foxon Road, North Branford, Connecticut, 06471.
Issuer:	Town of North Branford, Connecticut (the "Town").
Issue:	\$14,975,000 General Obligation Bonds, Issue of 2023, (the "Bonds").
Dated Date:	Date of Delivery, August 3, 2023.
Interest Due:	August 1, 2024 and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption.
Principal Due:	Serially, August 1, 2025 through 2043, as detailed in this Official Statement.
Purpose and Authority:	A portion of the Bonds are being issued to finance various projects authorized by a Special Town Meeting and referenda. (See "Authorization and Purpose for the Bonds and Notes" herein).
Redemption:	The Bonds are subject to redemption prior to maturity. (See "Optional Redemption" herein).
Security:	The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Basis of Award:	Lowest True Interest Cost ("TIC"), as of dated date.
Credit Rating:	The Bonds have been rated "___" by S&P Global Ratings ("S&P"). The rating on the Town's outstanding bonds is currently "___" by S&P. (See "Ratings" herein).
Tax Status:	See "Tax Matters" herein.
Bank Qualification:	The Bonds shall not be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense incurred to carry the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notices of certain events within ten (10) business days of occurrence of such events and (iii) timely notice of a failure to provide the required financial information by the date specified pursuant to a Continuing Disclosure Agreement to be executed by the Town in substantially the form attached as Appendix D to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I - 185 Asylum Street, 27 th Floor, Hartford, Connecticut.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about August 3, 2023 against payment in Federal Funds.
Issuer Official:	Questions regarding the Town and this Official Statement should be directed to Anthony P. Esposito, Jr., Treasurer/Finance Director, Town of North Branford, Connecticut - Telephone (203) 484-6002.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. Mark N. Chapman, Managing Director, Telephone: (203) 421-2087.

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

THE NOTES ISSUE SUMMARY

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

Date of Sale:	Thursday, July 13, 2023, 11:00 AM (Eastern Time).
Location of Sale:	Office of the Finance Director, Town Hall, 909 Foxon Road, North Branford, Connecticut, 06471.
Issuer:	Town of North Branford, Connecticut (the "Town").
Issue:	\$24,805,000 General Obligation Bond Anticipation Notes (the "Notes").
Dated Date:	Date of Delivery, August 3, 2023.
Interest Due:	At maturity, August 2, 2024.
Principal Due:	At maturity, August 2, 2024.
Purpose and Authority:	The Notes are being issued to finance various capital improvement projects undertaken by the Town and authorized by resolutions adopted by the Town Council. (See "Authorization and Use of Proceeds" herein).
Redemption:	The Notes are NOT subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
Basis of Award:	Lowest Net Interest Cost ("NIC"), as of dated date.
Credit Rating:	The Notes have been rated "___" by S&P Global Ratings ("S&P"). The rating on the Town's outstanding bonds is currently "___" by S&P. (See "Ratings" herein).
Tax Status:	See "Tax Matters" herein.
Bank Qualification:	The Notes shall not be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense incurred to carry the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide or cause to be provided, notices of certain events within ten (10) business days of the occurrence of such events pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix E to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I - 185 Asylum Street, 27 th Floor, Hartford, Connecticut.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about August 3, 2023 against payment in Federal Funds.
Issuer Official:	Questions regarding the Town and this Official Statement should be directed to Anthony P. Esposito, Jr., Treasurer/Finance Director, Town of North Branford, Connecticut - Telephone (203) 484-6002.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. Mark N. Chapman, Managing Director, Telephone: (203) 421-2087.

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

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of North Branford, Connecticut (the "Town") in connection with the issuance and sale of \$14,975,000 General Obligation Bonds, Issue of 2023 (the "Bonds") and \$24,805,000 General Obligation Bond Anticipation Notes (the "Notes") of the Town.

All quotations from the summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and Notes and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the Town.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in its opinion) and makes no representation that it has independently verified the same.

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature in annual installments on August 1 in each of the years and in the principal amounts set forth on the inside cover page hereof. Interest on the Bonds will be payable semiannually on February 1 and August 1 in each year until maturity or earlier redemption, commencing August 1, 2024. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owner of the Bonds as of the close of business on the fifteenth day of January and July in each year, or the preceding business day if such fifteenth day is not a business day.

The Bonds will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof. A book-entry system will be employed evidencing ownership of the Bonds with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Certifying Agent, Registrar, Transfer Agent, and Paying Agent for the Bonds will be U.S. Bank Trust Company, National Association, in Hartford, Connecticut. The Bonds shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of the deduction by financial institutions for interest expense allocable to the Bonds. The legal opinion on the Bonds will be rendered by Robinson & Cole LLP of Hartford, Connecticut. (See "Appendix B" herein). **The Bonds are subject to redemption prior to maturity.** (See "Optional Redemption" herein).

OPTIONAL REDEMPTION

The Bonds maturing on or before August 1, 2030 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after August 1, 2030 at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine at the following redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
August 1, 2030 and thereafter	100%

NOTICE OF REDEMPTION

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the registered owner of the Bonds at the address of such registered owner as it appears on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if such funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee of the Depository Trust Company ("DTC"), is the registered owners of the Bonds, notice of redemption will be sent on to DTC (or a successor securities depository) or its nominee.

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

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

DESCRIPTION OF THE NOTES

The Notes will be dated the date of delivery and principal and interest will be due at maturity on August 2, 2024. The Notes will be issued in fully registered form. Interest will be calculated on the basis of twelve 30-day months and a 360 day year, at the rate or rates per annum specified herein. A book-entry system will be employed evidencing ownership of the Notes with transfers of ownership effected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Certifying Agent, Registrar, Transfer Agent and Paying Agent for the Notes will be U.S. Bank Trust Company, National Association, in Hartford, Connecticut. The legal opinion on the Notes will be rendered by Robinson & Cole LLP of Hartford, Connecticut. (See "Appendix C" herein). The Notes shall **NOT** be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Code, for purposes of the deduction by financial institutions for interest expense allocable to the Notes. **The Notes are NOT subject to redemption prior to maturity.**

BOOK-ENTRY-ONLY TRANSFER SYSTEM

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

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

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

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

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

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

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

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

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

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

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. The Town takes no responsibility for the accuracy thereof.

REPLACEMENT BONDS AND NOTES

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

DTC PRACTICES

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

SECURITY AND REMEDIES

The Bonds and the Notes will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds and the Notes when due. Unless paid from other sources, the Bonds and the Notes are payable from ad valorem taxes which may be levied on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

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

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

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

Enforcement of a claim for payment of principal of or interest on such bonds or notes would also be subject to the applicable provisions of federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the Federal Bankruptcy Code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by State law or by a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district or any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

GLOBAL HEALTH EMERGENCY RISK

The COVID-19 Outbreak and Future Pandemics

On January 30, 2020, the outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the “State”) and took steps to mitigate the spread and impacts of COVID-19. As of May 11, 2023, the federal and State public health emergency declarations have been terminated.

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the “Rescue Plan”) that provided various forms of financial assistance and other relief to state and local governments. The Town received \$4.2 million from the Rescue Plan. The Town developed a plan for the use of such funds that will focus on infrastructure improvements and other initiatives that comply with the program eligibility criteria.

For up-to-date information concerning the State’s actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town, nor the parties involved with the issuance of the Bonds, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the State or the Town.

Pandemics, epidemics and other public health emergencies, may adversely impact the Town and its revenues, expenses and financial condition. The Town cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the revenues and expenses of the Town. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the State Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on Town revenues, expenses and financial condition.

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

CYBERSECURITY

The Town like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Town’s digital networks and systems and the costs of remedying any such damage could be substantial. The Town has purchased a 3-year endpoint protection package from Webroot to mitigate the risks associated with cyber security threats. In addition, the Town is in the process of implementing multi-factor authentication for users. This initiative was completed during summer of 2022.

CLIMATE CHANGE

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the Town is vulnerable to inland wetland, small river and stream flooding. Furthermore, the Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town cannot predict the timing, extent or severity of climate change and its impact on its operations and finances.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

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

AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION

The Town prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management on an annual basis. The Town provides, and will continue to provide to Moody's and S&P 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.

The Town will enter into continuing disclosure agreements with respect to the Bonds and the Notes (the "Continuing Disclosure Agreements"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data, (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreements to be executed in substantially the forms attached as Appendices D and E to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements for the benefits of holders of certain of its bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In the last five years, the Town has not failed to comply, in all material respects with its previous undertakings in such agreements with the exception of the following: The Town failed to file a defeasance notice in a timely manner for the refunding of the 2010-B bond issue in May 2018. The defeasance notice and the failure to file notice were both filed on August 8, 2018. The Town failed to associate CUSIP numbers from certain prior bond series with the Town's fiscal year ending June 30, 2018 financial information and operating data. On June 23, 2021, the Town was made aware that its Annual Report for the fiscal year ending June 30, 2018, which was filed timely and available on the Municipal Securities Rulemaking Board's EMMA system, was not associated with all outstanding CUSIP numbers at the time of such filing. On June 29, 2021, the Town established such associations and on June 30, 2021 the Town filed the failure to file notice.

AUTHORIZATION AND USE OF PROCEEDS OF THE BONDS AND THE NOTES

Authorization: The Bonds and Notes are issued pursuant to Title 7 of the General Statutes of Connecticut, the Charter of the Town and bond resolutions adopted and approved by the Town Council.

Use of Proceeds: The Bonds and the Notes will be used to finance a portion of the following projects:

Projects	Amount of Total Authorization	Notes Outstanding	Additions / (Reductions)	The Bonds (This Issue)	The Notes (This Issue)
New High School Project.....	\$ 70,350,000	\$ 13,975,000	\$ 4,755,000	\$13,975,000	\$ 4,755,000
New Police Station Project.....	16,200,000	1,000,000	3,950,000	1,000,000	3,950,000
Emergency Communications Radio System....	5,650,000	4,900,000	-	-	4,900,000
Stanley T. Williams Community Center Roof Replacement Project.....	2,800,000	1,200,000	-	-	1,200,000
North Branford Intermediate School Roof Replacement Project.....	10,000,000	10,000,000	-	-	10,000,000
Total.....	\$105,000,000	\$ 31,075,000	\$ 8,705,000	\$14,975,000	\$24,805,000

RATINGS

The Bonds have been rated "___" by S&P Global Ratings ("S&P"). The Notes have been rated "___" by S&P. Certain outstanding bonds are currently rated "Aa2" and "___" by Moody's Investors Service, Inc. ("Moody's") and S&P, respectively. However, the Town has not made an application to Moody's for a rating on this issue. Such ratings reflect only the views of such rating agency and any explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and Standard & Poor's Rating Services, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Town's obligations.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met at and subsequent to delivery of the Bonds and the Notes in order that interest on the Bonds and the Notes be and remains excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds and the Notes to be included in gross income retroactive to the date of issuance of the Bonds and the Notes. The Tax Regulatory Agreement, which will be executed and delivered by the Town concurrently with the Bonds and the Notes, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds and the Notes in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Town also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Bonds and the Notes shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Town with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022.

Ownership of the Bonds and the Notes may also result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Bonds and the Notes. Prospective purchasers of the Bonds and the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Bonds and the Notes. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds and the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds and the Notes, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds and the Notes will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds and the Notes or adversely affect the market price of the Bonds and the Notes.

The opinions of Bond Counsel are rendered as of their date and are based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

Prospective purchasers of the Bonds and the Notes are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Bonds and the Notes.

Original Issue Discount

The initial public offering price of certain maturities of the Bonds and the Notes may be less than the principal amount payable on such Bonds and the Notes at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Bonds or Notes is sold constitutes original issue discount. The offering prices relating to the yields set forth on the inside cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of the Bonds and Notes were ultimately sold to the public.

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any Bond or Note during each day it is owned by a taxpayer is added to the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds or Notes by such owner. Accrued original issue discount on the Bonds and the Notes is excluded from gross income for federal income tax purposes. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such Bond or Note. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest paid during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Prospective purchasers of the Bonds and the Notes should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds and the Notes.

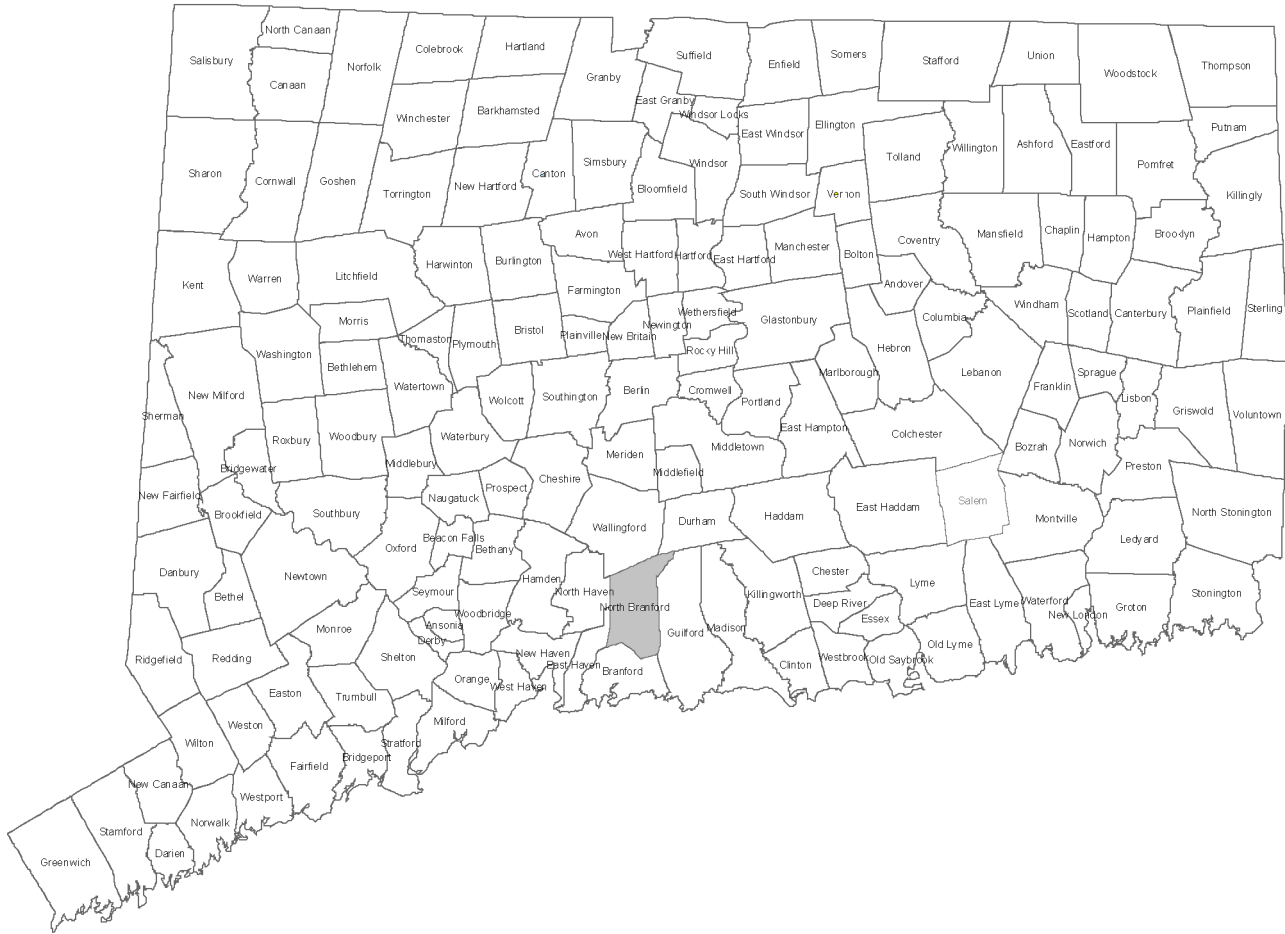
Internal Revenue Service Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service is studying whether the stated interest portion of the payment at maturity on a short-term debt obligation (such as the Notes), that matures not more than one year from the date of issue, bears a stated fixed rate of interest and is described in section 103(a) of the Code, is (i) qualified stated interest that is excluded from the stated redemption price at maturity of the obligation (within the meaning of section 1273 of the Code) but is excluded from gross income pursuant to section 103(a) of the Code, or (ii) is not qualified stated interest and, therefore, is included by the taxpayer in the stated redemption price at maturity of the obligation, creating or increasing (as to that taxpayer) original issue discount on the obligation that is excluded from gross income pursuant to Section 103 of the Code. Notice 94-84 states that until the Internal Revenue Service provides further guidance with respect to tax-exempt short-term debt obligations, a taxpayer holding such obligations may treat the stated interest payable at maturity either as qualified stated interest or as included in the stated redemption price at maturity of the obligation. However, the taxpayer must treat the amounts to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Prospective purchasers of the Notes should consult their own tax advisors with respect to the federal, state and local income tax consequences of ownership of and of the election between the choices of treatment of the stated interest payable at maturity on the Notes.

Original Issue Premium

The initial public offering price of certain maturities of the Bonds and the Notes may be greater than the principal amount payable on such Bonds and Notes at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds or the Notes is sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The offering prices relating to the yields set forth on the inside cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of the Bonds and the Notes were ultimately sold to the public. Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Bond or Note during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds or Notes by such owner. Amortized original issue premium on the Bonds and the Notes is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual compounding method. Prospective purchasers of the Bonds and the Notes should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds and the Notes.

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II. THE ISSUER



DESCRIPTION OF THE TOWN

The Town, first settled in about 1650 as part of Branford, was incorporated as a separate town in May 1831. It covers an area of 26.8 square miles, six miles northeast of New Haven. It is bounded on the north by Wallingford, east by Guilford, south by Branford, and west by North Haven and East Haven.

The Town is a growing suburban residential community with expanding commercial and industrial resources and some agriculture. It is estimated the Town's workforce is in excess of 7,600 people, most of who are employed in surrounding towns and the New Haven area.

Tilcon Connecticut Inc. owns approximately 770 acres of property of which 102 acres are an active quarry. The quarry is serviced by a company-owned railroad, which connects CSX Railroad Lines thereby providing effective transportation of its products nationwide. Major products include hot mix asphalt and crushed stone.

The South Central Connecticut Regional Water Authority (the "Authority") owns 5,963 acres of land as a watershed preserve, which includes the Lake Gaillard Reservoir with water reserves of 17 billion gallons. The Authority owns a \$30 million water treatment plant in North Branford which was completed in 1986 and services New Haven and surrounding communities. The Authority, by State statute, makes payments in lieu of taxes on property and improvements in existence as of 1980. See "Largest Taxpayers" herein for the Authority's payments in lieu of taxes to the Town.

The Town supports and encourages a balance of industrial, commercial and residential use of properties and the Economic Development Commission and Planning and Zoning Commission have worked together to reach this objective. The Town has permitted sewer and water line extensions in furtherance of these objectives with approximately 35% of all residents being served. A recent water main extension in Northford Center ensures not only augmented fire protection, but also safe, adequate water supplies for schools and the commercial district.

The Town is traversed by State Routes 17, 22, 80, 139 and 150. The southern area of Town is easily accessible to Interstate 95. The northern area of the Town is easily accessible to Interstate 91 and the Wilbur Cross Parkway (Rt. 15). Passenger transportation is provided by interstate and intrastate buses. Freight service is furnished by various motor common carriers.

FORM OF GOVERNMENT

The Town adopted the Council/Manager form of government in 1971. The nine-member Town Council appoints the Town Manager, who serves as Chief Executive of the Town. The Town Manager is directly responsible to the Town Council for planning, organizing and directing all municipal activities, except for education and commissions which are either elected or appointed by the Town Council. The Town Manager also serves as Purchasing Agent and Director of Welfare. The Town Manager appoints department heads, sees that laws and ordinances governing the Town are enforced, makes recommendations and reports to the Town Council, prepares the annual budget, prepares the annual report, keeps the Town Council advised on the Town's financial condition and performs other duties prescribed by Charter, ordinance or Town Council resolution.

MUNICIPAL OFFICIALS

	<u>Term of Office</u>
<u>Town Council</u>	
Jeffrey Macmillen, Mayor.....	Elected 2 years
Thomas Zampano, Deputy Mayor.....	Elected 2 years
Bruce Abelson.....	Elected 2 years
Rose Marie Angeloni.....	Elected 2 years
Marie E. Diamond.....	Elected 2 years
Walter Goad.....	Elected 2 years
Vincent J. Mase Sr.....	Elected 2 years
Nicholas Palladino.....	Elected 2 years
Ronald Pelliccia Jr.....	Elected 2 years
<u>Other Officials</u>	
Michael P. Downes.....	Town Manager
Anthony P. Esposito, Jr., CPFO.....	Treasurer/Finance
Lisa A. Valenti, CCTC, CMC.....	Town Clerk
Gerri Winnick.....	Town Tax Collector
David Ambrose, CCMA II.....	Town Assessor
Scott Schoonmaker.....	Superintendent of Schools
Bryan L. LeClerc.....	Town Attorney

Source: Town Officials

BIOGRAPHIES OF MUNICIPAL OFFICIALS

Town Manager: Michael P Downes has served as Town Manager for the Town since September of 2022, and has had a career in local and state government for nearly 30 years. He holds a Master’s Degree in Public Administration (M.P.A.) from Villanova University with a graduate certificate in City Management, a Bachelor of Science degree in Political Science, and a Master of Science degree in Urban Affairs and Public Policy from Southern Connecticut State University. He served as Chief of Staff for the Town of Stratford, Connecticut, from 2017-2022, and held various posts with the Connecticut House of Representatives from 1996-2017. He grew up in and lives in the Town of North Branford, and served on the Town Council from 1997-2003, and again from 2021-22 before being appointed Town Manager.

Treasurer/Finance Director: Anthony P. Esposito Jr. has served as Treasurer/Finance Director for the Town since June 1994. Prior to that, he served in the Finance Department as the Staff Accountant from January 1992. Before coming to the Town of North Branford, he served as Controller of Eastern Steel & Metal Company/Olympic Steel in Milford, Connecticut.

He received his Bachelor of Science Degree in Accounting from Quinnipiac College, Hamden, Connecticut and his Master’s Degree in Accounting from the University of New Haven. Mr. Esposito is a member of the National and Connecticut Government Finance Officers Association and received his Certified Public Finance Officer designation from the GFOA in 2001. He is on the board of the Connecticut Public Pension Forum.

Superintendent: Scott Schoonmaker was appointed Superintendent of Schools effective January 1, 2009. Mr. Schoonmaker is entering his 33rd year in education. He received his 6th year and Master's Degree from Sacred Heart University, his undergraduate degree from Assumption College and his 093 (Superintendent's License) from Southern Connecticut State University.

Mr. Schoonmaker began his educational career at St. Peter Marian High School in Worcester, Massachusetts as a history teacher and basketball coach. He then moved to Connecticut and taught math and science at St. Mary's School in Jewett City. He then began in Old Saybrook where he taught math and science at the middle school. He then moved on to Old Saybrook High School as Dean of Students and was soon appointed Principal of Old Saybrook High School and served in that capacity for 11 years.

SUMMARY OF MUNICIPAL SERVICES

The Town provides full-time police protection consisting of 22 regular police officers. Their major equipment includes 5 unmarked vehicles, 10 marked cruisers, a police motorcycle and a SWAT Vehicle. Police Headquarters includes a complete radio communications center to serve all emergency agencies. The Fire Department consists of four volunteer companies. The four volunteer companies carry a force of approximately 120 active firefighters/EMS personnel. The major equipment includes 18 pieces of apparatus, including ambulances. Currently, contract labor covers the paramedic member of the ambulance crew and 10% of the EMT member, with the balance being covered by volunteers. There are over 246 street fire hydrants in Town.

The towns of North Branford, Branford and East Haven joined together to form the East Shore District Health Department, (the "District") under provisions of Section 19-106 of the Connecticut General Statutes, now Section 19a-241 of the Connecticut General Statutes. The District participates in per-capita grants from the State of Connecticut, which help to defray the total cost of public health services.

North Branford has installed sanitary sewers throughout the Town which serve approximately 35% of the residents. All sanitary sewers connect with neighboring towns, where the sewage treatment occurs. Private septic systems serve the balance of the population.

The Town contracts with private contractors for residential solid waste pickup. Commercial and institutional solid waste is also collected by private contractors. The Town entered into contract with the carting firm of John's Refuse Removal for curbside pickup of Municipal Solid Waste (MSW) and recyclable materials for residential solid waste pickup.

The utility companies located in Town are United Illuminating Company, Wallingford Electric, Southern Connecticut Gas Company and South Central Connecticut Regional Water Authority.

Some human and social service programs are contracted to outside agencies. The Town provides welfare services that include donated funds for emergency food, fuel, housing and medical needs of Town residents. The Recreation Department is responsible for a wide range of recreational programs for residents of all ages and operates a Community Center/Fitness Center. The North Branford Senior Center is one of the first established in the State that provides hot meals on the premises. The Center operates its own bus service and has a full program of activities, crafts and social events. In addition, 65 units of elderly housing are administered by a housing authority. During the 2013-14 fiscal year, the Recreation Department, Senior Center, Community Center and Department of Social Services were moved to one-half of the former Stanley T. Williams School. The building also houses the Central Office staff for the Board of Education and other education classes. The building is now known as the Stanley T. Williams Community Center.

Financial institutions in the Town include TD Bank, KeyBank and Guilford Savings Bank.

EDUCATIONAL SYSTEM

The Town's school system consists of one school for pupils in grades K-2; one school for pupils in grades 3-5; one school for pupils in grades 6-8 and one school for pupils in grades 9-12. The schools are governed by a seven-member Board of Education.

EDUCATIONAL FACILITIES

<u>Schools</u>	<u>Grades</u>	<u>Date Occupie</u>	<u>Additions/ Renovations</u>	<u>Enrollment 10/01/22 (1)</u>	<u>Capacity</u>
Stanley T. Williams School.....	Admin.	1961	1975, 2000	15	440
Jerome Harrison School.....	K-2	1999	1999	389	500
Totoket Valley School.....	3-5	1971	1994	326	625
North Branford Intermediate.....	6-8	1955	1958,1962,1992,2009	386	639
North Branford High School.....	9-12	1964	1967, 1972	429	1,010
Total (1).....				1,545	3,214

(1) Does not include special education.

Source: Superintendent of Schools.

SCHOOL ENROLLMENT HISTORY AND PROJECTIONS

<u>As of October 1</u>	<u>Actual</u>				<u>Special Education</u>	<u>Total</u>
	<u>K-5</u>	<u>6 - 8</u>	<u>9 - 12</u>			
2013-14	864	508	610	30	2,012	
2014-15	821	507	618	25	1,971	
2015-16	790	493	578	28	1,889	
2016-17	773	462	576	30	1,841	
2017-18	755	425	565	26	1,771	
2018-19	779	413	540	36	1,768	
2019-20	771	389	527	18	1,705	
2020-21	675	410	512	17	1,614	
2021-22	726	390	484	40	1,640	
2022-23	715	386	429	40	1,570	
	<u>Projected</u>					
2023-24	713	350	451	30	1,544	
2024-25	716	340	465	30	1,551	
2025-26	715	320	496	30	1,561	

Source: Superintendent of Schools.

MUNICIPAL EMPLOYMENT

<u>Fiscal Year</u>	<u>Board of Education</u>	<u>General Government</u>	<u>Total</u>
2023-24	330	128	458
2022-23	330	125	455
2021-22	331	123	454
2020-21	345	122	467
2019-20	336	119	455
2018-19	333	117	450
2017-18	330	115	445
2016-17	332	114	446
2015-16	336	112	448
2014-15	340	111	451

Source: Town Officials.

MUNICIPAL EMPLOYEES BY CATEGORY

<u>Department</u>	<u>Employees (1)</u>
<u>General Government</u>	
Town Council (includes 1 part-time).....	1.0
Town Manager.....	3.0
Finance (includes 1 part-time).....	4.0
Tax Collector (includes 1 part-time).....	3.0
Assessor (includes 1 part-time).....	3.0
Central Service.....	2.0
Town Clerk (includes 1 part-time).....	3.0
Elections (includes 1 part-time).....	2.0
Ethics Commission (includes 1 part-time).....	1.0
Permanent Project Bldg. Committee (includes 1 part-time)....	1.0
Technology (includes 1 part-time).....	1.0
Police.....	25.0
Fire (includes 7 part-time).....	9.0
Communications (includes 1 part-time).....	5.0
Public Works.....	24.0
Recreation/Senior/Community Center (includes 4 part-time)..	9.0
Library (includes 9 part-time).....	17.0
Social Services	2.0
HazWaste/Recycling (includes 1 part-time).....	1.0
Planning.....	1.3
Planning and Zoning Commission (includes 1 part-time).....	2.0
Zoning Board of Appeals (includes 1 part-time).....	1.0
Economic Development Commission (includes 2 part-time)...	2.0
Engineering.....	1.3
Conservation and Inland Wetlands (includes (1 part-time).....	1.0
Agriculture Commission (includes 1 part-time).....	1.0
Building Department	2.3
General Government - Subtotal.....	128.0
<u>Board of Education</u>	
Administration and Principals.....	13.0
Teachers.....	175.0
Instructional Support.....	76.0
Other Staff.....	66.0
Board of Education - Subtotal.....	330.0
Total Town Employees.....	458.0

(1) Includes full and part-time positions.

Source: Town Officials.

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MUNICIPAL EMPLOYEES BARGAINING ORGANIZATIONS

<u>Employees</u>	<u>Number of Employees</u>	<u>Union Representation</u>	<u>Contract Expiration</u>
<u>GENERAL GOVERNMENT</u>			
Public Works.....	18	Local 1303-18,Council #4, AFSCME, AFL-CIO.....	6/30/25
Police Department.....	21	Local #484, Council 15 AFSCME, AFL-CIO.....	6/30/24
Clerical.....	18	Local #1303-155, Council #4, AFSCME, AFL-CIO.....	6/30/24
Library.....	5	Local #1303-179, Council #4, AFSCME, AFL-CIO.....	6/30/24
Non-Bargaining.....	66	Non-affiliated.....	N/A
Subtotal.....	<u>128</u>		
<u>BOARD OF EDUCATION</u>			
Administrators.....	9	North Branford School Administrators' Association.....	6/30/25
School Teachers.....	175	North Branford Federation of Teachers.....	6/30/26
Clerical Staff.....	19	Local 1303-228, Council #4, AFSCME.....	6/30/23 (1)
Custodial/Maintenance....	13	Local 1303-54, Council #4, AFSCME.....	6/30/23 (1)
Nurses.....	4	Local 1303-220, Council #4, AFSCME.....	6/30/23 (1)
Cafeteria.....	19	Local 1303-382, Council #4, AFSCME.....	6/30/23 (1)
Aides.....	76	North Branford Federation of Paraprofessionals Local 6152.....	6/30/24
Non-Bargaining.....	15	Non-affiliated.....	N/A
Subtotal.....	<u>330</u>		
Total.....	<u><u>458</u></u>		

(1) Currently in negotiations.

Note: Connecticut General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% is not available for payment of the cost of any item subject to arbitration. For binding arbitration of all other municipal employee contracts, there is an irrebuttable presumption that a budget reserve of 15% is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

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III. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

<u>Year</u>	<u>Town of North Branford</u>	<u>New Haven County</u>	<u>State of Connecticut</u>
1960	6,771	660,315	2,535,234
1970	10,778	744,948	3,032,217
1980	11,554	761,337	3,107,564
1990	12,996	804,219	3,287,116
2000	13,906	824,008	3,405,565
2021	13,643	864,751	3,605,330

Source: U.S. Census Bureau and 2017-2021 American Community Survey.

AGE CHARACTERISTICS OF POPULATION

<u>Age</u>	<u>Town of North</u>		<u>New Haven County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5.....	711	5.2	44,144	5.1	182,122	5.1
5 - 9.....	584	4.3	46,404	5.4	196,540	5.5
10 - 14.....	644	4.7	52,030	6.0	224,371	6.2
15 - 19.....	1,186	8.7	59,040	6.8	245,790	6.8
20 - 24.....	660	4.8	58,621	6.8	241,370	6.7
25 - 34.....	1,357	9.9	114,845	13.3	445,861	12.4
35 - 44.....	1,215	8.9	104,251	12.1	439,098	12.2
45 - 54.....	2,222	16.3	113,642	13.1	488,283	13.5
55 - 59.....	1,040	7.6	62,952	7.3	269,688	7.5
60 - 64.....	1,226	9.0	58,923	6.8	252,028	7.0
65 - 74.....	1,637	12.0	86,469	10.0	357,409	9.9
75 - 84.....	767	5.6	41,388	4.8	173,149	4.8
85 and over.....	394	2.9	22,042	2.5	89,621	2.5
Total.....	<u>13,643</u>	<u>100.0</u>	<u>864,751</u>	<u>100.0</u>	<u>3,605,330</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2017-2021 American Community Survey.

INCOME DISTRIBUTION

	<u>Town of North</u>		<u>New Haven County</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
Less than \$10,000	16	0.4	7,039	3.3	23,811	2.6
\$ 10,000 to 14,999	6	0.2	3,299	1.6	14,243	1.6
\$ 15,000 to 24,999	58	1.6	9,855	4.7	36,091	4.0
\$ 25,000 to 34,999	123	3.3	11,186	5.3	44,586	4.9
\$ 35,000 to 49,999	190	5.1	17,421	8.2	71,397	7.8
\$ 50,000 to 74,999	505	13.6	31,391	14.9	123,873	13.6
\$ 75,000 to 99,999	509	13.7	28,716	13.6	113,529	12.5
\$100,000 to 149,999	827	22.2	43,829	20.7	188,052	20.7
\$150,000 to 199,999	705	19.0	26,692	12.6	117,255	12.9
\$200,000 or more	780	21.0	31,949	15.1	177,169	19.5
Total	<u>3,719</u>	<u>100.0</u>	<u>211,377</u>	<u>100.0</u>	<u>910,006</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2017-2021 American Community Survey.

SELECTED WEALTH AND INCOME INDICATORS

	Median Family Income		Per Capita Income	
	(2000)	(2021)	(2000)	(2021)
Town of North Branford...	\$ 71,813	\$ 132,982	\$ 28,542	\$ 52,650
New Haven County.....	60,549	97,169	24,439	41,192
Connecticut.....	65,521	106,441	28,766	47,869
United States.....	49,600	85,028	21,690	37,638

Source: U.S. Census Bureau, Census 2000 and 2017-2021 American Community Survey.

EDUCATIONAL ATTAINMENT

Years of School Completed, Age 25 & Over

Educational Attainment Group	Town of North Branford		New Haven County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	20	0.2	26,086	4.3	101,461	4.0
9th to 12th grade.....	354	3.6	32,410	5.4	123,560	4.9
High School graduate.....	3,492	35.4	178,934	29.6	656,949	26.1
Some college - no degree.....	1,729	17.5	101,253	16.7	418,214	16.6
Associates degree.....	756	7.7	44,293	7.3	194,987	7.8
Bachelor's degree.....	2,224	22.6	117,422	19.4	561,567	22.3
Graduate or professional degree.....	1,283	13.0	104,114	17.2	458,399	18.2
Total.....	9,858	100.0	604,512	100.0	2,515,137	100.0
Percentage of High School Graduates.....		96.2%		90.3%		91.1%
Percentage of College Graduates or Higher...		35.6%		36.6%		40.6%

Source: U.S. Census Bureau, 2017-2021 American Community Survey.

MAJOR EMPLOYERS

Name of Employer	Nature of Entity	Estimated of Employees
Honeywell Fire Systems.....	Alarm Systems.....	550
Town of North Branford.....	Municipality.....	458
Evergreen Woods.....	Life Care Facility.....	232
Brook & Whittle.....	Manufacturing.....	170
Big Y.....	Supermarket.....	165
Tilcon Minerals, Inc.....	Mining Company.....	90

Source: Town officials.

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EMPLOYMENT BY INDUSTRY

Employment Sector	Town of North		New Haven County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, Hunting & Mining.....	52	0.7	1,176	0.3	7,314	0.4
Construction.....	928	12.6	26,468	6.1	113,665	6.2
Manufacturing.....	873	11.9	47,423	11.0	192,688	10.6
Wholesale Trade.....	333	4.5	10,583	2.4	41,165	2.3
Retail Trade.....	874	11.9	46,840	10.8	194,081	10.6
Transportation, Warehousing & Utilities.....	417	5.7	20,027	4.6	80,481	4.4
Information.....	162	2.2	7,585	1.8	36,259	2.0
Finance, Insurance & Real Estate.....	399	5.4	28,579	6.6	164,657	9.0
Professional, Scientific & Management.....	442	6.0	42,351	9.8	212,866	11.7
Educational Services & Health Care.....	1,579	21.5	133,511	30.9	482,274	26.5
Arts, Entertainment, Recreation & Food Services.....	629	8.6	33,354	7.7	148,835	8.2
Other Service (including nonprofit).....	462	6.3	19,205	4.4	82,217	4.5
Public Administration.....	195	2.7	15,615	3.6	66,493	3.6
Total.....	7,345	100.0	432,717	100.0	1,822,995	100.0

Source: U.S. Census Bureau, 2017-2021 American Community Survey.

UNEMPLOYMENT RATE STATISTICS

Yearly Average	Town of North Branford %	New Haven Labor Market %	State of Connecticut %	United States %
2013	6.5	7.9	7.8	7.4
2014	5.5	6.7	6.6	6.2
2015	4.7	5.8	5.7	5.3
2016	4.2	5.1	5.1	4.9
2017	3.9	4.7	4.7	4.4
2018	3.5	4.1	4.1	3.9
2019	3.2	3.6	3.7	3.7
2020	5.5	6.8	7.3	8.1
2021	4.9	6.2	6.6	5.4
2022	3.7	3.9	4.2	3.7

2023 Monthly				
January	4.3	3.9	4.2	3.9
February	4.3	4.2	4.6	3.9
March	3.9	3.9	4.3	3.6
April	2.4	2.7	3.0	3.1
May	3.0	3.5	3.7	3.4

Source: State of Connecticut, Department of Labor; United States Department of Labor, Bureau of Labor Statistics.

NUMBER OF DWELLING UNITS

2021	2010	2000	1990	% Increase 1990-2021	% Increase 2000-2021	% Increase 2010-2021
5,577	5,629	5,246	4,610	21.0%	6.3%	-0.9%

Source: U.S. Census Bureau and 2017-2021 American Community Survey.

CHARACTERISTICS OF HOUSING UNITS

Value of Owner Occupied Units	Town of North Branford		New Haven County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	48	1.1	4,393	2.1	19,747	2.1
\$ 50,000 to \$ 99,999	10	0.2	8,952	4.3	25,603	2.8
\$ 100,000 to \$149,999	103	2.3	20,819	10.0	68,932	7.4
\$ 150,000 to \$199,999	276	6.2	33,385	16.0	130,158	14.1
\$ 200,000 to \$299,999	1,673	37.6	61,440	29.4	250,981	27.1
\$ 300,000 to \$499,999	2,050	46.1	60,052	28.7	268,183	29.0
\$ 500,000 to \$999,999	291	6.5	17,427	8.3	117,839	12.7
\$1,000,000 and over	0	0.0	2,509	1.2	44,060	4.8
Total	4,451	100.0	208,977	100.0	925,503	100.0
 Median Value	\$307,300		\$259,400		\$286,700	

Source: U.S. Census Bureau, 2017-2021 American Community Survey.

AGE DISTRIBUTION OF HOUSING

Year Structure Built	Town of North		New Haven County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1939 or earlier.....	415	7.4	88,194	23.9	323,631	13.1
1940 to 1949.....	382	6.8	26,035	7.1	100,445	4.1
1950 to 1959.....	844	15.1	54,665	14.8	224,412	9.1
1960 to 1969.....	1,008	18.1	45,134	12.2	203,726	8.3
1970 to 1979.....	947	17.0	50,191	13.6	206,448	8.4
1980 to 1989.....	679	12.2	46,408	12.6	191,539	7.8
1990 to 1999.....	873	15.7	27,359	7.4	118,124	4.8
2000 to 2009.....	429	7.7	21,454	5.8	1,045,519	42.4
2010 to 2019.....	0	0.0	9,189	2.5	53,427	2.2
2020 or later.....	0	0.0	91	0.0	768	0.0
Total.....	5,577	100.0	368,720	100.0	2,468,039	100.0

Source: U.S. Census Bureau, 2017-2021 American Community Survey.

NUMBER AND VALUE OF BUILDING PERMITS

Calendar Year	Single Family		Commercial/Industrial		Miscellaneous		Total	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
2023 ⁽¹⁾	4	\$ 1,357,400	15	\$ 1,583,718 ⁽²⁾	445	\$ 9,190,395	464	\$ 12,131,513
2022	8	1,654,780	20	2,002,808 ⁽³⁾	883	11,223,144	911	14,880,732
2021	17	3,860,970	32	49,344,984 ⁽⁴⁾	1,136	13,326,795	1,185	66,532,749
2020	10	1,815,320	33	2,213,500	944	10,348,825	987	14,377,645
2019	10	2,500,438	29	1,161,886	885	9,516,769	924	13,179,093
2018	18	3,598,080	38	3,288,217	910	10,025,143	966	16,911,440
2017	13	2,793,750	30	856,680	833	9,402,567	876	13,052,997
2016	10	1,932,430	24	2,539,048	648	7,687,384	682	12,158,862
2015	4	910,655	31	1,995,334	621	7,272,226	656	10,178,215
2014	3	788,000	21	698,118	623	6,723,402	647	8,209,520

(1) As of May 31, 2023.

(2) Includes the North Branford Public Works additional building.

(3) Includes the North Branford Police Station Project.

(4) Includes the North Branford High School Project.

Source: Town Officials.

BREAKDOWN OF LAND USE

Land Use Category	Total Area		Developed		Undeveloped (2)	
	Acreage	Percent	Acreage	Percent	Acreage	Percent
Residential	8,677	50.4	4,531	26.3	4,146	24.1
Commercial	308	1.8	259	1.5	49	0.3
Industrial	1,541	9.0	898	5.2	643	3.8
Public & Semi-Private (1)	<u>6,674</u>	<u>38.8</u>	<u>495</u>	<u>2.9</u>	<u>6,179</u>	<u>35.9</u>
Total Area	<u>17,200</u>	<u>100.0</u>	<u>6,183</u>	<u>35.9</u>	<u>11,017</u>	<u>64.1</u>

(1) Includes Regional Water Authority.

(2) Includes 103 acres of Town land as of September 19, 2008.

Source: Town Officials.

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IV. TAX BASE DATA

ASSESSMENT PRACTICES

The Town last revalued its real property effective October 1, 2020. The Town is scheduled to conduct a statistical revaluation of all real estate effective October 1, 2025. Under Section 12-62 of the Connecticut General Statutes, the Town must revalue all real estate by physical inspection no later than ten years following the preceding physical inspection. The Town must conduct a statistical revaluation no later than five years after the last physical inspection. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor. The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last general revaluation.

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

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automotive price schedule as recommended by the State Office of Policy and Management and the Assessor. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the pro-ration is based on the number of months of ownership between October 1 and the following July 31. Cars purchased in August and September are not taxed until the next October 1 Grand list. If the motor vehicle replaces a motor vehicle that was taxed on the October Grand List, the taxpayer is entitled to certain credits.

All business personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at seventy (70%) of present market value.

Section 12-124a of the Connecticut General Statutes permits a municipality, upon approval of its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. The Town has approved the use of this abatement provision.

PROPERTY TAX COLLECTION PROCEDURE

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1, respectively, become delinquent.

According to the provisions of Section 12-146 of the Connecticut General Statutes, delinquent property taxes are subject to interest at the rate of 1.5% per month. Real estate is liened for delinquent taxes within one year after the tax due date.

MOTOR VEHICLE PROPERTY TAX RATE

Connecticut General Statutes Section 12-71e, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property, but caps the motor vehicle tax rate at 45.00 mills for the assessment year commencing October 1, 2017, and 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 4-661 of the General Statutes, as amended, diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicle tax rates for the current 2021 assessment year (the fiscal year ending June 30, 2023) is 32.46 mills.

PROPERTY TAX LEVIES AND COLLECTIONS

FY Ending 6/30	Net Taxable Grand List (In Thousands)	Total Tax Rate (In Mills)	Adjusted Tax Levy	% Annual Levy Collected	Uncollected Taxes	
					End of Each Fiscal Year	As of 6/30/2022
2024 (1,2)	\$ 1,396,379.62	34.52	\$ 47,235,148	N/A	N/A	N/A
2023 (2)	1,372,707.16	33.23	44,207,956	In Process	In Process	In Process
2022 (3)	1,330,520.10	33.14	44,407,467	98.8	\$ 531,391	\$ 531,391
2021	1,277,637.62	33.58	43,064,091	99.0	554,496	262,464
2020	1,263,614.79	33.46	42,538,786	98.8	616,536	173,098
2019	1,247,545.12	33.39	41,939,775	98.9	535,948	87,123
2018 (4)	1,237,226.98	33.51	41,540,837	98.6	562,418	188,009
2017 (3)	1,231,414.50	31.98	39,540,971	98.6	565,438	59,644
2016	1,265,624.74	31.08	39,462,777	98.6	533,537	44,408
2015	1,257,094.90	29.92	37,796,012	98.8	439,305	30,263

- (1) Adopted Budget.
- (2) Motor vehicles taxed at 32.46 mills.
- (3) Indicates years of revaluation.
- (4) Real Estate and Personal Property taxed 33.51 mills and Motor vehicles taxed at 32.0 mills.

Source: Town Officials; annual audited financial statements.

TAXABLE GRAND LIST (1)
(In Thousands)

Grand List Dated	Real Property	Personal Property	Motor Vehicles	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
10/01/22	\$1,166,246.40	\$ 79,888.22	\$ 184,142.54	\$1,430,277.16	\$ 33,897.54	\$ 1,396,379.62
10/01/21	1,160,264.58	74,412.11	170,899.13	1,405,575.82	32,868.66	1,372,707.16
10/01/20	1,157,330.20	68,930.84	137,217.12	1,363,478.16	32,958.06	1,330,520.10
10/01/19	1,107,985.25	70,127.19	131,062.89	1,309,175.33	31,537.71	1,277,637.62
10/01/18	1,103,219.70	67,193.17	125,455.90	1,295,868.77	32,253.98	1,263,614.79
10/01/17	1,095,424.38	60,220.63	121,665.97	1,277,310.98	29,765.86	1,247,545.12
10/01/16	1,084,858.99	62,542.50	117,912.27	1,265,313.76	28,086.78	1,237,226.98
10/01/15	1,082,200.19	56,069.46	116,662.19	1,254,931.84	23,517.34	1,231,414.50
10/01/14	1,115,493.62	56,441.57	114,778.72	1,286,713.91	21,089.17	1,265,624.74
10/01/13	1,110,275.50	54,246.41	114,759.81	1,279,281.72	22,186.82	1,257,094.90

- (1) The Taxable Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1 of each year. A Board of Tax Review determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy (70%) percent of market value at the time of the last revaluation. The Town's most recent revaluation was effective 10/01/20. The Town's prior revaluation was effective 10/01/15. (See "Assessment Practices", herein.)

Source: Town Officials.

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LARGEST TAXPAYERS

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>Valuation as of 10/1/2022</u>	<u>Rank</u>	<u>Percent of Total</u>
Shoreline Care Limited Partnership.....	Life Care Facility.....	\$ 49,847,489	1	3.57
South Central Connecticut Regional Water Authority (a).....	Public Utility.....	44,344,998	2	3.18
Tilcon, Inc.....	Quarry/Material Contractor.....	11,421,259	3	0.82
United Illuminating.....	Public Utility.....	9,229,779	4	0.66
April Acres.....	Real Estate/Retail Complex.....	8,750,000	5	0.63
Connecticut Light & Power Co.....	Public Utility.....	7,751,064	6	0.56
Totoket Woods Realty Co. LLC.....	Real Estate.....	6,992,380	7	0.50
Honeywell.....	Manufacturer.....	6,369,439	8	0.46
Marshfield NCM LLC and 335 Benham	Real Estate.....	5,003,800	9	0.36
Wallingford Electric.....	Public Utility.....	4,722,861	10	0.34
Total.....		<u>\$154,433,069</u>		<u>11.06</u>

(a) On August 16, 1980, South Central Connecticut Regional Water Authority acquired the business and properties of the New Haven Water Company, formerly the Town's largest taxpayer. While the Authority is exempt from taxes, the legislation under which it was formed requires that it make annual payments to the towns in which it owns property equal to the amount of taxes which would otherwise be due, except for improvements (other than water pipes or improvements to water pipes) constructed after August 26, 1980. The current fiscal year assessed value is \$44,344,998. The payments in lieu of taxes for fiscal years 2019-20 to 2023-24 are as follows:

<u>Fiscal Year</u>	<u>PILOT Amount</u>
2023-24 (Adopted Budget)	\$ 1,529,655
2022-23 (Adopted Budget)	1,471,589
2021-22	1,468,930
2020-21	1,479,371
2019-20	1,479,371

Source: Town Officials; annual audited financial statements; 2021-22 and 202-23 adopted budgets.

EQUALIZED NET GRAND LIST

<u>Grand List of 10/1</u>	<u>Equalized Net Grand List</u>	<u>% Growth</u>
2021	\$ 2,444,800,125	28.56%
2020	1,901,647,632	-6.02%
2019	2,023,444,113	6.78%
2018	1,895,049,757	2.57%
2017	1,847,595,800	1.49%
2016	1,820,454,894	3.47%
2015	1,759,467,896	-5.83%
2014	1,868,349,731	4.31%
2013	1,791,226,642	0.33%
2012	1,785,286,052	3.10%

Source: State of Connecticut, Office of Policy and Management

V. FINANCIAL INFORMATION

FISCAL YEAR

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

ACCOUNTING POLICIES

The Town's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to Financial Statements.

BASIS OF ACCOUNTING

See Note 1 "Measurement Focus, Basis of Accounting and Financial Statement Presentation" in the Notes to Financial Statements (Appendix A).

ANNUAL AUDIT

Pursuant to the provisions as delineated in the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The firm of Seward and Monde of North Haven, Connecticut, is the auditor and is required to conduct an examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, which receives a copy of said audit report when completed.

The most recent annual audit covers the fiscal year ended June 30, 2022, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are the Independent Auditor's Report, Management's Discussion and Analysis, the Town's Basic Financial Statements, the Notes to the Financial Statements and the Required Supplementary Information, together with the report of the independent auditor as prepared by Seward and Monde, Independent Certified Public Accountants. The information contained in Appendix A is not the whole audit report. A full report is available from the Treasurer/Finance Director, Town of North Branford, upon request.

BUDGETARY PROCEDURES

The Town follows the following procedure in establishing the budgetary data included in the General Fund and certain Special Revenue Funds financial statements. No later than April 1st the Town Manager shall present to the Town Council a budget and recommendations. The Town Council shall hold one or more public hearings no later than April 15th, at which time any elector or taxpayer may be heard regarding appropriations for the ensuing fiscal year. On the second Tuesday in May, the Town Council submits to the annual budget referendum proposed expenditures and the means of financing them.

- Prior to July 1, the budget is legally enacted through passage of a resolution.
- The Town Council is authorized to transfer budgeted amounts within departments prior to March 31 of a fiscal year.
- The Town Council may make transfers between departments after April 1 of a fiscal year.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- Except for encumbrance accounting, the budget is prepared on the modified accrual basis of accounting.

All unencumbered appropriations lapse at year end, except those for the Capital Projects Fund and certain special revenue grants. Appropriations for Capital Projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

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EMPLOYEE PENSION SYSTEMS

The Town administers three single employer, defined benefit public employees retirement system ("PERS") plans to provide pension benefits to substantially all Town employees with the exception of certified teachers and administrative personnel at the Board of Education. Plan benefits and contribution requirements are established by plan document as amended July 1, 2000, for the Town Plan and December 2004, for the Police Plan, and July 1, 1997, for the Volunteer Firefighters Plan, and approved by the Town Council. The PERS are considered to be a part of the Town's financial reporting entity and are included in the Town's financial statements as pension trust funds. The plans do not issue separate, stand alone, financial reports. The certified faculty and administrative personnel of the Board of Education participate in a contributory retirement plan administered by the State Teachers Retirement Board. The Town does not contribute to this plan. Management of the plans rest with the Pension Committee composed of members appointed by the Town Council.

Plan Descriptions

Town Plan

The plan provides for retirement and disability income for all eligible employees. For the Town Plan, all employees who are 21 years old, have at least one year of credited service with the Town, and have agreed in writing to make member contributions, are eligible on the first day of the month after the requirements are met. The plan covers substantially all noncertified Board of Education employees and all regular Town employees. Effective July 1, 1999, new employees of the Town are not eligible for the Town Plan. All Town employees hired prior to July 1, 1999, had the option, until September 30, 1999, of converting to a defined contribution plan or retaining the defined benefit plan that was previously implemented.

Benefits vest after 7 years of service. Members may retire at age 65 with 5 years of service or at age 55 with 15 years of service with reduced benefits. Members are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.50% of final average earnings per year of credited service for the first 25 years, and 2.0% for years 26-30. Final average earnings are defined as the average earnings during the highest 36 consecutive months of active employment. Active plan members are required to contribute 5.25% of compensation with a maximum of 30 years of contributions to the Plan. If an employee leaves covered employment or dies before meeting the vesting requirement, accumulated employee contributions and 3.5% interest thereon are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees as are actuarially determined.

Police Plan

The plan provides for retirement and disability income for all eligible employees. The plan covers all police department employees of the Town. Benefits vest after 10 years of service. Members may retire at age 55 with 10 years of service or at any age with 25 years of service. Members are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.0% of final average earnings per year of credited service up to 30 years. Final average earnings are defined as the average earnings during the highest 36 consecutive months of active employment. Active plan members are required to contribute 8.0% of compensation to the Plan. If an employee leaves covered employment or dies before meeting the vesting requirement, accumulated employee contributions and 3.5% interest thereon are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees as are actuarially determined. Police officers hired after October 5, 2015 are covered by a defined contribution pension plan. The Town contributes 10% of the Officer's base salary into the plan and the Officer contributes 5% of his base salary into the plan.

Volunteer Firefighters Plan

The plan provides for retirement and disability income for all eligible volunteers. Each member will become a participant as of July 1st following the completion of one year of eligibility service. A member shall be credited with a year of service for each plan year that the member has earned at least 50 points as certified by his or her respective volunteer company. Benefits vest after 10 years of service and completion of 2 years of participation. Members may retire at age 65 with 10 years of service and 2 years of participation. Members are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to \$27.65 (effective 7/1/2017) per month for each year of service. The Town is required to contribute the amounts necessary to finance the benefits for its volunteers as are actuarially determined.

The Town has implemented Government Accounting Standards Board's (GASB) Statement No. 67 effective Fiscal Year 2014. Net position is based on fair market value as of June 30 and the Total Pension Liability is based on the actuarial assumptions as of the prior valuation date updated to July 1, 2020. The date of the Town's most recent actuarial valuation was July 1, 2021.

In accordance with GASB Statement No. 67, the components of the net pension liability of the Town as of June 30 were as follows:

	Town Plan				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability.....	\$ 9,552,635	\$ 9,518,525	\$ 9,659,558	\$ 9,124,197	\$ 9,025,019
Plan fiduciary net postion.....	3,636,897	4,631,216	3,950,280	4,105,557	4,123,447
Net pension liability.....	<u>\$ 5,915,738</u>	<u>\$ 4,887,309</u>	<u>\$ 5,709,278</u>	<u>\$ 5,018,640</u>	<u>\$ 4,901,572</u>
Plan fiduciary net position as a % of total pension liability.....	38.1%	48.7%	40.9%	45.0%	45.7%

	Police Plan				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability.....	\$ 10,796,238	\$ 11,930,909	\$ 12,033,152	\$ 11,303,426	\$ 10,384,880
Plan fiduciary net postion.....	5,340,705	6,826,389	6,077,355	5,588,947	4,797,353
Net pension liability.....	<u>\$ 5,455,533</u>	<u>\$ 5,104,520</u>	<u>\$ 5,955,797</u>	<u>\$ 5,714,479</u>	<u>\$ 5,587,527</u>
Plan fiduciary net position as a % of total pension liability.....	49.5%	57.2%	50.5%	49.4%	46.2%

	Volunteer Firefighters Plan				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability.....	\$ 5,899,757	\$ 5,414,663	\$ 5,182,812	\$ 4,156,000	\$ 3,936,995
Plan fiduciary net postion.....	2,829,375	3,247,690	2,401,463	2,238,780	1,955,113
Net pension liability.....	<u>\$ 3,070,382</u>	<u>\$ 2,166,973</u>	<u>\$ 2,781,349</u>	<u>\$ 1,917,220</u>	<u>\$ 1,981,882</u>
Plan fiduciary net position as a % of total pension liability.....	48.0%	60.0%	46.3%	53.9%	49.7%

The following represents the net pension liability of the Town, calculated using the discount rate of 6.50%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease	Current	1% Increase
	<u>5.50%</u>	<u>6.50%</u>	<u>7.50%</u>
Town Plan Net Pension Liability.....	\$ 6,729,235	\$ 5,915,738	\$ 5,208,630
Police Plan Net Pension Liability.....	\$ 6,846,990	\$ 5,455,533	\$ 4,296,338
Volunteer Firefighters Plan Net Pension Liability...	\$ 4,054,903	\$ 3,070,382	\$ 2,285,381

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Based upon a July 1, 2022 actuarial valuation, the funding level of the three defined benefit plans were as follows:

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AL) (b)	Unfunded AL (UAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAL as a Percentage of Covered [(b) - (a) / (c)]
<u>Town Plan</u>						
7/1/2022	\$ 4,331,990	\$ 9,547,738	\$ 5,215,748	45.4%	\$ 362,737	1437.9%
7/1/2021	4,554,398	9,733,701	5,179,303	46.8%	394,226	1313.8%
7/1/2020	4,561,068	9,633,992	5,072,924	47.3%	562,940	901.1%
7/1/2019	4,692,808	9,752,741	5,059,933	48.1%	686,004	737.6%
7/1/2018	4,940,746	9,243,064	4,302,318	53.5%	687,009	626.2%
<u>Police Plan</u>						
7/1/2022	\$ 5,891,025	\$11,011,110	\$ 5,120,085	53.5%	\$ 1,518,576	337.2%
7/1/2021	5,117,152	10,410,160	5,293,008	49.2%	1,517,841	348.7%
7/1/2020	5,451,416	11,317,794	5,866,378	48.2%	1,629,834	359.9%
7/1/2019	6,056,148	11,809,880	5,753,732	51.3%	1,742,029	330.3%
7/1/2018	5,347,253	10,626,929	5,279,676	50.3%	1,913,472	275.9%
<u>Firefighter's Plan</u>						
7/1/2022	\$ 3,283,900	\$ 6,995,534	\$ 3,711,634	46.9%	N/A	N/A
7/1/2021	3,076,048	4,731,541	1,655,493	65.0%	N/A	N/A
7/1/2020	2,686,954	4,309,639	1,622,685	62.3%	N/A	N/A
7/1/2019	2,479,997	4,129,650	1,649,653	60.1%	N/A	N/A
7/1/2018	2,277,527	3,659,988	1,382,461	62.2%	N/A	N/A

Schedule of Employer Contributions

Year Ended June 30	Actuarial Determined Contribution	Actual Contribution	Percentage Contributed
<u>Town Plan</u>			
2024 (1)	\$ 692,599	\$ 692,599	100.0%
2023	692,206	692,206	100.0%
2022	520,441	520,441	100.0%
2021	474,637	474,637	100.0%
2020	460,817	460,817	100.0%
<u>Police Plan</u>			
2024 (1)	\$1,190,663	\$ 1,190,663	100.0%
2023	902,771	902,771	100.0%
2022	931,518	931,518	100.0%
2021	866,502	866,502	100.0%
2020	811,664	811,664	100.0%
<u>Firefighter's Plan</u>			
2024 (1)	\$ 389,865	\$ 389,865	100.0%
2023	248,844	248,844	100.0%
2022	321,221	321,221	100.0%
2021	322,512	322,512	100.0%
2020	273,182	273,182	100.0%

(1) FY 2023-24 Adopted Budget.

For more information on the Town's Pension Plans, see Note 9 – Pension Plans in Appendix A hereto.

OTHER POST-EMPLOYMENT BENEFITS

The Town and Board of Education provide post-employment benefits for certain retirees who meet certain requirements regarding age and years of service. This benefit is provided based on union agreements of the police department and school administrators.

For fiscal year 2016-17, the Town implemented Government Accounting Standards Board's ("GASB") Statement No. 74. In accordance with GASB Statement No. 74, the net position is based on the fair market value as of the end of the fiscal year and the total OPEB liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The components of the net OPEB liability of the Town as of June 30 were as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability.....	\$ 4,770,383	\$ 4,794,833	\$ 7,744,210	\$ 7,475,073	\$ 8,658,782
Plan fiduciary net position.....	4,270,679	5,041,696	4,081,326	3,813,365	3,626,298
Net pension liability.....	<u>\$ 499,704</u>	<u>\$ (246,863)</u>	<u>\$ 3,662,884</u>	<u>\$ 3,661,708</u>	<u>\$ 5,032,484</u>
Plan fiduciary net position as a % of total pension liability.....	89.52%	105.15%	52.70%	51.01%	41.88%

The following represents the net OPEB liability of the Town, calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	<u>5.25%</u>	<u>6.25%</u>	<u>7.25%</u>
Net OPEB Liability.....	\$ 1,100,490	\$ 499,704	\$ (13,213)

The Town's actuary, Milliman Inc., has prepared a report, dated July 1, 2020, in compliance with Government Accounting Standards Board ("GASB") Statement No. 45 which included Town and Board of Education employees. As part of the valuation, Milliman Inc. determined an implicit rate subsidy where applicable, and employed a 6.25% discount rate.

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)</u>	<u>Funded Ratio (a) / (b)</u>
7/1/2020	\$ 4,116,210	\$ 4,934,264	\$ 818,054	83.4%
7/1/2018	3,623,972	7,395,032	3,771,060	49.0%
7/1/2016	2,246,441	7,471,152	5,224,711	30.1%
7/1/2014	1,880,221	7,197,759	5,317,538	26.1%
7/1/2012	1,010,000	7,320,000	6,310,000	13.8%

Schedule of Employer Contributions

<u>Year Ended June 30</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
2024 (1)	\$ 231,835	\$ 231,835	100.0%
2023	231,835	231,835	100.0%
2022	231,835	284,990	122.9%
2021	509,627	509,627	100.0%
2020	509,627	509,627	100.0%

(1) As budgeted for fiscal year 2023-24.

For more information on the Town's Other Post-Employment Benefits ("OPEB"), see Note 10 – Other Post-Employment Benefits in Appendix A hereto.

INVESTMENT POLICIES AND PROCEDURES

The Town Charter and Sections 7-400 and 7-402 of the Connecticut General Statutes govern the investments the Town is permitted to acquire. Generally, the Town may invest in certificates of deposit; Obligations of the State of Connecticut, or any regional school district, town, city, borough or metropolitan district of the State (rated within one of the top three rating categories of any nationally recognized rating service); Government Sponsored Investment Funds (for example, State Treasurer's Short-Term Investment Fund ("STIF") and State Treasurer's Tax-Exempt Proceeds Fund ("TEPF")); obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all Federal Home Loan Banks, all Federal Land Banks, all Federal Intermediate Credit Banks, or any other agency of the United States government; mutual funds and money market mutual funds.

The Town has an adopted Investment Policy. The Town's investment practice has been to invest primarily in certificates of deposit and money market accounts, with smaller balances in STIF. The Town does not invest in derivative based investment products. The Town's operating funds and capital funds are currently invested in the following investments: (1) various certificates of deposit and/or money market accounts; and (2) STIF.

PROPERTY TAX REVENUES

Fiscal Year	General Fund Revenues	Property Tax Revenues	Property Tax as a % of General Fund Revenues
2024 (Adopted Budget)	\$ 59,842,506	\$ 49,981,403	83.5
2023 (Estimated Actuals)	58,574,229	46,845,222	80.0
2022	57,044,931	46,329,829	81.2
2021	63,042,277	45,366,604	72.0
2020	59,619,664	44,342,888	74.4
2019	60,552,198	43,466,591	71.8
2018	56,690,150	42,802,448	75.5
2017	55,701,951	41,187,397	73.9
2016	53,432,300	40,817,618	76.4
2015	52,242,002	39,837,975	76.3

Source: Annual audited financial statements, fiscal year 2022-23 estimated actuals and 2023-24 adopted budget.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund Revenues	Intergovernmental Revenues	Intergovernmental as a % of General Fund Revenue
2024 (Adopted Budget)	\$ 59,842,506	\$ 7,909,763	13.2
2023 (Estimated Actuals)	58,574,229	8,127,519	13.9
2022	57,044,931	10,462,085	18.3
2021	63,042,277	16,554,028	26.3
2020	59,619,664	13,977,979	23.4
2019	60,552,198	15,873,778	26.2
2018	56,690,150	12,970,757	22.9
2017	55,701,951	13,916,561	25.0
2016	53,532,300	11,964,082	22.3
2015	52,242,002	11,754,418	22.5

Source: Annual audited financial statements, fiscal year 2022-23 estimated actuals and 2023-24 adopted budget.

EXPENDITURES

Fiscal Year	Education %	Public Safety %	Debt Service %	Public Works %	Benefits & Insurance %	General Government %
2024 (Adopted Budget)	55.8	12.5	8.2	7.4	6.3	3.9
2023 (Estimated Actuals)	59.4	12.2	6.9	7.2	6.3	3.8
2022	63.9	10.2	6.7	6.6	5.3	3.3
2021	68.2	9.3	6.1	5.6	4.7	2.9
2020	67.5	9.0	7.0	5.5	4.5	2.5
2019	68.9	8.9	6.9	5.3	3.6	2.6
2018	66.1	8.8	8.2	5.7	4.6	3.0
2017	65.0	8.7	10.5	5.4	4.3	2.9
2016	63.2	9.7	10.5	6.1	4.1	3.1
2015	63.8	8.7	10.8	6.0	4.4	3.1

Source: Annual audited financial statements, fiscal year 2022-23 estimated actuals and 2023-24 adopted budget.

MUNICIPAL BUDGET EXPENDITURES CAP

Connecticut General Statutes Section 4-661, as amended (“Section 4-661”), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in fiscal year 2018, the Office of Policy and Management (“OPM”) must reduce the amount of the municipal revenue sharing grant for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more or the rate of inflation, whichever is greater (the “expenditure cap”). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality’s adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-661 requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded.

Under Section 4-661, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures or payments on unfunded pension liabilities.

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COMPARATIVE GENERAL FUND OPERATING STATEMENT
(Budget and Actual – Budgetary Basis)

	<u>Fiscal Year 2021-22</u>			<u>2022-23</u> <u>Estimated</u> <u>Actuals</u>	<u>2023-24</u> <u>Adopted</u> <u>Budget</u>
	<u>Final</u> <u>Budget</u>	<u>Actual</u> <u>Operations</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>		
Revenues					
Property taxes.....	\$45,918,803	\$ 46,329,829	\$ 411,026	\$ 46,845,222	\$ 49,981,403
Investment income (loss).....	150,000	(265,568)	(415,568)	150,000	100,000
Licenses and permits.....	213,275	286,682	73,407	245,628	254,775
Charges for services.....	119,315	137,428	18,113	86,799	119,155
Intergovernmental.....	7,507,107	7,573,440	66,333	8,127,519	7,909,763
Committed fund balance for subsequent year.....	-	-	-	800,000	725,000
Other.....	100,570	118,463	17,893	2,319,061	752,410
Total Revenues.....	<u>54,009,070</u>	<u>54,180,274</u>	<u>171,204</u>	<u>58,574,229</u>	<u>59,842,506</u>
Expenditures					
Current:					
General government.....	1,917,890	1,841,297	76,593	2,078,909	2,316,422
Public safety.....	5,956,179	5,746,170	210,009	6,743,002	7,473,715
Public works.....	3,947,237	3,708,944	238,293	3,968,713	4,441,130
Culture and recreation.....	1,527,024	1,443,044	83,980	1,612,672	1,818,528
Health and welfare.....	305,422	289,213	16,209	306,528	332,193
Community development.....	520,789	409,955	110,834	427,717	478,356
Benefits and insurance.....	3,064,919	3,024,549	40,370	3,463,072	3,797,293
Education.....	32,147,198	32,059,224	87,974	32,735,715	33,400,715
Debt service.....	3,729,789	3,729,787	2	3,776,338	4,886,851
Capital outlay and OPEB.....	-	-	-	-	874,303
Total Expenditures.....	<u>53,116,447</u>	<u>52,252,183</u>	<u>864,264</u>	<u>55,112,666</u>	<u>59,819,506</u>
Excess (deficiency) of revenues over expenditures.....	<u>892,623</u>	<u>1,928,091</u>	<u>1,035,468</u>	<u>3,461,563</u>	<u>23,000</u>
Other financing sources (uses):					
Operating transfers in.....	61,360	61,360	-	30,000	32,000
Operating transfers out.....	(1,903,983)	(1,903,983)	-	(3,534,640)	(55,000)
Total other financing sources (uses).....	<u>(1,842,623)</u>	<u>(1,842,623)</u>	<u>-</u>	<u>(3,504,640)</u>	<u>(23,000)</u>
Net change in fund balances.....	<u>\$ (950,000)</u>	85,468	<u>\$ 1,035,468</u>	<u>\$ (43,077)</u>	<u>\$ -</u>
Change in nonspendable fund balance.....		(3,612)			
Change in committed fund balance.....		<u>(2,147,640)</u>			
Net change in general fund's unassigned fund balance.....		(2,065,784)			
Fund Balance - beginning of year.....		<u>10,353,732</u>			
Fund Balance - end of year.....		<u>\$ 8,287,948</u>			

Source: Annual audited financial statements, fiscal year 2022-23 estimated actuals and 2023-24 adopted budget.

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COMPARATIVE GENERAL FUND BALANCE SHEETS
Summary of Assets and Liabilities
(GAAP Basis)

Fiscal Year Ended:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Assets					
Cash and cash equivalents.....	\$ 975	\$ 1,025	\$ 1,025	\$ 44,210	\$ 152,439
Investments.....	12,816,314	14,891,993	13,874,724	14,728,159	16,835,679
Receivables, net:.....					
Property taxes.....	1,999,483	1,475,847	1,621,397	1,570,321	1,223,141
Other assets.....	101,991	70,818	85,841	125,067	31,934
Prepaid expenses.....	140,001	12,322	5,514	175	3,612
Total Assets.....	<u>\$15,058,764</u>	<u>\$16,452,005</u>	<u>\$15,588,501</u>	<u>\$16,467,932</u>	<u>\$18,246,805</u>
Liabilities.....					
Accounts payables and accrued expenses	\$ 2,813,718	\$ 3,039,556	\$ 1,512,570	\$ 1,079,907	\$ 945,216
Due to other funds.....	-	-	-	-	-
Unearned revenue.....	62,967	339,318	424,284	388,906	353,884
Other.....	3,119	3,000	4,360	1,261,574	1,293,357
Total Liabilities.....	<u>2,879,804</u>	<u>3,381,874</u>	<u>1,941,214</u>	<u>2,730,387</u>	<u>2,592,457</u>
Deferred Inflows of Resources.....					
Deferred revenues:					
Unavailable revenue - property taxes....	2,010,729	1,457,655	1,550,737	1,427,841	1,223,139
Advanced property taxes.....					2,491,116
Total Deferred Inflows of Resources...	<u>2,010,729</u>	<u>1,457,655</u>	<u>1,550,737</u>	<u>1,427,841</u>	<u>3,714,255</u>
Fund Balances					
Nonspendable.....	3,269	3,269	-	-	3,612
Committed:					
Capital projects.....	-	1,022,000	339,000	150,000	-
Subsequent year's budget.....	350,000	600,000	650,000	800,000	-
Other purposes.....	-	51,975	-	-	3,097,640
Assigned.....	1,227,317	1,397,214	1,566,945	1,005,972	550,893
Unassigned.....	8,587,645	8,538,018	9,540,605	10,353,732	8,287,948
Total Fund Balances.....	<u>10,168,231</u>	<u>11,612,476</u>	<u>12,096,550</u>	<u>12,309,704</u>	<u>11,940,093</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	<u>\$15,058,764</u>	<u>\$16,452,005</u>	<u>\$15,588,501</u>	<u>\$16,467,932</u>	<u>\$18,246,805</u>

Source: Annual audited financial statements

ANALYSIS OF GENERAL FUND EQUITY
(GAAP BASIS)

	<u>Actual 2017-18</u>	<u>Actual 2018-19</u>	<u>Actual 2019-20</u>	<u>Actual 2020-21</u>	<u>Actual 2021-22</u>
Nonspendable.....	\$ 3,269	\$ 3,269	\$ -	\$ -	\$ 3,612
Committed:					
Capital projects.....	-	1,022,000	339,000	150,000	-
Subsequent year's budget.....	350,000	600,000	650,000	800,000	-
Other purposes.....	-	51,975	-	-	3,097,640
Assigned.....	1,227,317	1,397,214	1,566,945	1,005,972	550,893
Unassigned.....	8,587,645	8,538,018	9,540,605	10,353,732	8,287,948
Total Fund Balance.....	<u>\$ 10,168,231</u>	<u>\$ 11,612,476</u>	<u>\$ 12,096,550</u>	<u>\$ 12,309,704</u>	<u>\$ 11,940,093</u>
Total Fund Balance as % of Total Expenditures & Transfers.....	18.38%	19.62%	20.43%	19.57%	20.67%

Source: Annual audited financial statements.

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

Fiscal Year Ended:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues					
Property taxes.....	\$42,802,448	\$43,466,591	\$44,342,888	\$45,366,604	\$46,329,829
Licenses and permits.....	240,675	274,767	237,624	341,657	286,682
Intergovernmental.....	12,970,757	15,873,778	13,977,979	16,554,028	10,462,085
Charges for services.....	124,408	123,430	133,131	187,398	137,428
Investment earnings.....	175,022	553,315	671,697	67,233	(265,568)
Other.....	376,840	260,317	256,345	525,357	94,475
Total Revenues.....	<u>56,690,150</u>	<u>60,552,198</u>	<u>59,619,664</u>	<u>63,042,277</u>	<u>57,044,931</u>
Expenditures.....					
General government.....	1,615,286	1,502,058	1,425,688	1,762,817	1,827,547
Public safety.....	4,763,584	5,102,126	5,032,626	5,667,690	5,700,260
Public works.....	3,098,591	3,039,755	3,083,640	3,406,524	3,699,517
Culture and recreation.....	1,235,106	1,280,719	1,240,057	1,287,196	1,458,042
Health and welfare.....	210,565	223,293	217,837	237,398	289,213
Community development.....	420,852	462,502	409,399	417,577	409,955
Benefits and insurance.....	2,502,615	2,058,695	2,532,882	2,852,979	2,968,420
Education.....	35,915,292	39,463,046	37,809,747	41,614,780	35,716,386
Debt service.....	4,454,471	3,982,273	3,903,852	3,750,499	3,729,787
Capital outlay.....	146,602	194,403	345,301	10,862	56,129
Total Expenditures.....	<u>54,362,964</u>	<u>57,308,870</u>	<u>56,001,029</u>	<u>61,008,322</u>	<u>55,855,256</u>
Excess (deficiency) of revenues over expenditures.....	<u>2,327,186</u>	<u>3,243,328</u>	<u>3,618,635</u>	<u>2,033,955</u>	<u>1,189,675</u>
Other financing sources (uses)					
Proceed from general obligation refunding bonds.....	8,730,000	-	-	-	-
Premium on general obligation refunding bonds and BANS.....	805,763	-	-	-	-
Payment to escrow agent.....	(9,452,422)	-	-	-	-
Proceeds from capital leases.....	-	-	-	-	274,788
Proceeds from general obligation bonds...	-	-	-	-	8,549
Operating transfers in.....	66,236	65,063	63,798	62,579	61,360
Operating transfers out.....	(951,958)	(1,864,146)	(3,198,359)	(1,883,380)	(1,903,983)
Total other financing sources (uses).....	<u>(802,381)</u>	<u>(1,799,083)</u>	<u>(3,134,561)</u>	<u>(1,820,801)</u>	<u>(1,559,286)</u>
Net change in fund balances.....	1,524,805	1,444,245	484,074	213,154	(369,611)
Fund Balance - July 1.....	<u>8,643,426</u>	<u>10,168,231</u>	<u>11,612,476</u>	<u>12,096,550</u>	<u>12,309,704</u>
Fund Balance - June 30.....	<u>\$10,168,231</u>	<u>\$11,612,476</u>	<u>\$12,096,550</u>	<u>\$12,309,704</u>	<u>\$11,940,093</u>

Source: Annual audited financial statements.

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VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of August 3, 2023

(Pro Forma)

Long-Term Debt: Bonds

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding as of 8/3/23</u>	<u>Date of Fiscal Year Maturity</u>
<u>General Purpose</u>					
3/5/2015	Refunding - General Purpose.....	1.50 - 5.00	\$ 1,569,000	\$ 821,000	2028
5/10/2018	Refunding - General Purpose.....	3.00 - 5.00	2,408,000	486,000	2025
12/30/2019	Refunding - General Purpose.....	5.00	2,950,000	1,543,000	2028
8/5/2021	Refunding - General Purpose.....	3.00 - 5.00	2,890,000	2,290,000	2031
8/5/2021	General Purpose.....	3.00 - 5.00	2,500,000	2,500,000	2042
8/4/2022	General Purpose.....	4.00 - 5.00	3,300,000	3,300,000	2043
8/3/2023	General Purpose.....	TBD	1,000,000	1,000,000	2044
			\$ 16,617,000	\$ 11,940,000	
<u>Schools</u>					
3/5/2015	Refunding - Schools.....	1.50 - 5.00	\$ 3,626,000	\$ 1,899,000	2028
5/10/2018	Refunding - Schools.....	3.00 - 5.00	6,064,000	1,221,000	2025
12/30/2019	Refunding - Schools.....	5.00	930,000	487,000	2028
8/5/2021	Schools.....	3.00 - 5.00	7,500,000	7,500,000	2042
8/4/2022	Schools.....	4.00 - 5.00	15,000,000	15,000,000	2043
8/3/2023	Schools.....	TBD	13,975,000	13,975,000	2044
			\$ 47,095,000	\$ 40,082,000	
<u>Sewers</u>					
5/10/2018	Refunding - Sewers.....	3.00 - 5.00	\$ 275,000	\$ 53,000	2025
			\$ 275,000	\$ 53,000	
	Total		\$ 63,987,000	\$ 52,075,000	

Short-Term Debt: Notes

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding as of 8/3/23</u>	<u>Date of Maturity</u>
<u>General Purpose</u>					
8/3/2023	General Purpose	TBD	\$ 10,050,000	\$ 10,050,000	8/2/2024
	Total		10,050,000	10,050,000	
<u>Schools</u>					
8/3/2023	Schools	TBD	14,755,000	14,755,000	8/2/2024
	Total		14,755,000	14,755,000	
			\$ 24,805,000	\$ 24,805,000	

Other Long-Term Commitments: Lease Liabilities

<u>Fiscal Year Ended June 30</u>	<u>Principl</u>	<u>Interest</u>
2023	\$ 442,535	\$ 11,035
2024	206,546	3,549
2025	69,124	875
Total lease payments	<u>\$ 718,205</u>	<u>\$ 15,459</u>

**COMBINED SCHEDULE OF LONG-TERM DEBT THROUGH MATURITY
GENERAL FUND
As of August 3, 2023
(Pro Forma)**

<u>Fiscal Year</u>	<u>Principal Payments (1)</u>	<u>Interest Payments</u>	<u>Total Debt Service (1)</u>	<u>The Bonds Principal Payments</u>	<u>All Issues Total Principal (1)</u>
2023-24	\$ 2,885,000	\$ 2,001,850	\$ 4,886,850	\$ -	\$ 2,885,000
2024-25	3,325,000	1,476,506	4,801,506	-	3,325,000
2025-26	2,740,000	1,344,850	4,084,850	575,000	3,315,000
2026-27	2,775,000	1,212,325	3,987,325	850,000	3,625,000
2027-28	2,790,000	1,083,013	3,873,013	575,000	3,365,000
2028-29	1,685,000	977,025	2,662,025	800,000	2,485,000
2029-30	1,990,000	889,850	2,879,850	800,000	2,790,000
2030-31	1,995,000	799,650	2,794,650	800,000	2,795,000
2031-32	1,650,000	716,250	2,366,250	800,000	2,450,000
2032-33	1,650,000	645,000	2,295,000	800,000	2,450,000
2033-34	1,650,000	579,000	2,229,000	800,000	2,450,000
2034-35	1,650,000	516,000	2,166,000	800,000	2,450,000
2035-36	1,725,000	454,500	2,179,500	800,000	2,525,000
2036-37	1,725,000	391,500	2,116,500	800,000	2,525,000
2037-38	1,725,000	328,500	2,053,500	800,000	2,525,000
2038-39	1,725,000	265,500	1,990,500	825,000	2,550,000
2039-40	1,725,000	202,500	1,927,500	825,000	2,550,000
2040-41	1,725,000	139,500	1,864,500	825,000	2,550,000
2041-42	1,725,000	76,500	1,801,500	825,000	2,550,000
2042-43	1,125,000	22,500	1,147,500	825,000	1,950,000
2043-44	-	-	-	850,000	850,000
	<u>\$ 39,985,000</u>	<u>\$14,122,319</u>	<u>\$54,107,319</u>	<u>\$14,975,000</u>	<u>\$ 54,960,000</u>

(1) Does not reflect principal payments of \$2,885,000 made as of August 3, 2023.

Source: Town Officials

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

OVERLAPPING AND UNDERLYING INDEBTEDNESS

The Town has no overlapping or underlying indebtedness.

DEBT STATEMENT

As of August 3, 2023

(Pro Forma)

Long Term Indebtedness (1)	
The Bonds (This Issue).....	\$ 14,975,000
General Purpose.....	10,940,000
Schools.....	26,107,000
Sewers.....	53,000
Total Long-Term Indebtedness.....	52,075,000
Short-Term Indebtedness	
The Notes (This Issue).....	24,805,000
Total Direct Indebtedness.....	76,880,000
Exclusions:	
(Sewer assessments receivable).....	-
Net Direct Indebtedness.....	\$ 76,880,000

(1) Does not include authorized but unissued debt of \$24,854,420. (See "Authorized but Unissued Debt" herein).

CURRENT DEBT RATIOS

As of August 3, 2023

(Pro Forma)

Total Direct Indebtedness.....	\$ 76,880,000
Total Net Direct Indebtedness.....	\$ 76,880,000
Population (1).....	13,643
Net Taxable Grand List (10/1/22).....	\$ 1,396,379,620
Estimated Full Value.....	\$ 1,994,828,029
Equalized Net Taxable Grand List (2021) (2).....	\$ 2,444,800,125
Per Capita Income (2021) (1).....	\$52,650
Total Direct Indebtedness:	
Per Capita.....	\$5,635.12
To Net Taxable Grand List	5.51%
To Estimated Full Value	3.85%
To Equalized Net Taxable Grand List.....	3.14%
Per Capita to Per Capita Income.....	10.70%
Total Net Direct Indebtedness:	
Per Capita.....	\$5,635.12
To Net Taxable Grand List.....	5.51%
To Estimated Full Value.....	3.85%
To Equalized Net Taxable Grand List.....	3.14%
Per Capita to Per Capita Income.....	10.70%

(1) U.S. Census Bureau, 2017-2021 American Community Survey.

(2) Office of Policy and Management, State of Connecticut.

LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the Connecticut General Statutes subject to statutory debt limitations and the requirements of the Town Charter for the authorization of indebtedness. Under the Charter, the Town Council, acting as the Town's legislative body, authorizes borrowings. The authorization of indebtedness is subject to referendum if requested by petition of at least five percent of the Town's registered electors.

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20th (1/30th for sewer projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

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

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

SCHOOL BUILDING GRANT REIMBURSEMENTS

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. State grants will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its bonds only for the net share of project costs.

Under the current program, the State of Connecticut will make proportional progress payments for eligible construction costs during certain phases of construction. The following projects will be reimbursed under this method:

<u>Project</u>	<u>Amount of Total Authorization</u>	<u>Estimated Non-reimbursable Costs</u>	<u>Estimated Eligible Cost For Reimbursement</u>	<u>Reimbursement Rate (%)</u>	<u>Estimated Grant (1)</u>
North Branford High School.....	\$ 70,331,996	\$ 4,089,606	\$ 66,242,390	43.93	\$ 29,100,282

(1) Estimated grants receivable are based on eligibility of project costs for this project. Eligible costs to be determined at completion of the project.

LIMITATION OF INDEBTEDNESS

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

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

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

The CGS also provide for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in an escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

STATEMENT OF STATUTORY DEBT LIMITATION
As of August 3, 2023
(Pro Forma)

Total Receipts for fiscal year ended June 30, 2022 (including interest and lien fees)	\$ 43,094,309
State Reimbursement for Revenue Loss on:	
Tax Relief for Elderly	-
Base for Establishing Debt Limit	\$ 43,094,309

Debt Limitation	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base).....	\$ 96,962,195					
(4.50 times base).....		\$ 193,924,391				
(3.75 times base).....			\$ 161,603,659			
(3.25 times base).....				\$ 140,056,504		
(3.00 times base).....					\$ 129,282,927	
(7.00 times base).....						\$ 301,660,163
Indebtedness (Including the Bonds and the Notes)						
Bonds Payable.....	\$ 10,940,000	\$ 26,107,000	\$ 53,000	\$ -	\$ -	\$ 37,100,000
The Bonds (This Issue).....	1,000,000	13,975,000	-	-	-	14,975,000
The Notes (This Issue).....	10,050,000	14,755,000	-	-	-	24,805,000
Authorized but Unissued Debt.....	8,093,000	17,312,901	-	-	-	25,405,901
Total Indebtedness.....	30,083,000	72,149,901	53,000	-	-	102,285,901
Less receivable:						
Grants Receivable (1).....	(7,800,000)	(17,054,420)	-	-	-	(24,854,420)
Total Net Indebtedness.....	22,283,000	55,095,481	53,000	-	-	77,431,481
Excess of Limit Over Outstanding and						
Authorized Debt.....	\$ 74,679,195	\$ 138,828,910	\$ 161,550,659	\$ 140,056,504	\$ 129,282,927	\$ 224,228,682

(1) It is estimated that the Town will receive \$7,800,000 of Federal and State grants for various projects of the Town. As of August 3, 2023, the Town has not received any grants for these projects. It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$29,100,282 during the construction of the project. As of August 3, 2023, the Town has received \$12,045,862 of progress payments for this project. (See "School Building Grant Reimbursements" and "Authorized but Unissued Debt" herein).

Source: Town Officials.

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AUTHORIZED BUT UNISSUED DEBT

Projects	Amount Authorized	Prior Financings	BANs Outstanding	Paydowns/ Grants	The Bonds (This Issue)	The Notes (This Issue)	Authorized But Unissued
North Branford High School Gymnasium Roof. Relocation of Community Center & Senior Center.....	\$ 433,661	\$ -	\$ -	\$ 194,898	\$ -	\$ -	\$ 238,763
New High School Project.....	293,000	-	-	-	-	-	293,000
New Police Station Project.....	70,350,000	22,500,000	13,975,000	12,045,862	13,975,000	4,755,000	17,074,138 (1)
Emergency Communications Radio System.....	16,200,000	5,800,000	1,000,000	-	1,000,000	3,950,000	5,450,000 (2)
Stanley T. Williams Community Center Roof Replacement Project.....	5,650,000	-	4,900,000	-	-	4,900,000	750,000 (3)
North Branford Intermediate School Roof Replacement Project.....	2,800,000	-	1,200,000	-	-	1,200,000	1,600,000 (4)
Total.....	10,000,000	-	10,000,000	-	-	10,000,000	-
	<u>\$105,726,661</u>	<u>\$ 28,300,000</u>	<u>\$ 31,075,000</u>	<u>\$12,240,760</u>	<u>\$ 14,975,000</u>	<u>\$ 24,805,000</u>	<u>\$ 25,405,901</u>

- (1) It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$29,100,282 during the construction of the project. As of August 3, 2023, the Town has received \$12,045,862 of progress payments for this project. (See "School Building Grant Reimbursements" herein).
- (2) It is estimated that the Town will receive \$5,450,000 of Federal and State grants for the New Police Station Project. As of August 3, 2023, the Town has not received any grants for this project.
- (3) It is estimated that the Town will receive \$750,000 of grants for the Emergency Communications Radio System. As of August 3, 2023, the Town has not received any grants for this project.
- (4) It is estimated that the Town will receive \$1,600,000 of grants for the Stanley T. Williams Community Center Roof Project. As of August 3, 2023, the Town has not received any grants for this project.

CAPITAL IMPROVEMENT PROGRAM

Under Section 8-3 of the Town Charter, the Town Manager annually submits an updated five-year capital improvement program to the Town Council. The plan is a systematic program to add or replace capital items for each department within the General Government and Board of Education. Annual publication and approval by the Town Council is required for eligibility for certain state grants. A copy of the most recent capital improvement program is available from the Town Manager's Office.

HISTORICAL DEBT STATEMENT

	2022-23 (1)	2021-22	2020-21	2019-20	2018-19
Population (2).....	13,643	13,643	13,643	13,643	13,643
Net taxable grand list.....	\$1,372,207,160	\$1,330,520,100	\$1,277,637,621	\$1,263,614,790	\$1,247,545,120
Estimated full value.....	\$1,960,295,943	\$1,900,743,000	\$1,825,196,601	\$1,805,163,986	\$1,782,207,314
Equalized net taxable grand list (3)...	\$2,444,800,125	\$1,901,647,632	\$2,023,444,113	\$1,895,049,757	\$1,847,595,800
Per capita income (2).....	\$52,650	\$52,650	\$52,650	\$52,650	\$52,650
Short-term debt.....	\$ 31,075,000	\$ 35,000,000	\$ -	\$ -	\$ -
Long-term debt.....	<u>39,985,000</u>	<u>24,505,000</u>	<u>17,865,000</u>	<u>20,790,000</u>	<u>24,280,000</u>
Total Direct Indebtedness.....	\$ 71,060,000	\$ 59,505,000	\$ 17,865,000	\$ 20,790,000	\$ 24,280,000
Net Direct Indebtedness.....	\$ 71,060,000	\$ 59,505,000	\$ 17,865,000	\$ 20,790,000	\$ 24,272,799

- (1) Unaudited estimates.
- (2) U.S. Census Bureau, 2017-2021 American Community Survey.
- (3) Office of Policy and Management, State of Connecticut

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HISTORICAL DEBT RATIOS

	<u>2022-23 (1)</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Total Direct Indebtedness:					
Per capita.....	\$5,208.53	\$4,361.58	\$1,309.46	\$1,523.86	\$1,779.67
To net taxable grand list.....	5.18%	4.47%	1.40%	1.65%	1.95%
To estimated full value.....	3.62%	3.13%	0.98%	1.15%	1.36%
To equalized net taxable grand list.....	2.91%	3.13%	0.88%	1.10%	1.31%
Debt per capita to per capita income.....	9.89%	8.28%	2.49%	2.89%	3.38%
Net Direct Indebtedness:					
Per capita.....	\$5,208.53	\$4,361.58	\$1,309.46	\$1,523.86	\$1,779.14
To net taxable grand list.....	5.18%	4.47%	1.40%	1.65%	1.95%
To estimated full value.....	3.62%	3.13%	0.98%	1.15%	1.36%
To equalized net taxable grand list.....	2.91%	3.13%	0.88%	1.10%	1.31%
Debt per capita to per capita income.....	9.89%	8.28%	2.49%	2.89%	3.38%

(1) Unaudited estimates.

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO TOTAL GENERAL FUND EXPENDITURES AND TRANSFERS OUT

<u>Fiscal Year Ended 6/30</u>	<u>Annual Debt Service</u>	<u>Total General Fund Expenditures and Transfers out</u>	<u>Ratio of General Fund Debt Service to Total General Fund Expenditures and Transfers Out %</u>
2024 (1)	\$ 4,886,851	\$ 59,874,506	8.16%
2023 (1)	3,776,338	58,647,306	6.44%
2022	3,729,787	57,759,239	6.46%
2021	3,750,499	61,008,322	6.15%
2020	3,903,852	59,199,388	6.59%
2019	3,982,273	59,173,016	6.73%
2018	4,454,471	55,314,922	8.05%
2017	5,763,673	55,706,758	10.35%
2016	5,515,038	53,765,745	10.26%
2015	5,557,683	52,205,558	10.65%

(1) Fiscal year 2022-23 estimated actuals and 2023-24 adopted budget.

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VII. LEGAL AND OTHER LITIGATION

LITIGATION

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

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the Town on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has assisted the Town as to the plan of finance and the structuring of the Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS AND THE NOTES

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

1. Signature and No Litigation Certificates stating that at the time of delivery, no litigation is pending or threatened affecting the validity of the Bonds and the Notes or the levy or collection of taxes to pay them;
2. Certificates on behalf of the Town, signed by the Town Manager and Town Treasurer, which will be dated the date of delivery and attached to a signed copy of the Preliminary Official Statement, and which will certify, to the best of said officials' knowledge and belief, as of the date of the Preliminary Official Statement and the date of the closing, the descriptions and statements in the Preliminary Official Statement, relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Preliminary Official Statement;
3. Receipts for the purchase price of the Bonds and the Notes;
4. Approving opinions for the Bonds and the Notes of Robinson & Cole LLP, Bond Counsel, in substantially the forms attached hereto as Appendices B and C, respectively;
5. Executed Continuing Disclosure Agreements for the Bonds and the Notes in substantially the forms attached hereto as Appendices D and E, respectively; and
6. The Town will provide the winning bidder(s) of the Bonds and the Notes a reasonable number of the final Official Statement, as prepared for this issue at the Town's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidder(s) at its own expense by arrangement with the printer. If the Issuers financial advisor is provided with the necessary information from the winning bidder(s) by 12:00 p.m. (Noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, on the Bonds and the Notes.

A transcript of the proceedings taken by the Town in authorizing the Bonds and the Notes will be kept on file at the principal office of U.S. Bank Trust Company, National Association, of Hartford, Connecticut and will be available for examination upon reasonable request.

CONCLUDING STATEMENT

Additional information may be obtained upon request from the Office of the Finance Director of the Town at (203) 484-6002 or from the Municipal Advisor at (203) 421-2087.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds and the Notes.

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

TOWN OF NORTH BRANFORD, CONNECTICUT

By: _____

MICHAEL P. DOWNES
Town Manager

By: _____

ANTHONY P. ESPOSITO, JR.
Town Treasurer

Dated: June 30, 2023

APPENDIX A – AUDITED FINANCIAL STATEMENTS

TOWN OF NORTH BRANFORD, CONNECTICUT

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Appendix A - Financial Statements - is taken from the Annual Financial Report of the Town of North Branford for the Fiscal Year ending June 30, 2022 as presented by the Auditors and does not include all of the combining and individual fund financial statements and other schedules or the state and federal single audit reports included in such report. A copy of the complete report is available upon request to the Finance Director, Town of North Branford, Connecticut.

SEWARD AND MONDE

CERTIFIED PUBLIC ACCOUNTANTS
296 STATE STREET
NORTH HAVEN, CONNECTICUT 06473-2165
(203) 248-9341
FAX (203) 248-5813

INDEPENDENT AUDITORS' REPORT

To the Honorable Members of
the Town Council
Town of North Branford, Connecticut

Report on the Audit of the Financial Statements

Opinions

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 North Branford, Connecticut (the Town) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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 North Branford, Connecticut, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of North Branford, Connecticut, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

As described in Note 1(G) to the financial statements, during the fiscal year ended June 30, 2022, the Town of North Branford adopted Government Accounting Standards Board (GASB) Statement No. 87, Leases. Under this standard, a lessee is required to recognize a right-to-use lease asset and a corresponding lease liability, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 16 and the required pension and OPEB schedules on pages 80 to 91 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary detailed information, combining and individual nonmajor fund financial statements, other schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is 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 or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the budgetary detailed information, combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023 on our consideration of the Town of North Branford, 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'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 North Branford, Connecticut's internal control over financial reporting and compliance.

Seward and Monde

North Haven, Connecticut
February 27, 2023

MAYOR
JEFFREY A. MACMILLEN

DEPUTY MAYOR
THOMAS ZAMPANO

TOWN MANAGER
MICHAEL P. DOWNES



COUNCIL MEMBERS
BRUCE ABELSON
ROSE MARIE ANGELONI
MARIE E. DIAMOND
WALTER GOAD
VINCENT J. MASE, SR.
NICHOLAS PALLADINO
RONALD PELLICCIA, JR.

TOWN OF NORTH BRANFORD

TOWN HALL, 909 FOXON ROAD, NORTH BRANFORD, CONNECTICUT 06471
TOWN MANAGER (203) 484-6000 TOWN HALL FAX (203) 484-6025

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

As management of the Town of North Branford, Connecticut (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Town's basic financial statements.

Similar to last year's Management Discussion & Analysis, it would be wrong not to mention the COVID-19 pandemic in this MD&A section. During the FYE 6/30/22, things returned to "normal" – with many events that were cancelled for two years during the pandemic returning. Staples such as the Memorial Day Parade, our Annual Potato & Corn Festival, Library and Recreation programs made strong returns. The trend to re-start all the Town's events will continue into FYE 6/30/23.

The Town is slated to receive roughly \$4.2 million in American Rescue Plan Act (ARPA) funds. During 2022, expenditures were discussed. Some topics will require greater research and those discussions will continue into FYE 6/30/23. The Town Council will determine the best use of these funds.

Three major capital projects continued during the 2021-22 fiscal year. As was mentioned last year, a new town-wide emergency communications system for the police, fire and public works departments is currently in the works; a new police station awaits the commencement of construction and a new North Branford High School is well under way, with the estimated occupancy in the late winter of 2023. This project is being built in phases, with phase 1 being the academic "wing" and upon completion of phase 1, the remainder of the existing high school will be demolished and a new gym/locker room wing will be constructed. Financing for these projects will take place in several installments and include both 20-year bonds and short-term bond anticipation notes (BANs). We are working with our financial advisor to create a debt strategy that will take advantage of the current lower interest environment and more importantly create a program that will serve to allow for debt service payments to remain as level as possible from year to year.

Financial Highlights

The assets and deferred outflow of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended June 30, 2022 by \$97,393,662 (*net position*). Of this amount, \$29,408,314 (*unrestricted net position*) may be used, to an extent, to meet the Town's ongoing obligations to citizens and creditors. Amongst the funds that this balance is made up of are Special Revenue Funds, such as the Sewer Works Operating Fund; Capital Projects Funds, such as the Capital

Equipment Reserve; and Permanent Funds, such as the Atwater Memorial & Edward Smith Trust Funds.

- The Town's Net Position of Governmental Activities increased by \$2,693,930. Increases in Net Position reflect a community that continues to invest in itself. This is also a reflection of the efforts of all the individual departments in their efforts to reduce expenditures and make their operations more efficient.
- The fund balance of the Town's General Fund decreased by \$369,611, on a Generally Accepted Accounting Principles (GAAP) basis, during the fiscal year ended June 30, 2022. The General Fund is the principal operating fund that is reliant on property taxes/the mill rate, as well as intergovernmental income, and supports the primary functions that a Town is entrusted to provide to its citizens.
- The fund balance is the equivalent of the Town's savings account and is the accumulation of each individual year's operating surplus and/or deficit.
- At the end of the fiscal year ended June 30, 2022, the unassigned fund balance for the General Fund was \$8,287,948 or 14.12% of total budgetary General Fund expenditures for the 2022-23 fiscal year. The bond rating agencies monitor this percentage very closely. Their "minimum" comfort level is at 5% of the subsequent year's expenditures. Bonding agencies use the percentage of unrestricted fund balance as a key indicator when assessing the Town's creditworthiness. During 2007-08 the Town adopted a formal Fund Balance Policy for the General Fund. This policy sets targets of 15% overall fund balance and 10% unassigned fund balance when compared to subsequent year's budget expenditures. The Total Fund Balance in the General Fund, \$11,940,093 was equal to 20.34% of the 2022-23 budget.
- As of the close of the fiscal year ended June 30, 2022, the Town's governmental funds reported combined ending fund balances of \$11,515,042. It is important to remind readers, as described in the first bullet above, that the fund balances are the summation of many different funds and, therefore, are available for spending for specific restricted purposes.
- It should be noted that the declines in both the unassigned and total fund balance in the General Fund – while intentional - are overshadowing the fact that there were positive budget variances in both the revenue components (\$171,204) and the expenditure components (\$864,264)
- Management has made the decision to provide tax relief through utilization of \$800,000 of the General Fund's fund balance in the 2022-23 fiscal year budget. Additionally, the Town has appropriated \$2,297,640 from the unassigned fund balance towards capital projects in the 2022-23 fiscal year. This significant assignment for capital projects was a conscious decision by the Town Council. The Town Council was fully aware of the financial constraints in the ensuing years that will be caused by the increase in debt service. There were several capital projects that potentially would not have been funded if it were not from the fund balance.

Overview of the Basic Financial Statements

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

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

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

The government-wide financial statements of the Town present only governmental activities whose functions are principally supported by taxes and intergovernmental revenues. The governmental activities of the Town include general government, public safety, public works, culture and recreation, health and welfare, development and conservation and education.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

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

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

expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town reports forty-nine (49) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund (1 fund), the Sewer Assessment Fund (3 funds), the Bonded Projects Fund (10 funds) and the Capital and Nonrecurring Fund (9 funds), which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual budget for its General Fund and Sewer Works Operating Fund. A budgetary comparison statement has been presented for the General Fund and budgetary comparison schedule for the Sewer Works Operating Fund and to demonstrate compliance with the adopted budget.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds uses the economic resources measurement focus and the accrual basis of accounting.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees. The Town has a history of fully funding the actuarially determined Annual Required Contribution. (now known as the Actuarially Determined Employer Contribution [ADEC]). A formal pension funding policy, a requirement of these GASB statements was presented to the Town Council and adopted in September 2014.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions.

UCOA As a by-product of implementing the new MUNIS financial software, the Town and Board of Education are compelled to comply with the Uniform Chart of Accounts (UCOA) that the Office of Policy and Management for the State of Connecticut requires. So, in addition to learning a new process, every general ledger account has changed.

Government-Wide Financial Analysis

As noted earlier, Net Position may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by \$97,393,662 at the close of the most recent fiscal year.

	<u>2022</u>	<u>2021</u>	<u>Change</u>
ASSETS:			
Current and other assets	\$ 57,146,130	\$ 26,351,500	\$ 30,794,630
Capital assets	<u>132,924,307</u>	<u>114,856,491</u>	<u>18,067,816</u>
TOTAL ASSETS	<u>190,070,437</u>	<u>141,207,991</u>	<u>48,862,446</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>3,196,961</u>	<u>1,569,462</u>	<u>1,627,499</u>
LIABILITIES:			
Current and other liabilities	45,961,621	6,624,121	39,337,500
Long-term liabilities	<u>43,360,008</u>	<u>35,605,452</u>	<u>7,754,556</u>
TOTAL LIABILITIES	<u>89,321,629</u>	<u>42,229,573</u>	<u>47,092,056</u>
DEFERED INFLOWS OF RESOURCES	<u>6,552,107</u>	<u>6,273,087</u>	<u>279,020</u>
NET POSITION:			
Net investment in capital assets	66,841,621	94,744,881	(27,903,260)
Restricted	1,143,727	772,170	371,557
Unrestricted	<u>29,408,314</u>	<u>(1,242,258)</u>	<u>30,650,572</u>
TOTAL NET POSITION	<u>\$ 97,393,662</u>	<u>\$ 94,274,793</u>	<u>\$ 3,118,869</u>

The Town's investment in capital assets (e.g. land, buildings and improvements, vehicles, machinery and equipment and infrastructure), net of related debt to acquire these assets, represents 69.93% of the Town's total assets, by far the largest portion. These assets are used to provide services to Town citizens, and it should be noted that these assets are *not* available for future spending. While the Town's investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

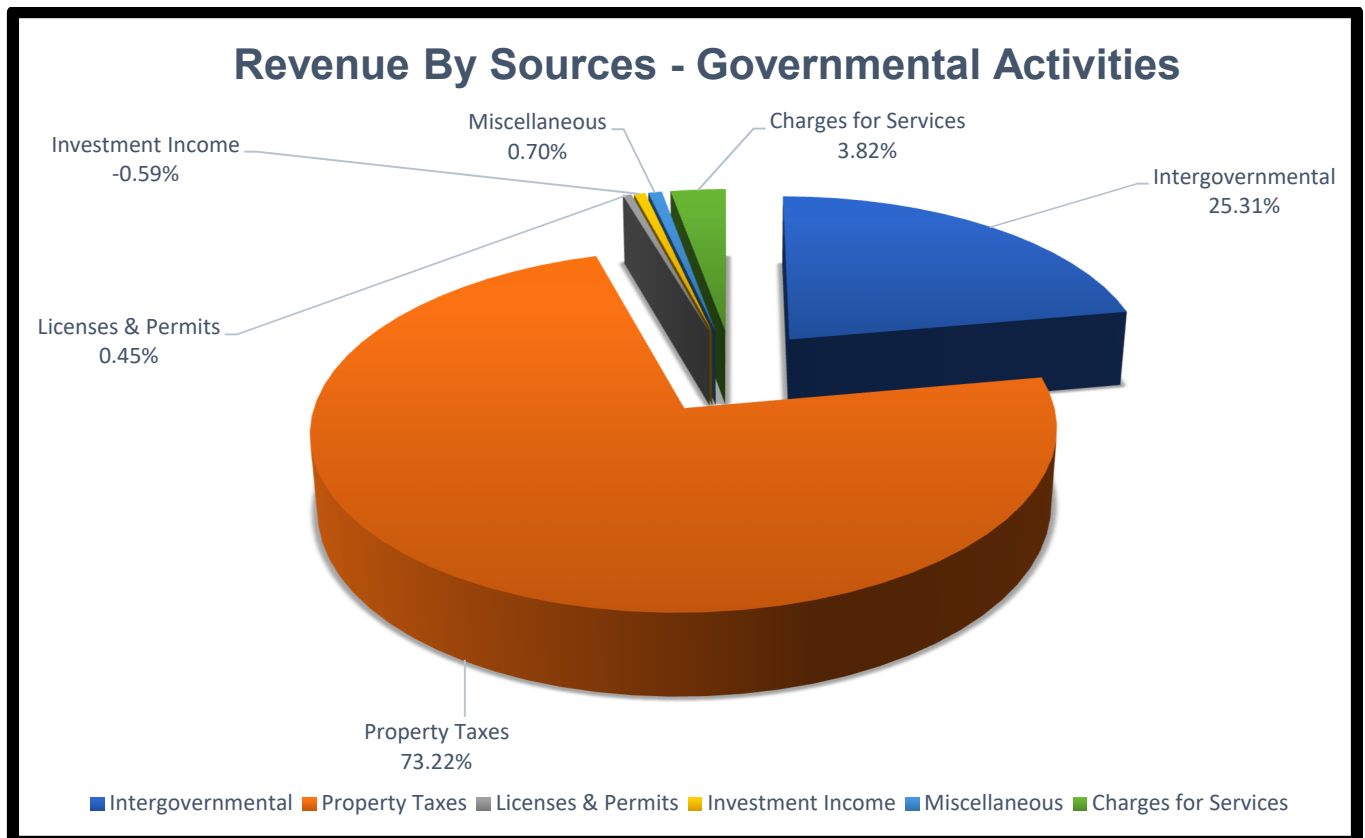
Governmental activities. Governmental activities increased the Town’s net assets. Following is a summary of changes in net position (\$000).

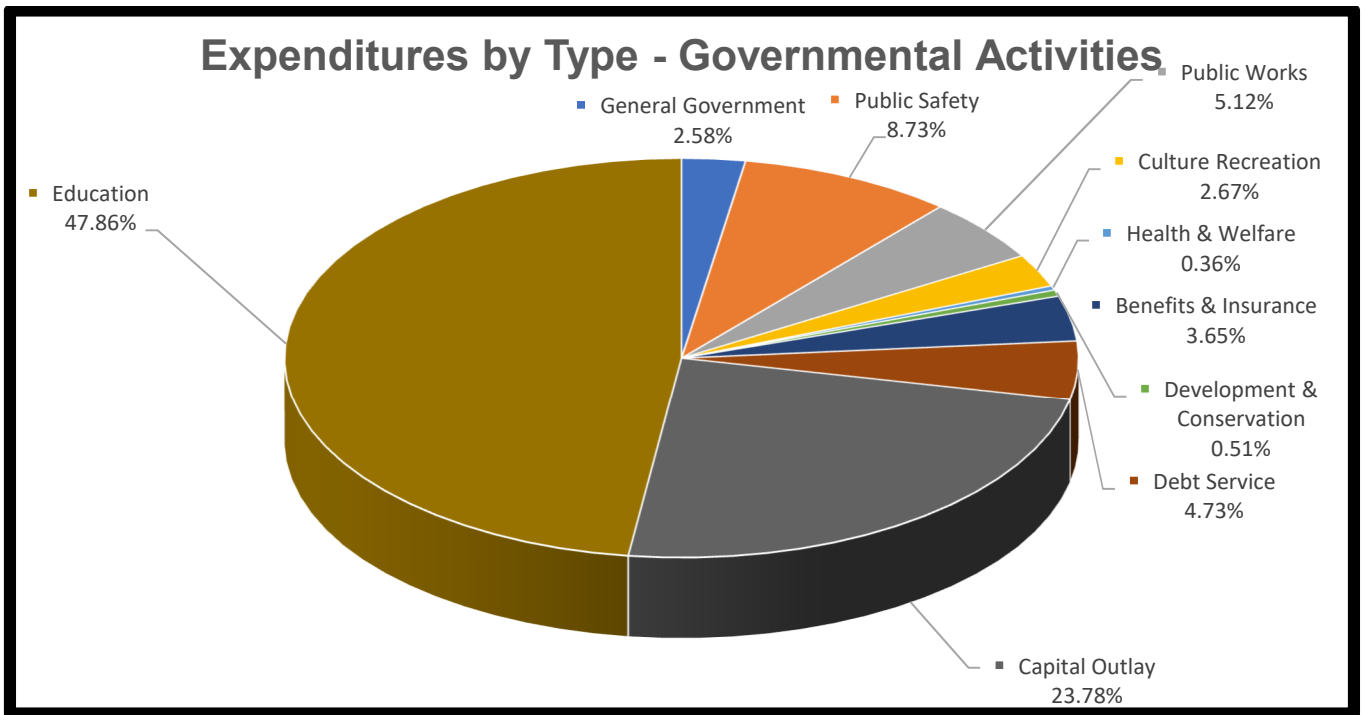
	2022	2021	% Change
REVENUES:			
Program revenues:			
Charges for services	\$ 2,318	\$ 1,800	28.78%
Operating grants and contributions	10,508	18,739	-43.92%
Capital grants and contributions	496	1,195	-58.49%
General revenues:			
Property taxes	46,125	45,177	2.10%
Grants and contributions not restricted to specific programs	178	590	-69.83%
Investment income	(370)	501	-173.85%
Miscellaneous	181	907	-80.04%
Transfers	-	(124)	-100.00%
Total Governmental Activities	<u>59,436</u>	<u>68,785</u>	<u>-13.59%</u>
Total Business-type Activities	<u>1,440</u>	<u>1,365</u>	<u>5.49%</u>
TOTAL REVENUES	<u>60,876</u>	<u>70,150</u>	<u>-13.22%</u>
EXPENSES:			
General government	1,929	2,423	-20.39%
Public safety	6,590	6,155	7.07%
Public works	4,879	4,674	4.39%
Culture and recreation	2,212	1,970	12.28%
Health and welfare	289	170	70.00%
Development and conservation	417	419	-0.48%
Benefits and insurance	2,471	2,853	-13.39%
Education	36,732	45,704	-19.63%
Interest expense	1,106	825	34.06%
Total Governmental Activities	<u>56,625</u>	<u>65,193</u>	<u>-13.14%</u>
Total Business-type Activities	<u>1,557</u>	<u>1,718</u>	<u>-9.37%</u>
TOTAL EXPENSES	<u>58,182</u>	<u>66,911</u>	<u>-13.05%</u>
CHANGE IN NET ASSETS	2,694	3,239	-16.83%
NET POSITION - JULY 1 (restated)	<u>94,700</u>	<u>91,037</u>	<u>4.02%</u>
NET POSITION - June 30	<u>\$ 97,394</u>	<u>\$ 94,276</u>	<u>3.31%</u>

More than seventy percent (75.77%) of the revenues of the Town were derived from property taxes, followed by seventeen percent (17.3%) from operating grants, 3.8% from charges for services; 2.98% from miscellaneous revenues and .8% from capital grants.

Major revenue factors included:

- Delinquent tax revenues, delinquent interest on taxes, conveyance taxes, and miscellaneous revenues all exceeded the 2021-22 budgeted amounts.
- Strong conveyance tax collections are indicative of the strong housing market in Town and strong recording fees are a function of the many refinancing documents being filed – driven by favorable interest rates. As the interest rates begin to rise, the quantity of residents refinancing is declining.
- Investment income has decreased because of the continued lower interest rate environment – this hurt the Town here but helped in the subsequent bond and BAN sale that the Town undertook in August 2021. Fortunately, as the interest rates rise, the investment income should improve, but the debt service costs will be negatively impacted.





Financial Analysis of the Town’s Funds

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

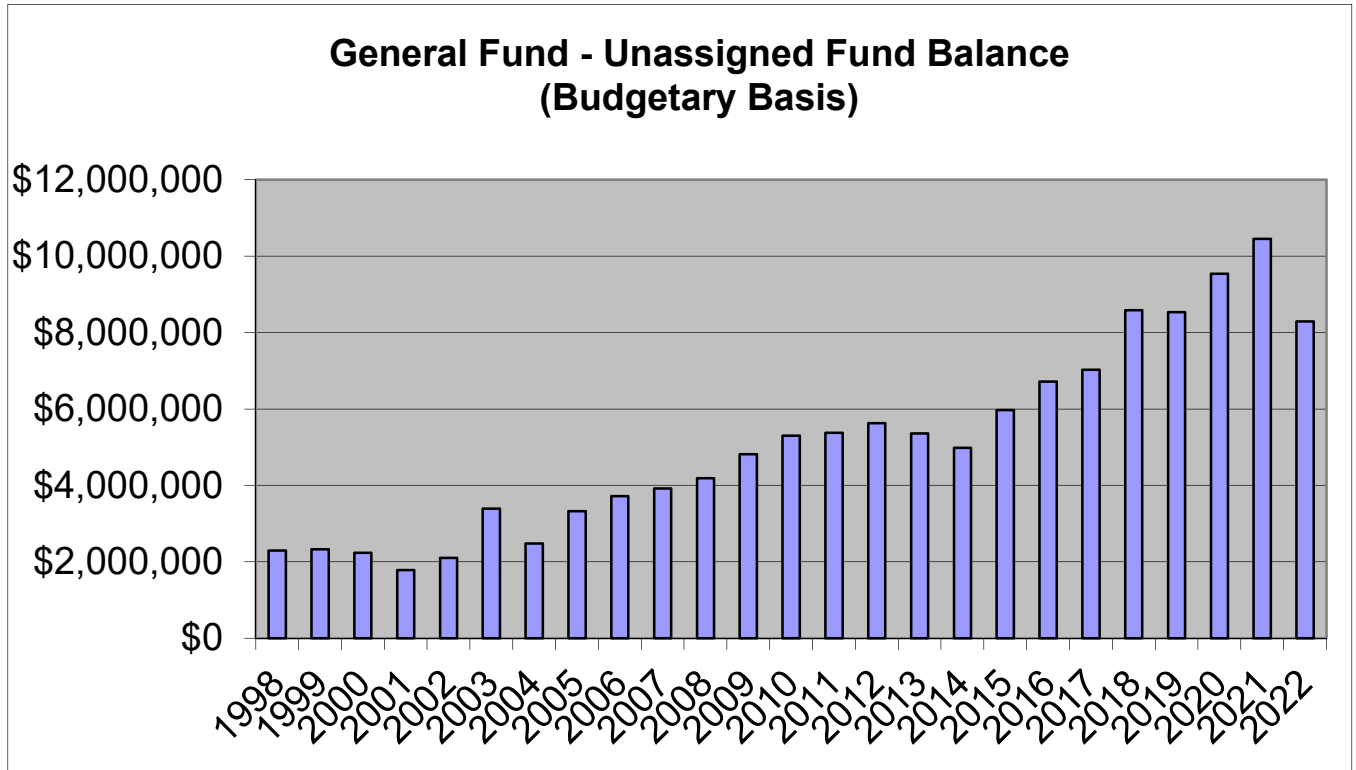
Governmental funds. The focus of the Town’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town’s financing requirements. In particular, unreserved fund balance may serve as a useful measure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

As of the end of the current fiscal year, the Town’s Other Governmental funds reported combined ending fund balances of \$4,989,032 an increase of \$663,841 in comparison with the prior year’s restated figure.

The General Fund. The General Fund is the operating fund of the Town. At the end of the current fiscal year, unassigned balance of the General Fund, on a generally accepted accounting principles (GAAP) basis was \$8,287,948, while total fund balance was \$11,940,093. As a measure of the General Fund’s liquidity, it may be useful to compare both unreserved and undesignated fund balance and total fund balance to total fund expenditures. Unassigned fund balance (GAAP basis) represents 14.12% of total 2022-23 General Fund budgeted expenditures, while total fund balance represents 20.34% of that same amount.

The unassigned fund balance of the Town’s General Fund decreased by \$2,065,784 on a budgetary basis, during the current fiscal year. As was mentioned earlier, the decrease was a conscious decision by the Town Council to fund several much-needed capital projects with fund balance. As also mentioned earlier, the decline in fund balance is overshadowing positive variances in both total revenue and total expenditures in the General Fund.

While taxpayers fund the majority of the Governmental Activities, certain functions enjoy offsetting revenues in the form of charges for services, operating grants and contributions or capital grants and contributions. In the past, to determine the actual cost of education, for example, was quite difficult since the information was contained in many different funds. The General Fund contains the primary operating expenses, a special revenue fund may contain items such as education grants or recreation program accounts, and a capital project fund may contain expenditures of a capital nature, such as construction of the North Branford High School. Now, in one exhibit, these costs have been compiled and a true net cost to the taxpayer can be derived.



Sewer Assessment Fund

When sewer projects are completed, the residents are billed to connect to the new sewers. These receipts, payable over a multi-year span, are accumulated in the sewer assessment funds. Recent changes require the new connection fee to be paid in one installment - payable at the time of the connection. These funds, once accumulated, are transferred to the General Fund, which is where the debt service payments to repay the bonds from the construction come from. The fund had a fund balance of \$254,714 at June 30, 2022.

Bonded Capital Projects

The Town finances most capital expenditures by one of two methods, either with the use of bond proceeds or with funds from other sources. The Bonded Capital Projects Fund accounts for projects that utilize bonds as a funding source. The fund had expenditures of \$18,994,030 during the year. The ending fund balance was (\$8,760,156). This will remain a negative fund balance until all the borrowing is finalized – currently it is primarily in BANs, which are a liability.

Capital Nonrecurring

As mentioned above, capital projects that are funded by means *other* than bond proceeds are accounted for under this category. Funding consists of such sources as the Town Aid for Roads (TAR) and Local

Capital Improvements Programs (LoCIP) grants, capital sewer assessments, and General Fund transfers. The Capital Nonrecurring funds had capital outlay of \$2,001,293.

Capital Improvements Program. As part of the annual budget that is adopted, a Capital Improvements Program is the document that marries the long-term capital requests, with current year funding. A variety of sources to fund the capital expenditures include general taxation, bond proceeds and state aid.

Capital Assets and Debt Administration

Capital assets. The Town’s investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$115,673,319 (net of accumulated depreciation). (SEE NOTE 6) This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, machinery and equipment, vehicles, and infrastructure.

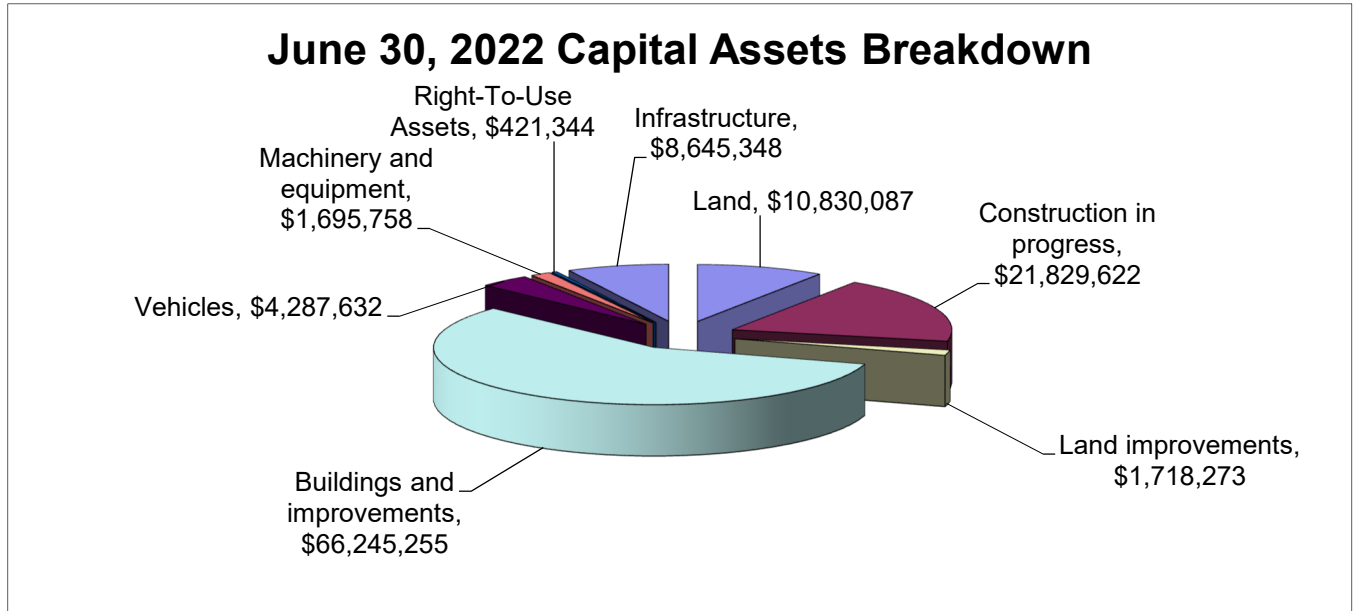
The 2019-20 fiscal year marked an important milestone regarding Capital Expenditures for the Town. The Town Council has budgeted the value of one mil for Capital Expenditures into the operating budget, this continued in 2021-22. This mindset will allow the Town to fund capital expenditures on an annual/ current basis.

Some noteworthy capital expenditures in 2021-22 include:

- The multi-purpose courts at the Stanley T. Williams Community Center were opened and contain ten striped pickle ball courts which are used heavily
- A continued systematic replacement of police vehicles. This will allow retired police vehicles to be repurposed for municipal use while the vehicles still have considerable useful life
- Both the Town and Board of Education Central Office staff have begun the training to begin the process of utilizing MUNIS for all financial transactions.
- A new Engine 3 was delivered for the Fire Department

Capital Assets (Net of Depreciation)	
	<u>2022</u>
Land	\$10,830,087
Construction in progress	\$21,829,622
Land improvements	\$1,718,273
Buildings and improvements	\$66,245,255
Vehicles	\$4,287,632
Machinery and equipment	\$1,695,758
Right-To-Use Assets	\$421,344
Infrastructure	<u>\$8,645,348</u>
TOTAL	<u>\$115,673,319</u>

Additional information on the Town’s capital assets can be found in Note 6.



It should be noted that a new category (Right-To-Use Assets) is reflected. This is the new term for leased capital assets. The Governmental Accounting Standards Board (GASB) periodically creates new standards that affect the financial statements. GASB standard #87 caused this new category to be shown on the financial statements.

Long-term debt. At the end of the current fiscal year, the Town had total General Obligation bonds outstanding of \$24,505,000.

The Town maintains an “Aa2” rating under the new global rating schedule from Moody’s Investor Services for general obligation debt. Its Bond Anticipation Notes received a rating of MIG1 (Moody’s Investor Grade 1). The Town engaged Standard & Poor’s for a rating beginning with the 2017-18 refunding issue and S&P rated the Town AA+. The Town has continued to utilize S&P for bond ratings.

The Town took advantage of the low interest rate climate and refinanced the remaining payments for our 2015 bond issue. The result was budgetary savings of \$290,000 net of all issuance costs.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town – illustrated by category – is shown on page 107 of the audit. In all cases the outstanding debt is significantly below the Town’s debt limits. Additional information on the Town’s long-term debt can be found in Note 8.

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate for the Town as of June 2021 was 3.1%. This compares favorably to the 4.3% rate for New Haven Labor Market Area and the state’s unemployment rate of 4.0%.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town's budget for the 2022-23 fiscal year.

The Town designated \$800,000 of the General Fund's unassigned fund balance toward the 2022-23 fiscal year budget with the intentions of minimizing the need to raise taxes – the mil rate only increase by .09. Additionally, \$2,297,640 was appropriated for capital expenditures. This was discussed earlier in the MD&A.

The Water Pollution Control Authority's sewer user rate kept the user fee at \$475 per unit for the 2021-22 budget. Additional intermunicipal capital costs (primarily from North Haven and Branford) are being funded from the Sewer Capital Funds, and are shown as transfers in. The long-term concern is the liquidation of these sewer capital funds. Once depleted, the entire capital component that is paid to the entities that the Town discharges will be borne by the sewer user fee. Close monitoring of the Capital Project funds will be required to ensure that the funds will be able to offset the aforementioned debt service from other Towns, as well as allow for the consistent and systematic capital expenditure scheduling of our own sewer system. In addition, the Town of Branford informed the town of significant capital improvements that will be made to their treatment plant, of which North Branford will be responsible for a percentage of those costs.

Contacting the Town of North Branford's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town of North Branford's finances and to show the town of North Branford's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer/Finance Director, Anthony P. Esposito Jr., CPFO, 909 Foxon Road, North Branford, CT 06471, or at (203) 484-6002 or via e-mail at financedirector@townofnorthbranfordct.com.



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TOWN OF NORTH BRANFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 10,388,367	\$ 327,056	\$ 10,715,423
Investments	44,269,861	138,348	44,408,209
Receivables	1,728,170	264,352	1,992,522
Prepaid items	10,429	-	10,429
Inventory	19,547	-	19,547
Capital assets - not being depreciated	32,659,709	-	32,659,709
Capital assets - net of depreciation	<u>83,013,610</u>	<u>17,250,988</u>	<u>100,264,598</u>
 Total assets	 <u>172,089,693</u>	 <u>17,980,744</u>	 <u>190,070,437</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge related to pensions	2,828,315	-	2,828,315
Deferred charge related to OPEB	331,104	-	331,104
Deferred charge on refunding	<u>37,542</u>	<u>-</u>	<u>37,542</u>
 Total deferred outflows of resources	 <u>3,196,961</u>	 <u>-</u>	 <u>3,196,961</u>
LIABILITIES			
Accounts payable and other liabilities	2,115,613	63,089	2,178,702
Unearned revenues	2,779,977	2,265	2,782,242
Accrued interest payable	1,044,466	-	1,044,466
Other current liabilities	1,293,357	-	1,293,357
Bond anticipation notes	35,000,000	-	35,000,000
Noncurrent liabilities:			
Due within one year	3,662,854	-	3,662,854
Due in more than one year	<u>43,360,008</u>	<u>-</u>	<u>43,360,008</u>
 Total liabilities	 <u>89,256,275</u>	 <u>65,354</u>	 <u>89,321,629</u>
DEFERRED INFLOWS OF RESOURCES			
Advance property tax collections	2,491,116	-	2,491,116
Deferred credits related to pensions	859,385	-	859,385
Deferred credits related to OPEB	<u>3,201,606</u>	<u>-</u>	<u>3,201,606</u>
 Total deferred inflows of resources	 <u>6,552,107</u>	 <u>-</u>	 <u>6,552,107</u>
NET POSITION			
Net investment in capital assets	49,590,633	17,250,988	66,841,621
Restricted	1,143,727	-	1,143,727
Unrestricted	<u>28,743,912</u>	<u>664,402</u>	<u>29,408,314</u>
 Total net position	 <u>\$ 79,478,272</u>	 <u>\$ 17,915,390</u>	 <u>\$ 97,393,662</u>

The accompanying notes to the financial statements are an integral part of this statement.

**TOWN OF NORTH BRANFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-Type Activities	Total
Primary government							
Governmental activities							
General government	\$ 1,929,481	\$ 426,066	\$ 357,054	\$ -	(\$ 1,146,361)	\$ -	(\$ 1,146,361)
Public safety	6,589,704	1,036,890	22,705	-	(5,530,109)	-	(5,530,109)
Public works	4,879,416	9,975	320,548	496,371	(4,052,522)	-	(4,052,522)
Health and welfare	289,213	-	-	-	(289,213)	-	(289,213)
Cultural and recreation	2,211,795	145,283	27,455	-	(2,039,057)	-	(2,039,057)
Community development	416,729	-	-	-	(416,729)	-	(416,729)
Benefits and insurance	2,470,755	-	-	-	(2,470,755)	-	(2,470,755)
Education	36,731,955	699,805	9,780,203	-	(26,251,947)	-	(26,251,947)
Interest on long-term debt	1,106,171	-	-	-	(1,106,171)	-	(1,106,171)
Total governmental activities	56,625,219	2,318,019	10,507,965	496,371	(43,302,864)	-	(43,302,864)
Business-Type activities							
Sewer usage	1,556,849	1,440,430	-	-	-	(116,419)	(116,419)
Total business-type activities	1,556,849	1,440,430	-	-	-	(116,419)	(116,419)
Total primary government	\$ 58,182,068	\$ 3,758,449	\$ 10,507,965	\$ 496,371	(43,302,864)	(116,419)	(43,419,283)
General revenues							
Property taxes					46,125,132	-	46,125,132
Grants and contributions not restricted to specific programs					177,573	-	177,573
Investment earnings (loss)					(370,269)	403	(369,866)
Rental income					9,500	-	9,500
Miscellaneous					170,874	-	170,874
Transfers					(365)	365	-
Total general revenues and transfers					46,112,445	768	46,113,213
Change in net position					2,809,581	(115,651)	2,693,930
Net position, July 1, 2021, as restated					76,668,691	18,031,041	94,699,732
Net position, June 30, 2022					\$ 79,478,272	\$ 17,915,390	\$ 97,393,662

The accompanying notes to the financial statements are an integral part of this statement.

TOWN OF NORTH BRANFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Sewer Assessment	Bonded Capital Projects	Capital and Nonrecurring	Other Governmental	Totals
ASSETS						
Cash and cash equivalents	\$ 152,439	\$ 27,660	\$ 2,914,105	\$ 4,355,143	\$ 2,939,020	\$ 10,388,367
Investments	16,835,679	225,184	24,009,756	535,983	2,663,259	44,269,861
Taxes and interest receivable, net	1,223,141	-	-	-	-	1,223,141
Intergovernmental receivable	-	-	-	195,297	176,145	371,442
Other receivables	31,934	1,870	-	-	99,783	133,587
Prepaid items	3,612	-	-	-	6,817	10,429
Inventory	-	-	-	-	19,547	19,547
Total assets	<u>\$ 18,246,805</u>	<u>\$ 254,714</u>	<u>\$ 26,923,861</u>	<u>\$ 5,086,423</u>	<u>\$ 5,904,571</u>	<u>\$ 56,416,374</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 945,216	\$ -	\$ 684,017	\$ 251,188	\$ 235,192	\$ 2,115,613
Unearned revenue	353,884	60	-	1,741,946	680,347	2,776,237
Other liabilities	1,293,357	-	-	-	-	1,293,357
Bond anticipation notes	-	-	35,000,000	-	-	35,000,000
Total liabilities	<u>2,592,457</u>	<u>60</u>	<u>35,684,017</u>	<u>1,993,134</u>	<u>915,539</u>	<u>41,185,207</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,223,139	-	-	-	-	1,223,139
Advance property tax collections	2,491,116	-	-	-	-	2,491,116
Unavailable revenue - assessments	-	1,870	-	-	-	1,870
Total deferred inflows of resources	<u>3,714,255</u>	<u>1,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,716,125</u>
FUND BALANCES (DEFICITS)						
Nonspendable	3,612	-	-	-	26,364	29,976
Restricted	-	-	-	-	796,170	796,170
Committed	3,097,640	-	-	3,093,289	-	6,190,929
Assigned	550,893	252,784	-	-	4,166,498	4,970,175
Unassigned	8,287,948	-	(8,760,156)	-	-	(472,208)
Total fund balances (deficits)	<u>11,940,093</u>	<u>252,784</u>	<u>(8,760,156)</u>	<u>3,093,289</u>	<u>4,989,032</u>	<u>11,515,042</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 18,246,805</u>	<u>\$ 254,714</u>	<u>\$ 26,923,861</u>	<u>\$ 5,086,423</u>	<u>\$ 5,904,571</u>	<u>\$ 56,416,374</u>

The accompanying notes to the financial statements are an integral part of this statement.

**TOWN OF NORTH BRANFORD, CONNECTICUT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total fund balances - governmental funds \$ 11,515,042

Amounts reported for governmental activities in the statement of net position are different from the governmental funds balance sheet. The details of these differences are as follows:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in funds. 115,673,319

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

Property taxes and interest	1,223,139
Sewer assessments	(1,870)
Deferred charge on refundings	37,542

Interest payable on long-term debt does not require current financial resources and therefore interest payable is not reported as a liability in the funds. (1,044,466)

Long-term liabilities, including bonds payable and related expenses, are not due and payable in the current period and, therefore, are not reported in the funds.

General obligation bonds	(24,505,000)
Deferred premiums on bonds	(2,982,918)
Lease liabilities	(718,205)
Net pension liability	(14,441,653)
Net OPEB liability	(499,704)
Compensated absences	(3,379,662)
Landfill closure costs	(71,863)
Heart and hypertension	(423,857)

Deferred outflows and inflows of resources resulting from changes in the components of the Town's net pension and net OPEB liabilities are reported in the statement of net position. (901,572)

Net position of governmental activities \$ 79,478,272

The accompanying notes to the financial statements
are an integral part of this statement.

TOWN OF NORTH BRANFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General	Sewer Assessment	Bonded Capital Projects	Capital and Nonrecurring	Other Governmental	Totals
REVENUES						
Property taxes	\$ 46,329,829	\$ -	\$ -	\$ -	\$ -	\$ 46,329,829
Licenses and permits	286,682	-	-	-	-	286,682
Intergovernmental	10,462,085	-	-	847,925	2,725,191	14,035,201
Charges for services	137,428	12,193	-	-	1,654,583	1,804,204
Investment earnings (loss)	(265,568)	654	59,787	1,560	(166,702)	(370,269)
Other	94,475	-	-	112,351	237,904	444,730
Total revenues	<u>57,044,931</u>	<u>12,847</u>	<u>59,787</u>	<u>961,836</u>	<u>4,450,976</u>	<u>62,530,377</u>
EXPENDITURES						
Current:						
General government	1,827,547	-	12,500	250,003	11,929	2,101,979
Public safety	5,700,260	-	159,760	102,111	1,140,474	7,102,605
Public works	3,699,517	-	-	218,359	246,611	4,164,487
Culture and recreation	1,458,042	-	-	527,224	187,501	2,172,767
Health and welfare	289,213	-	-	-	-	289,213
Community development	409,955	-	-	-	6,774	416,729
Benefits and insurance	2,968,420	-	-	-	-	2,968,420
Education	35,716,386	-	-	322,498	2,885,090	38,923,974
Capital outlay	56,129	-	18,706,734	581,098	-	19,343,961
Debt service:						
Principal	2,875,000	-	-	-	-	2,875,000
Interest and fees	854,787	-	115,036	-	-	969,823
Total expenditures	<u>55,855,256</u>	<u>-</u>	<u>18,994,030</u>	<u>2,001,293</u>	<u>4,478,379</u>	<u>81,328,958</u>
Excess (deficiency) of revenues over expenditures	<u>1,189,675</u>	<u>12,847</u>	<u>(18,934,243)</u>	<u>(1,039,457)</u>	<u>(27,403)</u>	<u>(18,798,581)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from lease liabilities	274,788	-	-	-	-	274,788
Proceeds from general obligation bonds	8,549	-	12,881,451	-	-	12,890,000
Premium on general obligation bonds and bond anticipation notes	-	-	2,803,647	-	-	2,803,647
Payment to escrow agent	-	-	(3,415,686)	-	-	(3,415,686)
Transfers in	61,360	-	-	1,440,947	773,791	2,276,098
Transfers out	(1,903,983)	-	-	(289,933)	(82,547)	(2,276,463)
Total other financial sources (uses)	<u>(1,559,286)</u>	<u>-</u>	<u>12,269,412</u>	<u>1,151,014</u>	<u>691,244</u>	<u>12,552,384</u>
Net change in fund balances	(369,611)	12,847	(6,664,831)	111,557	663,841	(6,246,197)
Fund balances, July 1, 2021, as restated	12,309,704	239,937	(2,095,325)	2,981,732	4,325,191	17,761,239
Fund balances (deficits), June 30, 2022	<u>\$ 11,940,093</u>	<u>\$ 252,784</u>	<u>(\$ 8,760,156)</u>	<u>\$ 3,093,289</u>	<u>\$ 4,989,032</u>	<u>\$ 11,515,042</u>

The accompanying notes to the financial statements are an integral part of this statement.

**TOWN OF NORTH BRANFORD, CONNECTICUT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Net change in fund balances - total governmental funds (\$ 6,246,197)

Amounts reported for governmental activities in the statement of activities are different because of the following:

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

Capital outlay	20,500,146
Depreciation expense	(2,615,520)

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

Property taxes and interest - accrual basis change	(204,702)
Sewer assessments - accrual basis change	(1,870)
Amortization of deferred charge on refunding	(3,848)

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.

Proceeds from issuance of general obligation bonds	(12,890,000)
Premium from issuance of general obligation bonds	(2,803,647)
Defeasance of general obligation bonds	3,415,686
Lease liabilities	(274,788)
Principal payments on general obligation bonds	2,875,000
Principal payments on lease liabilities	691,701

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

Change in accrued interest payable	(1,044,466)
Amortization of bond premium	911,263
Change in pension expense	198,476
Change in OPEB expense	574,836
Change in compensated absences	(274,939)
Change in landfill closure costs	2,450

Change in net position of governmental activities	<u>\$ 2,809,581</u>
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The accompanying notes to the financial statements are an integral part of this statement.

TOWN OF NORTH BRANFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
Revenues and Other Financing Sources				
Property taxes	\$45,918,803	\$45,918,803	\$46,329,829	\$ 411,026
Investment earnings (loss)	150,000	150,000	(265,568)	(415,568)
Licenses and permits	213,275	213,275	286,682	73,407
Charges for services	119,315	119,315	137,428	18,113
State grants - taxes	20,104	20,104	19,157	(947)
State grants - education	7,331,325	7,331,325	7,395,169	63,844
State grants - other	155,678	155,678	159,114	3,436
Other	100,570	100,570	118,463	17,893
Operating transfers in	61,360	61,360	61,360	-
Total revenues and other financing sources	<u>54,070,430</u>	<u>54,070,430</u>	<u>54,241,634</u>	<u>171,204</u>
Expenditures and Other Financing Uses				
Current				
General government	1,822,352	1,917,890	1,841,297	76,593
Public safety	6,088,135	5,956,179	5,746,170	210,009
Public works	3,942,143	3,947,237	3,708,944	238,293
Cultural and recreation	1,507,409	1,527,024	1,443,044	83,980
Health and welfare	284,809	305,422	289,213	16,209
Community development	517,379	520,789	409,955	110,834
Benefits and insurance	3,428,870	3,064,919	3,024,549	40,370
Board of education	32,435,714	32,147,198	32,059,224	87,974
Debt service				
Principal retirements	2,875,000	2,875,000	2,875,000	-
Interest and other charges	830,619	854,789	854,787	2
Operating transfers out	1,288,000	1,903,983	1,903,983	-
Total expenditures and other financing uses	<u>55,020,430</u>	<u>55,020,430</u>	<u>54,156,166</u>	<u>864,264</u>
Surplus appropriation	(\$ 950,000)	(\$ 950,000)	85,468	\$ 1,035,468
Increase in nonspendable fund balance			(3,612)	
Increase in committed fund balance			(2,147,640)	
Net change in general fund's unassigned fund balance			(2,065,784)	
Unassigned fund balance, July 1, 2021			10,353,732	
Unassigned fund balance, June 30, 2022			\$ 8,287,948	

The accompanying notes to the financial statements are an integral part of this statement.

TOWN OF NORTH BRANFORD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022

	Business-type Activities <hr style="width: 100%; border: 0.5px solid black;"/> Sewer Operating <hr style="width: 100%; border: 0.5px solid black;"/>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 327,056
Investments	138,348
Receivables, use charges	<u>264,352</u>
Total current assets	729,756
Noncurrent assets	
Capital assets, net of accumulated depreciation	<u>17,250,988</u>
Total assets	<u>17,980,744</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	63,089
Unearned revenues	<u>2,265</u>
Total current liabilities	<u>65,354</u>
NET POSITION	
Net investment in capital assets	17,250,988
Unrestricted	<u>664,402</u>
Total net position	<u><u>\$ 17,915,390</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**TOWN OF NORTH BRANFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Business-type Activities
	Sewer Operating
OPERATING REVENUES	
Charges for services	\$ 1,440,430
Total operating revenues	1,440,430
OPERATING EXPENSES	
Salaries and benefits	99,240
Intermunicipal operating contracts	901,373
Other contracts	260,668
Utilities	39,513
Administration and operation	14,306
Depreciation	241,749
Total operating expenses	1,556,849
Operating loss	(116,419)
NONOPERATING REVENUES (EXPENSES)	
Investment income	403
Transfer in	365
Total nonoperating revenue (expenses)	768
Change in net position	(115,651)
Net position, July 1, 2021	18,031,041
Net position, June 30, 2022	\$ 17,915,390

The accompanying notes to the financial statements are an integral part of this statement.

TOWN OF NORTH BRANFORD, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Business-type Activities
	Sewer Operating
Cash Flows from Operating Activities	
Receipts from customers	\$ 1,340,410
Payments to suppliers	(1,160,838)
Payments to employees	(99,240)
	80,332
Cash Flows from Capital and Related Financing Activities	
Net transfers from other funds	365
	365
Cash Flows from Investing Activities	
Purchase of investments	(403)
Investment income	403
	-
Net change in cash and cash equivalents	80,697
Cash and cash equivalents, July 1, 2021	246,359
Cash and cash equivalents, June 30, 2022	\$ 327,056
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	(\$ 116,419)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	241,749
Changes in assets and liabilities	
Increase in receivables	(99,795)
Increase in accounts payable and accrued liabilities	55,022
Decrease in unearned revenues	(225)
	\$ 80,332

The accompanying notes to the financial statements are an integral part of this statement.

TOWN OF NORTH BRANFORD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	<u>Pension and Other Employee Benefit Trust Funds</u>
ASSETS	
Cash and cash equivalents	\$ 893,484
Investments	<u>15,662,543</u>
Total assets	<u>16,556,027</u>
LIABILITIES	
Other liabilities	<u>478,371</u>
Total liabilities	<u>478,371</u>
NET POSITION	
Restricted for pension benefits	11,806,977
Restricted for OPEB benefits	<u>4,270,679</u>
Total net position	<u><u>\$ 16,077,656</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

TOWN OF NORTH BRANFORD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Pension and Other Employee Benefit Trust Funds</u>
ADDITIONS	
Contributions	
Employer	\$ 1,832,390
Plan members	<u>296,367</u>
Total contributions	<u>2,128,757</u>
Investment earnings	
Interest and dividends	565,943
Net decrease in fair value of investments	<u>(3,108,695)</u>
Net investment income	<u>(2,542,752)</u>
Total additions	<u>(413,995)</u>
DEDUCTIONS	
Benefit payments	3,156,657
Administration	<u>98,683</u>
Total deductions	<u>3,255,340</u>
Change in net position	(3,669,335)
Net position, July 1, 2021	<u>19,746,991</u>
Net position, June 30, 2022	<u><u>\$ 16,077,656</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 1 - Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Town of North Branford, Connecticut (The Town) was incorporated in 1831. The Town covers 25 square miles located in New Haven County. The Town operates under a home rule charter of the State of Connecticut General Statutes and a Town manager/Town Council form of government. The Town provides a full range of services including public safety, roads, sanitation, social services, culture and recreation, education, planning, zoning and general administrative services to its residents.

The financial reporting entity consists of 1) the primary government, 2) organizations for which the primary government is financially accountable and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by the Governmental Accounting Standards Board (GASB).

In evaluating how to define the financial reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in this reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. The criterion has been considered and there are no agencies or entities which should be presented with this government.

B. Basis of Presentation

The financial statements of the Town have been prepared in conformity with U.S. generally accepted accounting principles as applied to government units. GASB is the accepted standard setting board for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies used by the Town:

Government-wide 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. As a general rule, the effect of interfund balances and activity has been eliminated in preparation of these statements. Exceptions to this rule are services provided by one fund used by another fund. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned. Governmental activities, which are normally supported by property 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 NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

The statement of net position presents the financial position of the Town at the end of its fiscal year. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or purpose. 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. Property taxes and other items not properly included among program revenues are reported instead as general revenues. The Town does not allocate indirect expenses to functions in the statement of activities.

Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. The fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net position presented in the government-wide financial statements.

The Town reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the Town. All unrestricted resources, except those required to be accounted for in another fund, are accounted for in this fund. From this fund are paid general operating expenditures, fixed charges, principal and interest on long-term debt and capital improvement costs of the Town, which were not paid through a special fund.

Sewer Assessment Fund - The Sewer Assessment Fund is a special revenue fund and accounts for assessments levied to benefiting property owners when sewer lines are contracted. Assets are used to pay for the related debt of bonds used to fund the construction of lines.

Bonded Capital Projects Fund - The Bonded Capital Projects Fund is a capital projects fund and accounts for the financial revenues and resources to be used for major capital outlays funded mainly through the issuance of debt.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

Capital and Nonrecurring Fund - Capital and Nonrecurring Fund is a capital projects fund and accounts for the financial revenue and resources used for capital outlays and nonrecurring type expenditures funded mainly through governmental grants and general fund appropriations.

The Town reports the following major enterprise fund:

Sewer Operating Fund - Sewer Operating Fund accounts for the operations of the Town's sewers. Its operations are financed from direct charges to the users of the services.

Additionally, the Town reports the following fund types:

The Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs. Permanent fund restricted net assets are segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable represents accumulated earnings which are available to be spent based on donor restrictions.

Pension (and other employee benefit) Trust Funds - Pension Trust Funds account for activities of the Town's defined benefit plans, which accumulate resources for pension benefit payments to qualified employees. Post-employment Healthcare Fund accounts for the assets, liabilities and activities of the Town's healthcare benefits for Town retirees.

During the course of operations, the Town may have activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported as gross amounts as transfers in/out. Certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

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. Measurable means knowing or being able to reasonably estimate the amount. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenue when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). 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 has occurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

Like the government-wide statements, all proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Town's proprietary funds are charges for sales and services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Town's own programs. Custodial funds generally report fiduciary activities that are not held in trust of equivalent arrangement.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents

The Town considers cash on hand, deposits and short-term investments with an original maturity of three months or less to be cash and cash equivalents.

Investments

Investments for the Town are reported at fair value, generally based on quoted market prices.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

Property Taxes and Other Receivables

Property taxes are assessed as of October 1, and are levied on the following July 1. Real estate, motor vehicles, and personal property taxes are due in two installments on July 1 and the following January 1. Liens are filed on delinquent real estate taxes within one year. Revenues from property taxes 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. For this purpose, the government considers property tax revenue to be available if they are collected within 60 days of the end of the fiscal year.

State statutes require that a revaluation be done every five years. The last revaluation completed and enacted was for the list of October 1, 2020.

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

Leases

Lessor

The Town determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the Town's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The Town has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Town has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The Town accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the Town treats the components as a single lease unit.

Lessee

The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the Town initially measures the least liability at the present value of payments expected to be made during the least term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses the its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the Town is reasonable certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
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Inventories and Prepaid Items

Inventories, mainly consisting of food, are stated at the lower of cost or net realizable value using the consumption method on the first-in, first-out basis for governmental fund types. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant and 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. Capital assets are defined by the government as assets with an initial, individual cost of more than \$7,500 and an estimated useful life in excess of two years.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

The cost of normal maintenance and repairs that do not add to the value of the net assets or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Building	50-100
Buildings and land improvements	50
Infrastructure	50-100
Machinery and equipment	5-25
Licensed vehicles	5-20
Right-to-use assets	5-25

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Unearned Revenues

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has three items that qualify for reporting in this category. They are the deferred charge on refunding and the deferred charges related to pensions and OPEB reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred charges related to pensions results from the difference between expected and actual experience and the difference between projected and actual earnings. The deferred charge related to OPEB results from the difference between expected and actual experience and changes in assumptions. 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 (active and inactive) that are provided with benefits through the pension and OPEB plan.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance collection of property taxes in the government-wide statement of net position and in the governmental funds balance sheet. The Town reports deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. The deferred credit related to pensions results from differences between expected and actual experience and changes in assumptions. A deferred inflow of resources related to OPEB results from changes in assumptions. 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 (active and inactive) that are provided with benefits through the pension and OPEB plans. Also, for the governmental funds, the Town reports unavailable revenues, which arise only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes and assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
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Compensated Absences

Under the terms of employment and the Town's personnel policy, Town and Board of Education employees are granted vacation and sick time in varying amounts based on length of service. Certain employees may also carry over a limited number of unused vacation and sick days to subsequent years based on the terms of employment. In some cases, in the event of termination or death, employees are reimbursed for accumulated sick days. The Town recognizes a liability for the vested portion, as well as the unvested portion to the extent expected to be paid, as compensated absences.

Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net position 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.

Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of employee service (total OPEB liability), less the amount 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.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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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 the debt issued is reported as other financial 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.

Net Position/Fund Balance

Government-wide Statements

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

- a. Net investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- c. Unrestricted - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

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

Fund Financial Statements

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

- a. Nonspendable - represents amounts that cannot be spent because they are either (a) not in spendable form (e.g., inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact.

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NOTES TO FINANCIAL STATEMENTS
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- b. Restricted - represents amounts that are constrained for a specific purpose by either (a) external parties, such as grantors, creditors, contributors, or laws and regulation of their governments or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed - represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Council (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same formal action.
- d. Assigned - represents amounts that are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by the Town Council.
- e. Unassigned - 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.

Fund Balance Flow Assumptions - 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.

The Town adopted a formal Fund Balance Policy for the General Fund. This policy sets targets of 15% overall fund balance and 10% unassigned fund balance when compared to subsequent year's budget expenditures.

E. Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues, expenses and expenditures. Actual results could differ from those estimates.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
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F. Subsequent Events

Management has evaluated events through February 27, 2023, the date the financial statements were available to be issued.

G. Application of Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Town adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

H. Prior Period Adjustment

The Town reclassified negative \$2,672,645 of fund balance, along with the related assets and liabilities of three Bonded Capital Projects funds from the Capital and Nonrecurring fund as of July 1, 2021.

Note 2 - Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

The statement of revenues and expenditures, budget to actual presented in the financial statements for the General Fund is on the budgetary basis of accounting which is a basis of accounting other than the accrual basis and the modified basis of accounting. The budgetary basis of accounting and the Town's general budget policies are as follows:

- By April 1, the Town Manager presents to the Town Council a proposed budget for the upcoming fiscal year, including the Board of Education budget. On the first Monday in May, the Town Council submits to the annual Town meeting, at which taxpayer comments are obtained, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and means of financing them.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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- Prior to July 1, the budget is legally enacted through passage of a resolution. A separately issued budgetary report demonstrating legal compliance with the adopted budget is available from the Town.
- The Town Council is authorized to transfer budgeted amounts within departments. Additional appropriations over and above the total budget may be made by resolution of the Town Council. There were no additional appropriations during the fiscal year.
- Formal budgetary integration is employed as a management control device during the fiscal year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the function item level.
- Budgeted amounts shown are as originally adopted, or as amended by the Town Council during the course of the fiscal year.
- The Board of Education is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Town Council approval.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year that the purchase order, contract or other commitment is issued and, accordingly, encumbrances are reported in budgetary reports as expenditures in the current year. Generally, all encumbered appropriations lapse within one year except those that are nonrecurring in nature.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
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General Fund

A reconciliation of general fund operations and fund balance presented on a budgetary basis to the amounts presented in accordance with U.S. generally accepted accounting principles is as follows:

	<u>Revenues and Transfers In</u>	<u>Expenditures and Transfers Out</u>
Balance, budgetary basis	\$ 55,191,634	\$ 54,156,166
Prior year encumbrances liquidated or lapsed during the year	(15,439)	990,533
Current year encumbrances outstanding	-	(550,893)
Lease liabilities	274,788	274,788
Use of surplus	(950,000)	-
State Teachers' Retirement on-half payments	<u>2,888,645</u>	<u>2,888,645</u>
Balance, GAAP basis	<u>\$ 57,389,628</u>	<u>\$ 57,759,239</u>

Special Revenue Funds

The Town does not have legally adopted annual budgets for the Special Revenue Funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets carry over until completion of the grants.

Capital Projects Funds

Legal authorization for expenditures of the Capital Projects Funds is provided by the related bond ordinances and/or intergovernmental grant agreements. Capital appropriations do not lapse until completion of the applicable projects.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
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Sewer Operating Account

The Town has a legally adopted annual budget for the sewer operating account and was used to set the rate for the use of sewers. The activity is presented as an enterprise fund and is included in the proprietary funds financial statement as a business-type entity.

Note 3 - Cash, Cash Equivalents and Investments

The Town's cash, cash equivalents and investments are presented in the accompanying balance sheets as follows:

	Governmental Activities Statement of Net Position	Business-Type Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Cash and cash equivalents	\$ 10,388,367	\$ 327,056	\$ 893,484	\$ 11,608,907
Investments	44,269,861	138,348	15,662,543	60,070,752
Total	<u>\$ 54,658,228</u>	<u>\$ 465,404</u>	<u>\$ 16,556,027</u>	<u>\$ 71,679,659</u>

Cash and Cash Equivalents

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a formal deposit policy for custodial credit risk. The Town follows the State of Connecticut policy that requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

As of June 30, 2022, \$44,822,337 of the Town's bank balance of \$46,506,377 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 41,059,386
Uninsured and collateral held by pledging bank's trust department not in the Town's name	<u>3,762,951</u>
Total amount subject to credit risk	<u>\$ 44,822,337</u>

Bank deposits were \$46,506,377, of which \$1,684,040 was covered under federal depository insurance. Provisions of the Connecticut General Statutes provide for protection against loss in excess of deposit insurance by requiring all qualified public depositories to maintain segregated collateral for public deposits. As of June 30, 2022, the Town maintained approximately \$3,763,000 collateralized deposits under the provision, as shown above.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
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Investments

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31% can be invested in equity securities.

The Pension Trust and Post-Employment Healthcare Funds are also authorized to invest in corporate stocks and bonds and mutual funds.

As of June 30, 2022, the Town held the following investments:

Investment Type	Fair Value	Maturities (in years)		
		N/A	Less than 1	1 - 5
Short-term investment fund	\$ 2,835,841	\$ 2,835,841	\$ -	\$ -
Certificates of deposit	5,458,108	-	1,888,881	3,569,227
Money market funds	34,339,738	34,339,738	-	-
Equity mutual funds	14,553,068	14,553,068	-	-
Fixed income mutual funds	1,262,077	1,262,077	-	-
Other	1,621,920	1,621,920	-	-
Total	\$ 60,070,752	\$ 54,612,644	\$ 1,888,881	\$ 3,569,227

The Treasurer's Short-Term Investment Fund (STIF) is a Standard & Poor's AAAM rated investment pool of high-quality, short term money market instruments managed by the Cash Management Division of the State Treasurer's Office.

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 increases in interest rates.

Credit Risk - The Connecticut General Statutes 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 interest in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market or 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.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
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Custodial credit risk - The Town has no formal policy regarding custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At June 30, 2022, the Town has no investments subject to custodial credit risk.

Concentrations of Credit Risk - The Town has no policy limiting the amount the Town may invest in any one issuer.

Fair Value Measures - The Town utilizes the market approach as the valuation technique to measure fair value of its financial assets. U.S. generally accepted accounting principles establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value of financial instruments into three levels.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities where the organization has the ability to access at the measurement date;

Level 2 - Significant other observable inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly (i.e. quoted prices in inactive markets, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency);

Level 3 - Unobservable inputs are used to the extent that observable inputs are unavailable due to little, if any, market activity for the asset or liability. Unobservable inputs are developed based on the best information available, which might include the organization's own data that reflects assumptions that market participants would use in pricing the asset or liability.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Town's investments are measured on a recurring basis using Level 1 information (market quotations for investments that have quoted prices in active markets). The Town has no financial assets measured using Level 2 or Level 3 at June 30, 2022.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
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Note 4 - Property Taxes and Other Receivables

Receivables

Receivables as of year-end for the Town's individual major and nonmajor, and fiduciary funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Property Taxes	Grants	Other	Total
Governmental Funds:				
General Fund	\$ 1,223,141	\$ -	\$ 31,934	\$ 1,255,075
Sewer Assessment	-	-	1,870	1,870
Capital and Nonrecurring	-	195,297	-	195,297
Law Enforcement	-	-	80,820	80,820
Grants	-	2,000	-	2,000
Board of Education Grants	-	35,527	9,548	45,075
Ambulance Services	-	-	2,121	2,121
Reserves	-	-	7,294	7,294
School Cafeteria	-	138,618	-	138,618
	<u>1,223,141</u>	<u>371,442</u>	<u>133,587</u>	<u>1,728,170</u>
Total Governmental Funds				
Proprietary Funds:				
Sewer Operating	-	-	264,352	264,352
	<u>\$ 1,223,141</u>	<u>\$ 371,442</u>	<u>\$ 397,939</u>	<u>\$ 1,992,522</u>
Net total receivables				

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

Note 5 - Interfund Transactions

Interfund Balances

There were no interfund balances at June 30, 2022.

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not yet received. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Internal balances between governmental funds are eliminated on the government-wide financial statements; therefore, only one interfund balance is reported on the government-wide financial statements.

Interfund Transfers

Interfund transfers for the year ended June 30, 2022, consisted of the following, as reported in the fund financial statements:

	<u>Transfers Out</u>	<u>Transfers In</u>
Government Funds:		
Major Funds:		
General fund	\$ 61,360	\$ 1,903,983
Capital and nonrecurring	1,440,947	289,933
Nonmajor funds - aggregate	773,791	82,547
Proprietary Funds:		
Sewer operating	365	-
Total interfund transfers	<u>\$ 2,276,463</u>	<u>\$ 2,276,463</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
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Note 6 - Capital Assets

Capital assets activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021 as restated	Increases	Decreases/ Reclassifications	Balance June 30, 2022
Governmental activities:				
Capital Assets, not being depreciated				
Land	\$ 10,830,083	\$ -	(\$ 4)	\$ 10,830,087
Construction in progress	3,273,026	19,101,273	544,677	21,829,622
Total capital assets, not being depreciated	<u>14,103,109</u>	<u>19,101,273</u>	<u>544,673</u>	<u>32,659,709</u>
Capital assets, being depreciated				
Land improvements	2,947,924	344,069	(72,287)	3,364,280
Building and improvements	85,903,377	252,714	(4,114)	86,160,205
Machinery and equipment	8,354,108	394,543	3,909,723	4,838,928
Vehicles	8,384,587	379,889	(375,506)	9,139,982
Right-to-use assets	838,742	274,788	-	1,113,530
Infrastructure:				
Roads	13,403,086	297,547	(13,100)	13,713,733
Bridges	3,151,383	-	-	3,151,383
Total capital assets, being depreciated	<u>122,983,207</u>	<u>1,943,550</u>	<u>3,444,716</u>	<u>121,482,041</u>
Less: accumulated depreciation for:				
Land improvements	1,502,778	144,495	1,266	1,646,007
Building and improvements	18,568,356	1,346,594	-	19,914,950
Machinery and equipment	6,248,366	254,057	3,359,253	3,143,170
Vehicles	4,601,125	335,418	84,193	4,852,350
Right-to-use assets	413,803	278,383	-	692,186
Infrastructure:				
Roads	6,767,668	256,573	-	7,024,241
Bridges	1,195,527	-	-	1,195,527
Total accumulated depreciation	<u>39,297,623</u>	<u>2,615,520</u>	<u>3,444,712</u>	<u>38,468,431</u>
Total capital assets, being depreciated, net	<u>83,685,584</u>	<u>(671,970)</u>	<u>4</u>	<u>83,013,610</u>
Total net capital assets, governmental activities	<u>\$ 97,788,693</u>	<u>\$ 18,429,303</u>	<u>\$ 544,677</u>	<u>\$ 115,673,319</u>

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Depreciation expense was charged to functions of the primary government as follows:

General government	\$	62,063
Public safety		155,854
Public works		639,675
Culture and recreation		504,575
Education		<u>1,253,353</u>
Total depreciation expense-governmental activities		<u>\$ 2,615,520</u>

Business-Type Activities

	Balance <u>July 1, 2021</u>	Increases	Decreases	Balance <u>June 30, 2022</u>
Infrastructure, sewers	\$ 29,652,288	\$ -	\$ -	\$ 29,652,288
Less, Accumulated depreciation	<u>12,159,551</u>	<u>241,749</u>	<u>-</u>	<u>12,401,300</u>
Total capital assets, business-type activities	<u>\$ 17,492,737</u>	<u>(\$ 241,749)</u>	<u>\$ -</u>	<u>\$ 17,250,988</u>

Depreciation expense of \$241,749 was recognized at the fund level for proprietary funds.

Note 7 - Short-Term Obligations

	Balance <u>July 1, 2021</u>	Increases	Decreases	Balance <u>June 30, 2022</u>
Bond anticipation notes	<u>\$ -</u>	<u>\$ 35,000,000</u>	<u>\$ -</u>	<u>\$ 35,000,000</u>

Bond Anticipation Notes

On August 4, 2021, the Town issued bond anticipation notes for \$35,000,000 with an interest rate of 1.0% which were due and paid on August 4, 2022, to fund the High School and Police Station projects. (See Note 14.)

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
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Note 8 - Long-Term Liabilities

Long-term liabilities activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due within One Year
Long-term debt:					
General obligation bonds	\$ 3,750,000	\$ 10,000,000	\$ 3,750,000	\$ 10,000,000	\$ -
General obligation refunding bonds	14,115,000	2,890,000	2,500,000	14,505,000	2,820,000
Lease liabilities	<u>1,135,118</u>	<u>274,788</u>	<u>691,701</u>	<u>718,205</u>	<u>442,535</u>
Total long-term debt	19,000,118	13,164,788	6,941,701	25,223,205	3,262,535
Bond premium	<u>1,090,533</u>	<u>2,803,648</u>	<u>911,263</u>	<u>2,982,918</u>	<u>396,269</u>
Total long-term debt and related liabilities	<u>20,090,651</u>	<u>15,968,436</u>	<u>7,852,964</u>	<u>28,206,123</u>	<u>3,658,804</u>
Other long-term liabilities:					
Net pension liability	12,158,772	2,282,881	-	14,441,653	-
Net OPEB liability (asset)	(246,863)	746,567	-	499,704	-
Compensated absences	3,104,723	433,668	158,729	3,379,662	-
Landfill closure	74,313	-	2,450	71,863	2,800
Heart and hypertension	<u>423,857</u>	<u>-</u>	<u>-</u>	<u>423,857</u>	<u>1,250</u>
Total long-term liabilities	<u>\$ 35,605,453</u>	<u>\$ 19,431,552</u>	<u>\$ 8,014,143</u>	<u>\$ 47,022,862</u>	<u>\$ 3,662,854</u>

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and general obligation refunding bonds to refinance existing outstanding debt. General Obligation Bonds are direct obligations and pledge the good faith and credit of the government. These bonds generally are issued as 10 year or 20 year serial bonds with amounts of principal maturing each year.

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As of June 30, 2022, the outstanding general obligation bonded indebtedness of the Town was as follows:

	General Obligation Bonds (GOB)	General Obligation Refunding Bonds (GORB)
\$5,195,000 GORB 2015 authorized to repay debt for general and school purposes. The bond has an interest rate of 1.50%-5.00%, with annual payments of interest and principal, maturing fully in 2027.	\$ -	\$ 3,360,000
\$8,730,000 GORB 2018 authorized to repay debt for general and school purposes. The bond has an interest rate of 3.00%-5.00%, with annual payments of interest and principal, maturing fully in 2024.	-	5,270,000
\$3,880,000 GORB 2019 authorized to repay debt for general and school purposes. The bond has an interest rate of 5.00%, with annual payments of interest and principal, maturing fully in 2027.	-	2,985,000
\$10,000,000 GOB 2021, authorized to repay debt for general and school purposes. The bond has an interest rate of 3.00%-5.00%, with annual payments of interest and principal, maturing fully in 2041.	10,000,000	-
\$2,890,000 GORB 2021, authorized to repay debt for general purposes. The bond has an interest rate of 3.00%-5.00%, with annual payments of interest and principal, maturing fully in 2041.	-	2,890,000
Total	\$ 10,000,000	\$ 14,505,000

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NOTES TO FINANCIAL STATEMENTS
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Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest
2023	\$ 2,820,000	\$ 956,338
2024	2,885,000	818,213
2025	3,325,000	683,006
2026	1,990,000	570,100
2027	2,025,000	475,075
2028-2032	5,460,000	1,409,538
2033-2037	3,000,000	687,000
2038-2042	3,000,000	225,000
	<u>\$ 24,505,000</u>	<u>\$ 5,824,270</u>

Authorized/Unissued Bonds

At June 30, 2022, the Town had the following authorized, unissued bonds:

	July 1, 2021	New Authorizations	New Bonds Issued/ Reductions	June 30, 2022
New High School	\$ 67,750,000	\$ -	\$ 36,475,000	\$ 31,275,000
New Police Station	12,250,000	-	8,525,000	3,725,000
Emergency Communications Radio System	-	5,650,000	-	5,650,000
Stanley T. Williams Community Center Roof	-	2,800,000	-	2,800,000
North Branford Intermediate School Roof	-	10,000,000	-	10,000,000
Total authorized and unissued bonds	<u>\$ 80,000,000</u>	<u>\$ 18,450,000</u>	<u>\$ 45,000,000</u>	<u>\$ 53,450,000</u>

Debt Refunding

On August 5, 2021 the Town issued \$2,890,000 of General Obligation Refunding Bonds, with an interest rate of 3.0% to 5.0% to currently refund \$3,375,000 of the Town's general obligation bond issue of \$5,200,000, dated November 4, 2015 (Refunded Bonds). This current refunding will reduce total debt service payments by \$290,717 over the next ten years and have a net present value savings of \$272,036. The Refunded Bonds were to mature at various dates through November 1, 2030 but were called on November 1, 2021.

TOWN OF NORTH BRANFORD, CONNECTICUT
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The net proceeds of the 2021 Refunding Bonds of \$3,415,686 were used to purchase U.S. Government securities and those securities were placed in an irrevocable trust with an escrow agent to provide debt service payments until the Refunded Bonds were called on November 1, 2021. The advance refunding met the requirements of an in-substance debt defeasance and, accordingly, the Refunded Bonds with a principal balance of \$3,375,000 were removed from the Town's balance sheet.

The difference of \$41,390 between the book value of the Refunded Bonds and the amount deposited to the irrevocable trust to fund their debt service represents a loss which has been deferred and is being recognized as an adjustment of interest expense over the life of the 2021 Refunding Bonds using the outstanding bond method. Amortization of the deferred loss for the year ended June 30, 2022 totaled \$3,848.

Lease liabilities

The Town has lease agreements for the acquisition of Board of Education equipment, a fire truck, ambulance and public works equipment. The Board of Education equipment is recorded as right-to-use assets in the amount of \$1,113,530 with accumulated amortization of \$692,186. The Board of Education equipment is being amortized over 4 years. Amortization expense totaled \$278,383 and it is included in depreciation expense. The fire truck, ambulance and public works equipment are carried at approximately \$1,450,000, with approximately \$140,000 in accumulated depreciation.

The annual future lease payments as of June 30, 2022 are as follows:

Year Ended June 30,	Principal	Interest
2023	\$ 442,535	\$ 11,035
2024	206,546	3,549
2025	69,124	876
	\$ 718,205	\$ 15,460

Landfill Closure

State and federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill site for at least thirty years after closure. The liability for the landfill post-closure care, aggregating \$71,863 is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfills as of June 30, 2022. However, the actual cost of closure and post-closure care maybe higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be

TOWN OF NORTH BRANFORD, CONNECTICUT
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funded through future property taxes. The landfill was considered to be at capacity and was closed over thirty years ago; ongoing monitoring is being performed.

Note 9 - Fund Balance

	General Fund	Sewer Assessment	Bonded Capital Projects	Capital and Nonrecurring Expenditures	Non-major Governmental Funds	Total
Fund balances:						
Nonspendable	\$ 3,612	\$ -	\$ -	\$ -	\$ 26,364	\$ 29,976
Restricted for:						
General government	-	-	-	-	59,924	59,924
Public works	-	-	-	-	194,781	194,781
Education	-	-	-	-	1,743	1,743
Library	-	-	-	-	507,631	507,631
Health and welfare	-	-	-	-	32,091	32,091
Committed to:						
Capital projects	-	-	-	3,093,289	-	3,093,289
Subsequent year's budget	3,097,640	-	-	-	-	3,097,640
Assigned to:						
General government	134,475	-	-	-	2,096,269	2,230,744
Public works	-	252,784	-	-	-	252,784
Public safety	-	-	-	-	244,384	244,384
Library	-	-	-	-	602,262	602,262
Culture and recreation	-	-	-	-	214,692	214,692
Health and welfare	-	-	-	-	64,421	64,421
Education	416,418	-	-	-	944,470	1,360,888
Unassigned	8,287,948	-	(8,760,156)	-	-	(472,208)
Total fund balances (deficit)	<u>\$11,940,093</u>	<u>\$ 252,784</u>	<u>(\$ 8,760,156)</u>	<u>\$3,093,289</u>	<u>\$ 4,989,032</u>	<u>\$ 11,515,042</u>

Encumbrances in the amount of \$550,893 at June 30, 2022 are contained in the above table in the assigned category of the General Fund.

The Capital Projects Fund had a fund deficit as of June 30, 2022 of \$8,760,156. The deficit will be funded by future bonding.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2022
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Note 10 - Pension Plans

Defined Benefit Plans

The Town administers three single-employer, defined benefit public employees retirement system (PERS) plans to provide pension benefits to substantially all Town employees with the exception of certified teachers and administrative personnel at the Board of Education. Plan benefits and contribution requirements are established by plan document as amended July 1, 2015, for the Town Plan and April 13, 2016, for the Police Plan, and July 10, 2012, for the Volunteer Plan, and approved by the Town Council. The PERS are considered to be a part of the Town's financial reporting entity and are included in the Town's financial statements as pension trust funds. The plans do not issue separate, stand alone, financial reports. The certified faculty and administrative personnel of the Board of Education participate in a contributory retirement plan administered by the State Teachers Retirement Board. The Town does not contribute to this plan.

Management of the plans rest with the Pension Committee composed of members appointed by the Town Council.

Plan Descriptions

Benefit Provisions

Town Plan

The plan provides for retirement and disability income for all eligible employees. For the Town Plan, all employees who are 21 years old, have at least one year of credited service with the Town, and have agreed in writing to make member contributions, are eligible on the first day of the month after the requirements are met. The plan covers substantially all noncertified Board of Education employees and all regular Town employees. Effective July 1, 1999, new employees of the Town are not eligible for the Town Plan. All Town employees hired prior to July 1, 1999, had the option, until September 30, 1999, of converting to a defined contribution plan or retaining the defined benefit plan that was previously implemented.

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NOTES TO FINANCIAL STATEMENTS
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Benefits vest after 7 years of service. Members may retire at age 65 with 5 years of service or at age 55 with 15 years of service with reduced benefits. Members are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.50% for the first 26 years and 1.90% for years 26 through 30, of final average earnings per year of credited service up to 30 years. Final average earnings are defined as the average earnings during the highest 36 consecutive months of active employment. Active plan members are required to contribute 4.0% of compensation with a maximum of 30 years of contributions to the Plan. If an employee leaves covered employment or dies before meeting the vesting requirement, accumulated employee contributions and 3.5% interest thereon are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees as are actuarially determined.

Police Plan

The plan provides for retirement and disability income for all eligible employees. The plan covers all police department employees of the Town hired prior to October 5, 2015. Benefits vest after 10 years of service. Members may retire at age 55 with 10 years of service or at any age with 25 years of service. Members are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.0% of final average earnings per year of credited service up to 30 years. Final average earnings are defined as the average earnings during the highest 36 consecutive months of active employment. There is a provision for officers who wish to retire with 20 years of service, but less than 25. Active plan members are required to contribute 8.0% of compensation to the Plan. If an employee leaves covered employment or dies before meeting the vesting requirement, accumulated employee contributions and 3.5% interest thereon are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees as are actuarially determined.

Volunteer Plan

The plan provides for retirement and disability income for all eligible volunteers. Each member will become a participant as of July 1st following the completion of one year of eligibility service. A member shall be credited with a year of service for each plan year that the member has earned at least 50 points as certified by his respective volunteer company. Benefits vest after 10 years of service and completion of 2 years of participation. Members may retire at age 65 with 10 years of service and 2 years of participation. Members are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to \$29.30 (effective 7/1/2020) per month for each year of service up to 35 years. The Town is required to contribute the amounts necessary to finance the benefits for its volunteers as are actuarially determined.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2022
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As of July 1, 2021, plan membership consisted of the following:

	Town	Police	Volunteer
Inactive plan members or beneficiaries currently receiving benefits	72	13	37
Inactive plan members entitled to but not yet receiving benefits	2	2	17
Active plan members	6	14	120
Total	80	29	174

Summary of Significant Accounting Policies

The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plans are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

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

Administrative costs of the Plan are financed through investment earnings.

Investments

Investment policy - the pension plan's policy in regard to the allocation of invested assets is established and amended by the Pension Committee. It is the policy of the Pension Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

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The following was the Committee's adopted asset allocation policy for all plans as of May 12, 2013. The asset allocation and long-term expected rate of return for the year ended June 30, 2022 is as follows:

Asset Class	Target Allocation
U.S. Cash	5.00 %
U.S. Core Fixed Income	33.00
U.S. Short (1-3 Yr) Bonds	5.00
U.S. Large & Mid Cap	13.00
U.S. Large & Mid Cap Growth	8.00
U.S. Large & Mid Cap Value	8.00
U.S. Mid Cap	6.00
U.S. Small Cap	2.00
U.S. Small Cap Growth	2.00
U.S. Small Cap Value	2.00
Non-U.S.	9.00
Emerging Markets	5.00
U.S. Real estate (REITS)	2.00
	100.00 %

Rate of return - For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

Town plan	(14.96) %
Police plan	(12.39)
Volunteer plan	(16.34)

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2022
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Net Pension Liability

The components of the net pension liability of the Town at June 30, 2022, were as follows:

	Town Plan	Police Plan	Volunteer Plan	Total
Total pension liability	\$ 9,552,635	\$ 10,796,238	\$ 5,899,757	\$ 26,248,630
Plan fiduciary net position	3,636,897	5,340,705	2,829,375	11,806,977
Town's net pension liability	<u>\$ 5,915,738</u>	<u>\$ 5,455,533</u>	<u>\$ 3,070,382</u>	<u>\$ 14,441,653</u>
Plan fiduciary net position as a percentage of the total pension liability	38.07%	49.47%	47.96%	

Actuarial assumptions - the total pension liability was determined by an actuarial valuation as of July 1, 2021 and increased by service cost and interest and decreased by benefit payments to estimate the total pension liability as of June 30, 2022. Actuarial assumptions were as follows:

	Town Plan	Police Plan	Volunteer Plan
Inflation	2.50%	2.50%	2.50%
Salary increases	3.25%	3.25%	N/A
Investment rate of return	6.50%	6.50%	6.50%

Mortality rates were based on the PubG-2010 Mortality Table with generational projection per the MP-2019 Ultimate Scale for the Town Plan. Mortality rates were based on the PubS-2010 Mortality Table with generational projection per the MP-2019 Ultimate Scale for the Police and Volunteer Plans.

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NOTES TO FINANCIAL STATEMENTS
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
U.S. Cash	-0.32%
U.S. Core Fixed Income	1.37%
U.S. Short (1-3 Yr) Bonds	0.78%
U.S. Large & Mid Cap	5.22%
U.S. Large & Mid Cap Growth	5.29%
U.S. Large & Mid Cap Value	5.14%
U.S. Mid Cap	5.71%
U.S. Small Cap	6.58%
U.S. Small Cap Growth	7.11%
U.S. Small Cap Value	6.05%
Non-U.S.	6.74%
Emerging Markets	8.64%
U.S. Real estate (REITS)	5.75%

Discount rate - the discount rate used to measure the total pension liability was 6.5%. 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 the Town contributions will be made at rates equal to the actuarially determined contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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June 30, 2022
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Changes in the Net Pension Liability

Town Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances, June 30, 2021	\$ 9,518,525	\$ 4,631,216	\$ 4,887,309
Changes for the year:			
Service cost	21,823	-	21,823
Interest	616,965	-	616,965
Effect of economic/demographic gains	(61,324)	-	(61,324)
Effect of assumptions changes or inputs	270,171	-	270,171
Contributions - employer	-	520,441	(520,441)
Contributions - members	-	97	(97)
Net investment return	-	(660,497)	660,497
Benefit payments, including refunds of member contributions	(813,525)	(813,525)	-
Administrative expenses	-	(40,835)	40,835
Net changes	34,110	(994,319)	1,028,429
Balances, June 30, 2022	\$ 9,552,635	\$ 3,636,897	\$ 5,915,738

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Police Plan	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances, June 30, 2021	\$ 11,930,909	\$ 6,826,389	\$ 5,104,520
Changes for the year:			
Service cost	311,006	-	311,006
Interest	767,237	-	767,237
Effect of economic/demographic gains	(691,361)	-	(691,361)
Effect of assumptions changes or inputs	258,397	-	258,397
Contributions - employer	-	931,518	(931,518)
Contributions - members	-	132,365	(132,365)
Net investment return	-	(756,921)	756,921
Benefit payments, including refunds of member contributions	(1,779,950)	(1,779,950)	-
Administrative expenses	-	(12,696)	12,696
Net changes	(1,134,671)	(1,485,684)	351,013
Balances, June 30, 2022	<u>\$ 10,796,238</u>	<u>\$ 5,340,705</u>	<u>\$ 5,455,533</u>

Volunteer Plan	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances, June 30, 2021	\$ 5,414,633	\$ 3,247,690	\$ 2,166,943
Changes for the year:			
Service cost	57,678	-	57,678
Interest	363,049	-	363,049
Effect of plan changes	48,722	-	48,722
Effect of economic/demographic losses	(6,477)	-	(6,477)
Effect of assumptions changes or inputs	212,874	-	212,874
Contributions - employer	-	321,221	(321,221)
Net investment return	-	(536,029)	536,029
Benefit payments, including refunds of member contributions	(190,722)	(190,722)	-
Administrative expenses	-	(12,785)	12,785
Net changes	485,124	(418,315)	903,439
Balances, June 30, 2022	<u>\$ 5,899,757</u>	<u>\$ 2,829,375</u>	<u>\$ 3,070,382</u>

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Sensitivity of the net pension liability to changes in the discount rate - the following presents the net pension liability of the Town, calculated using the discount rate of 6.5%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Town plan net pension liability	\$ 6,729,235	\$ 5,915,738	\$ 5,208,630
Police plan net pension liability	6,846,990	5,455,533	4,296,338
Volunteer plan net pension liability	4,054,903	3,070,382	2,285,381

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

For the year ended June 30, 2022, the Town recognized pension expense of \$684,602, \$782,613 and \$433,364 for the town, police and volunteer plans, respectively.

The Town reported deferred outflows of resources related to pensions from the following sources:

	Town Plan	Police Plan	Volunteer Plan	Total
Net difference between projected and actual earnings on pension plan investments	\$ 374,101	\$ 428,295	\$ 329,117	\$ 1,131,513
Changes in assumptions	-	243,088	434,879	677,967
Differences between expected and actual experience	-	719,745	299,090	1,018,835
	<u>\$ 374,101</u>	<u>\$ 1,391,128</u>	<u>\$ 1,063,086</u>	<u>\$ 2,828,315</u>

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The Town reported deferred inflows of resources related to pensions from the following sources:

	Town Plan	Police Plan	Volunteer Plan	Total
Differences between expected and actual experience	\$ -	\$ 728,272	\$ 131,113	\$ 859,385

The net differences between projected and actual earnings are amortized over 5 years. The differences between actual and expected experience is amortized over .3, 5.9 and 9.5 years for the Town, Police and Volunteer Plans, respectively.

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

Year ending June 30	Town Plan	Police Plan	Volunteer Plan	Total
2023	\$ 66,927	\$ 237,084	\$ 151,655	\$ 455,666
2024	72,079	143,917	159,293	375,289
2025	42,746	79,609	133,479	255,834
2026	192,349	268,290	236,363	697,002
2027	-	(66,044)	85,652	19,608
Thereafter	-	-	165,531	165,531

Defined Contribution Plan

Effective November 1, 1999, the Town adopted a defined contribution 401(a) plan (the "Town DC Plan") for Town and Board of Education employees (except members of the Police Union or Certified Teachers). Effective February 28, 2011, the Board of Education adopted a defined contribution 401(a) plan ("BOE DC Plan") for Board of Education employees (except Certified Teachers). Board of Education employees were transferred out of the Town DC Plan at that time. Plan benefits and contribution requirements are established by plan documents and approved by the Town Council and Board of Education, respectively. The Town Council and Board of Education also administer the Plans. After one year of service, Town and Board of Education employees (except members of the Police Union or Certified Teachers) are required to contribute 2.5% and 2.0%, respectively, of their earnings on a pre-tax basis. The Town will contribute 9% of the earnings. The BOE will contribute 8% of the earnings. Total contributions by employees and the Town were \$105,765 and \$338,884, respectively for the fiscal year ended June 30, 2022.

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Connecticut State Teachers' Retirement System

Plan Description

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

TRS is a cost sharing multi-employer pension plan with a special funding situation administered by the Connecticut State Teachers' Retirement Board. The State Teachers' Retirement Board is responsible for the administration of the Connecticut Teachers' Retirement System. The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

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 the 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). In addition, amounts derived from the accumulation of the 6% contributions made prior to July 1, 1989 and voluntary contributions are payable.

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. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement.

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 of the highest three years of pensionable salary times credited service to date of disability, but not less than 15% of average annual salary, not more than 50% of average annual salary.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

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June 30, 2022
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Contribution

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 is amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The statutes require the State of Connecticut to contribute 100% of each town's contributions, which are actuarially determined as an amount that, when combined with employee contributions and investment earnings, 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.

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

Effective January 1, 2018, each teacher is required to contribute 7% of salary for the pension benefit.

Administrative Expenses

Administrative expenses of the Plan are to be paid by the General Assembly per Section 10 183r of the Connecticut General Statutes.

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

At June 30, 2022, 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>47,723,144</u>
Total	<u>\$ 47,723,144</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. At June 30, 2022, the Town has no proportionate share of the net pension liability.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

For the year ended June 30, 2022, the Town recognized pension expense and revenue of \$3,080,640 for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 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
Long-term investment rate of return	6.90%, net of pension 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 of 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.

Future cost-of-living increases for members vary by date of retirement.

The long-term expected rate of return on pension 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class at June 30, 2020 are summarized in the following table:

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.0 %	5.6 %
Developed Market International Stock Fund	11.0	6.0
Emerging Market International Stock Fund	9.0	7.9
Core Fixed Income Fund	16.0	2.1
Inflation Linked Bond Fund	5.0	1.1
Emerging Market Debt Fund	5.0	2.7
High Yield Bond Fund	6.0	4.0
Real Estate Fund	10.0	4.5
Private Equity	10.0	7.3
Alternative Investments	7.0	2.9
Liquidity Fund	1.0	0.4

Discount Rate: The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share 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.

Note 11 - Other Post-Employment Benefits Plan (OPEB)

Plan Description

The Town is the administrator of a single-employer, contributory, defined benefit OPEB plan. The OPEB plan provides post-employment medical, dental, and life insurance benefits to eligible retirees and their spouses. The OPEB plan is considered to be a part of the Town's financial reporting entity and is included in the Town's financial statements as the OPEB trust fund. The OPEB does not issue a separate, stand-alone financial report.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

Benefit Provisions

The Town provides for medical, dental and life insurance benefits for all eligible Town, Police and Board of Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations.

Retiree contributions are dependent on the covered group. There are retiree contributions, at varying percentages, for certain Town, Police and Board of Education employees, including contributions for spousal coverage. Teachers are required to pay 100% of the costs.

Plan Membership

As of July 1, 2020, plan membership consisted of the following:

Active members	268
Retirees and dependents	<u>51</u>
Total	<u><u>319</u></u>

Summary of Significant Accounting Policies

The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plans are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

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

Administrative costs of the Plan are financed through investment earnings.

Investments

Investment policy - the OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by agreement of the Town Manager and Director of Finance. The Town's investment advisor provides the necessary information to assist the Town Manager and Director of Finance to make prudent investment decisions. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes, taking into consideration the discount rate. The Town's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The Town reviews its investment policy at least annually.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

The following was the Committee's adopted asset allocation policy for all plans as of May 12, 2013. The asset allocation and long-term expected arithmetic real rate of return for the year ended June 30, 2022 is as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. cash	5.0 %	(0.32) %
U.S. intermediate-term bonds	15.0	0.45
U.S. long-term bonds	15.0	1.26
U.S. large cap equity funds	30.0	5.15
U.S. small cap equity funds	10.0	6.58
Non-U.S. equity	20.0	6.74
U.S. REITs	5.0	5.75

Rate of return - For the year ended June 30, 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was -11.89%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The Town's total OPEB liability of \$499,704 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2020 and increased by service cost and interest and decreased by benefit payments through the measurement date.

Total OPEB liability	\$ 4,770,383
Plan fiduciary net position	<u>4,270,679</u>
Town's net OPEB liability	<u>\$ 499,704</u>
Plan fiduciary net position as a percentage of the total OPEB liability	89.52%

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

Actuarial assumptions and other inputs - The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	4.50% for police, 3.50% for all others
Discount rate	6.25%
Healthcare cost trend rates	5.30% - 4.10 over 53 years

Mortality rates were based as follows:

Teachers and Administrators: PubT-2010 Mortality Table for employees and healthy annuitants (adjusted 105% for males and 103% for females at age 82 and above) with generational projection of future improvements per the MP-2019 Ultimate scale. 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.

Police: PubS-2010 Mortality Table for employees and healthy annuitants with generational projection of future improvements per the MP-2019 Ultimate scale.

All Others: PubG-2010 Mortality Table for employees and healthy annuitants with generational projection of future improvements per the MP-2019 Ultimate scale.

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 OPEB 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.

Discount rate - the discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town contributions will be made at rates equal to the actuarially determined contributions. 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.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances, June 30, 2021	\$ 4,794,833	\$ 5,041,696	(\$ 246,863)
Changes for the year:			
Service cost	116,306	-	116,306
Interest	293,579	-	293,579
Contributions - employer	-	284,990	(284,990)
Net investment return	-	(589,305)	589,305
Benefit payments, including refunds of member contributions	(434,335)	(434,335)	-
Administrative expenses	-	(32,367)	32,367
Net changes	(24,450)	(771,017)	746,567
Balances, June 30, 2022	<u>\$ 4,770,383</u>	<u>\$ 4,270,679</u>	<u>\$ 499,704</u>

Sensitivity of the net OPEB liability to changes in the discount rate - the following presents the net OPEB liability of the Town, calculated using the discount rate of 6.25%, 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 (5.25%) or 1-percentage-point higher (7.25%) than the current discount rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB liability (asset)	\$ 1,100,490	\$ 499,704	(\$ 13,213)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate - the following presents the net OPEB liability of the Town, calculated using the healthcare cost trend rate of 5.30%, as well as what the Town's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (4.30%) or 1-percentage-point higher (6.30%) than the current healthcare cost trend rate:

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

	1% Decrease (4.30%)	Current Discount Rate (5.30%)	1% Increase (6.30%)
Net OPEB liability	(\$ 125,863)	\$ 499,704	\$ 1,259,928

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

For the year ended June 30, 2022, the Town recognized OEB expense of (\$289,138) for the OPEB plan.

The Town reported deferred outflows (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 310,932	\$ -
Changes in assumptions	20,172	-
Differences between expected and actual experience	-	(3,201,606)
	\$ 331,104	(\$ 3,201,606)

The net differences between projected and actual earnings are amortized over 5 years. The differences between expected and actual experience and changes in assumption are amortized over 9.4 years.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

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

Year ending June 30

2023	(\$ 418,053)
2024	(416,688)
2025	(433,496)
2026	(286,707)
2027	(466,469)
Thereafter	(849,089)

Connecticut State Teachers’ Retirement System

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools are eligible to participate in the Connecticut State Teachers’ Retirement System Retiree Health Insurance Plan (TRS-RHIP) - a cost sharing multi-employer defined benefit OPEB plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

TRS is a multi-employer defined benefit OPEB plan with a special funding situation administered by the TRB. The State Treasurer is responsible for investing TRS-RHIP funds for the exclusive benefit of TRS members.

Benefit Provisions

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that 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,

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 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 that 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 Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug 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.

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 amended and certified by the TRB and appropriated by the General Assembly. The State pays for one-third of plan costs through an annual appropriation in the General Fund.

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

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.

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

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

At June 30, 2022, 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 pension liability that was associated with the Town were as follows:

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		<u>5,199,349</u>
Total		<u>\$ 5,199,349</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 of June 30, 2020. At June 30, 2022, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2022, the Town recognized OPEB expense and revenue of (\$191,995) for on-behalf amounts for the benefits provided by the State.

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%
Real wage growth	0.50%
Wage inflation	3.00%
Salary increases	3.00 - 6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Discount rate	2.16%
Healthcare cost trend rate	5.125% decreasing to 4.50% by 2023

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 discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal 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.

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

The target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected 10-Year Geometric Real Rate of Return</u>	<u>Standard Deviation</u>
U.S. Treasuries	100.00 %	(0.42) %	1.78 %
Price inflation		2.50	
Expected rate of return		2.00	

Discount Rate: The discount rate used to measure the total pension liability was 2.16%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2020.

In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- 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 annual at a rate of 3.0%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee 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 toward the fund.

Based on those assumptions, the 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 of the single equivalent rate.

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

TOWN OF NORTH BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022
. . . Continued . . .

Note 12 - Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; worker's compensation and natural disasters for which the Town carries commercial insurance. During the year ended June 30, 2022, deductibles paid by the Town were insignificant. Settled claims, for all types of commercial coverage, have not exceeded commercial insurance coverage during any of the past three fiscal years.

Note 13 - Commitments and Contingencies

The Town has been named as defendant in various claims and legal actions. The Town's attorneys estimate that the potential claims against the Town covered by insurance resulting from such claims and legal actions would not materially affect the financial condition of the Town.

The Town has received Federal and State 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 upon prior experience, Town management believes such disallowances, if any, will not be material.

The Town has a construction contract for the new High school building in the amount of \$59,763,368. As of June 30, 2022, the Town has paid \$18,249,831.

Note 14 - Subsequent Event

On August 4, 2022, the Town issued \$18,300,000 in general obligation bonds to be used to finance a portion of the \$14,950,000 appropriation for the High School and Police Station projects. The bonds will be due through August 1, 2042, with interest rates ranging from 4.0% to 5.0%.

On August 4, 2022, the Town issued bond anticipation notes for \$31,075,000 with an interest rate of 5.0% which were due and paid on August 3, 2023, to fund the High School and Police Station projects.

Note 15 - Risks and Uncertainties

In March 2020, the World Health Organization declared the spread of COVID-19 virus a pandemic. The actions taken, or failure to act, on the part of governments, institutions and the public to contain it on a global basis is having an adverse impact on global business and economic activity. The impact of COVID-19 on future operations and financial results of the Town cannot be determined at this time.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF NORTH BRANFORD, CONNECTICUT
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY
AND RELATED RATIOS
TOWN PLAN
LAST NINE FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 21,823	\$ 32,012	\$ 36,116	\$ 46,789	\$ 56,643	\$ 54,129	\$ 75,458	\$ 77,825	\$ 85,616
Interest	616,965	628,506	615,935	610,095	608,665	619,781	616,926	588,657	579,147
Effect of plan changes	-	-	-	(41,144)	30,949	64,467	31,700	-	-
Effect of economic/demographic gains or losses	(61,324)	(28,197)	(121,110)	208,009	57,260	(206,979)	445,695	(64,453)	(112,850)
Effect of assumption changes or inputs	270,171	-	739,335	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(813,525)	(773,354)	(734,915)	(724,571)	(721,926)	(664,466)	(597,233)	(545,467)	(476,829)
Net change in total pension liability	34,110	(141,033)	535,361	99,178	31,591	(133,068)	572,546	56,562	75,084
Total pension liability - beginning	9,518,525	9,659,558	9,124,197	9,025,019	8,993,428	9,126,496	8,553,950	8,497,388	8,422,304
Total pension liability - ending (a)	<u>\$ 9,552,635</u>	<u>\$ 9,518,525</u>	<u>\$ 9,659,558</u>	<u>\$ 9,124,197</u>	<u>\$ 9,025,019</u>	<u>\$ 8,993,428</u>	<u>\$ 9,126,496</u>	<u>\$ 8,553,950</u>	<u>\$ 8,497,388</u>
Plan fiduciary net position									
Contributions - employer	\$ 520,441	\$ 474,637	\$ 460,817	\$ 405,824	\$ 435,972	\$ 337,198	\$ 318,927	\$ 338,976	\$ 329,355
Contributions - members	97	13,558	14,706	18,280	22,618	29,632	33,040	37,911	37,942
Net investment return	(660,497)	1,003,787	130,873	303,177	136,207	7,866	(56,903)	(160,297)	934,521
Benefit payments, including refunds of member contributions	(813,525)	(773,354)	(734,915)	(724,571)	(721,926)	(664,466)	(597,233)	(545,467)	(476,829)
Administrative expenses	(40,835)	(37,692)	(26,758)	(20,600)	(24,172)	(18,998)	(85,981)	(34,562)	(22,664)
Net change in plan fiduciary net position	(994,319)	680,936	(155,277)	(17,890)	(151,301)	(308,768)	(388,150)	(363,439)	802,325
Plan fiduciary net position - beginning	4,631,216	3,950,280	4,105,557	4,123,447	4,274,748	4,583,516	4,971,666	5,335,105	4,532,780
Plan fiduciary net position - ending (b)	<u>\$ 3,636,897</u>	<u>\$ 4,631,216</u>	<u>\$ 3,950,280</u>	<u>\$ 4,105,557</u>	<u>\$ 4,123,447</u>	<u>\$ 4,274,748</u>	<u>\$ 4,583,516</u>	<u>\$ 4,971,666</u>	<u>\$ 5,335,105</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 5,915,738</u>	<u>\$ 4,887,309</u>	<u>\$ 5,709,278</u>	<u>\$ 5,018,640</u>	<u>\$ 4,901,572</u>	<u>\$ 4,718,680</u>	<u>\$ 4,542,980</u>	<u>\$ 3,582,284</u>	<u>\$ 3,162,283</u>
Plan fiduciary net position as a percentage of the total pension liability	38.07 %	48.65 %	40.90 %	45.00 %	45.69 %	47.53 %	50.22 %	58.12 %	62.79 %
Covered-employee payroll	\$ 562,940	\$ 686,004	\$ 687,009	\$ 839,595	\$ 884,723	\$ 1,083,439	\$ 1,181,066	\$ 1,133,716	\$ 1,064,590
Net pension liability as a percentage of covered-employee payroll	1050.86 %	712.43 %	831.03 %	597.75 %	554.02 %	435.53 %	384.65 %	315.98 %	297.04 %

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

**TOWN OF NORTH BRANFORD, CONNECTICUT
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY
AND RELATED RATIOS
POLICE PLAN
LAST NINE FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 311,006	\$ 334,788	\$ 376,271	\$ 427,604	\$ 438,082	\$ 449,695	\$ 439,355	\$ 382,812	\$ 414,742
Interest	767,237	778,479	799,043	740,338	731,412	794,107	795,832	761,572	757,767
Effect of economic/demographic gains or losses	(691,361)	482,039	38,740	231,193	119,140	(366,299)	1,536,421	(693,778)	(543,870)
Effect of assumption changes or inputs	258,397	-	54,383	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(1,779,950)	(1,697,549)	(538,711)	(480,589)	(1,798,396)	(1,725,922)	(1,744,071)	(585,135)	(371,881)
Net change in total pension liability	(1,134,671)	(102,243)	729,726	918,546	(509,762)	(848,419)	1,027,537	(134,529)	256,758
Total pension liability - beginning	11,930,909	12,033,152	11,303,426	10,384,880	10,894,642	11,743,061	10,715,524	10,850,053	10,593,295
Total pension liability - ending (a)	<u>\$ 10,796,238</u>	<u>\$ 11,930,909</u>	<u>\$ 12,033,152</u>	<u>\$ 11,303,426</u>	<u>\$ 10,384,880</u>	<u>\$ 10,894,642</u>	<u>\$ 11,743,061</u>	<u>\$ 10,715,524</u>	<u>\$ 10,850,053</u>
Plan fiduciary net position									
Contributions - employer	\$ 931,518	\$ 866,502	\$ 811,664	\$ 792,883	\$ 801,806	\$ 811,023	\$ 788,048	\$ 797,007	\$ 699,850
Contributions - members	132,365	131,040	134,996	138,653	153,277	160,844	153,220	153,552	168,410
Net investment return	(756,921)	1,465,226	99,303	355,471	120,779	24,026	108,392	(197,578)	987,934
Benefit payments, including refunds of member contributions	(1,779,950)	(1,697,549)	(538,711)	(480,589)	(1,798,396)	(1,725,922)	(1,744,071)	(585,135)	(371,881)
Administrative expenses	(12,696)	(16,185)	(18,844)	(14,824)	(13,543)	(11,855)	(95,447)	(10,376)	(18,091)
Net change in plan fiduciary net position	(1,485,684)	749,034	488,408	791,594	(736,077)	(741,884)	(789,858)	157,470	1,466,222
Plan fiduciary net position - beginning	6,826,389	6,077,355	5,588,947	4,797,353	5,533,430	6,275,314	7,065,172	6,907,702	5,441,480
Plan fiduciary net position - ending (b)	<u>\$ 5,340,705</u>	<u>\$ 6,826,389</u>	<u>\$ 6,077,355</u>	<u>\$ 5,588,947</u>	<u>\$ 4,797,353</u>	<u>\$ 5,533,430</u>	<u>\$ 6,275,314</u>	<u>\$ 7,065,172</u>	<u>\$ 6,907,702</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 5,455,533</u>	<u>\$ 5,104,520</u>	<u>\$ 5,955,797</u>	<u>\$ 5,714,479</u>	<u>\$ 5,587,527</u>	<u>\$ 5,361,212</u>	<u>\$ 5,467,747</u>	<u>\$ 3,650,352</u>	<u>\$ 3,942,351</u>
Plan fiduciary net position as a percentage of the total pension liability	49.47 %	57.22 %	50.51 %	49.44 %	46.20 %	50.79 %	53.44 %	65.93 %	63.67 %
Covered-employee payroll	\$ 1,629,834	\$ 1,742,029	\$ 1,913,472	\$ 2,084,272	\$ 2,135,510	\$ 2,089,945	\$ 1,831,989	\$ 1,715,127	\$ 1,724,508
Net pension liability as a percentage of covered-employee payroll	334.73 %	293.02 %	311.26 %	274.17 %	261.65 %	256.52 %	298.46 %	212.83 %	228.61 %

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

**TOWN OF NORTH BRANFORD, CONNECTICUT
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY
AND RELATED RATIOS
VOLUNTEER PLAN
LAST NINE FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 57,678	\$ 57,022	\$ 51,192	\$ 67,613	\$ 63,667	\$ 54,366	\$ 47,040	\$ 46,739	\$ 43,322
Interest	363,049	348,742	289,340	275,321	263,366	235,341	224,013	210,154	194,944
Effect of plan changes	48,722	67,380	60,168	49,466	50,040	220,240	37,760	-	32,170
Effect of economic/demographic gains or losses	(6,477)	(92,306)	417,173	(28,033)	(73,392)	4,401	14,201	51,742	-
Effect of assumption changes or inputs	212,874	-	358,980	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(190,722)	(149,017)	(150,041)	(145,362)	(128,605)	(118,158)	(114,994)	(107,471)	(109,146)
Net change in total pension liability	485,124	231,821	1,026,812	219,005	175,076	396,190	208,020	201,164	161,290
Total pension liability - beginning	5,414,633	5,182,812	4,156,000	3,936,995	3,761,919	3,365,729	3,157,709	2,956,545	2,795,255
Total pension liability - ending (a)	<u>\$ 5,899,757</u>	<u>\$ 5,414,633</u>	<u>\$ 5,182,812</u>	<u>\$ 4,156,000</u>	<u>\$ 3,936,995</u>	<u>\$ 3,761,919</u>	<u>\$ 3,365,729</u>	<u>\$ 3,157,709</u>	<u>\$ 2,956,545</u>
Plan fiduciary net position									
Contributions - employer	\$ 321,221	\$ 322,512	\$ 273,182	\$ 260,605	\$ 238,104	\$ 201,510	\$ 190,992	\$ 173,885	\$ 173,133
Net investment return	(536,029)	686,793	55,374	183,815	13,909	2,990	(26,715)	(48,990)	278,807
Benefit payments, including refunds of member contributions	(190,722)	(149,017)	(150,041)	(145,362)	(128,605)	(118,158)	(114,994)	(107,471)	(109,146)
Administrative expenses	(12,785)	(14,061)	(15,832)	(15,391)	(12,090)	(10,881)	(11,755)	(11,379)	(13,648)
Net change in plan fiduciary net position	(418,315)	846,227	162,683	283,667	111,318	75,461	37,528	6,045	329,146
Plan fiduciary net position - beginning	3,247,690	2,401,463	2,238,780	1,955,113	1,843,795	1,768,334	1,730,806	1,724,761	1,395,615
Plan fiduciary net position - ending (b)	<u>\$ 2,829,375</u>	<u>\$ 3,247,690</u>	<u>\$ 2,401,463</u>	<u>\$ 2,238,780</u>	<u>\$ 1,955,113</u>	<u>\$ 1,843,795</u>	<u>\$ 1,768,334</u>	<u>\$ 1,730,806</u>	<u>\$ 1,724,761</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 3,070,382</u>	<u>\$ 2,166,943</u>	<u>\$ 2,781,349</u>	<u>\$ 1,917,220</u>	<u>\$ 1,981,882</u>	<u>\$ 1,918,124</u>	<u>\$ 1,597,395</u>	<u>\$ 1,426,903</u>	<u>\$ 1,231,784</u>
Plan fiduciary net position as a percentage of the total pension liability	47.96 %	59.98 %	46.34 %	53.87 %	49.66 %	49.01 %	52.54 %	54.81 %	58.34 %
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

**TOWN OF NORTH BRANFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TOWN PLAN
LAST TEN FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 520,441	\$ 474,637	\$ 460,817	\$ 405,824	\$ 435,972	\$ 418,968	\$ 318,927	\$ 338,976	\$ 329,355	\$ 300,532
Contribution in relation to the actuarially determined contribution	<u>520,441</u>	<u>474,637</u>	<u>460,817</u>	<u>405,824</u>	<u>435,972</u>	<u>418,968</u>	<u>318,927</u>	<u>338,976</u>	<u>329,355</u>	<u>300,532</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 562,940	\$ 686,004	\$ 687,009	\$ 839,595	\$ 884,723	\$1,083,439	\$1,181,066	\$1,133,716	\$1,064,590	\$1,372,806
Contributions as a percentage of covered-employee payroll	92.45 %	69.19 %	67.08 %	48.34 %	40.24 %	35.47 %	28.13 %	31.84 %	23.99 %	21.89 %

Notes to Schedule

Valuation date: July 1, 2021
Measurement date: June 30, 2022

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, layered
Remaining amortization period	10 years
Asset valuation method	5 year smoothing period with asymptotic recognition method
Inflation	2.50%
Salary increases	3.25% per annum
Investment rate of return	6.50%
Retirement age	Rates based on age
Mortality	PubG-2010 Mortality Table with generational projection per the MP-2019 Ultimate Scale

**TOWN OF NORTH BRANFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PLAN
LAST TEN FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 931,518	\$ 866,502	\$ 811,664	\$ 792,883	\$ 801,806	\$ 811,023	\$ 788,048	\$ 797,007	\$ 699,850	\$ 656,425
Contribution in relation to the actuarially determined contribution	<u>931,518</u>	<u>866,502</u>	<u>811,664</u>	<u>792,883</u>	<u>801,806</u>	<u>811,023</u>	<u>788,048</u>	<u>797,007</u>	<u>699,850</u>	<u>656,425</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,629,834	\$ 1,742,029	\$ 1,913,472	\$ 2,084,272	\$ 2,135,510	\$ 2,089,945	\$ 1,831,989	\$ 1,715,127	\$ 1,724,508	\$ 1,691,210
Contributions as a percentage of covered-employee payroll	57.15 %	49.74 %	42.42 %	38.04 %	37.55 %	38.81 %	43.02 %	46.47 %	40.58 %	38.81 %

Notes to Schedule

Valuation date: July 1, 2021
Measurement date: June 30, 2022

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, layered
Remaining amortization period	10 years
Asset valuation method	5 year smoothing period with asymptotic recognition method
Inflation	2.50%
Salary increases	3.25% per ann.
Investment rate of return	6.50%
Retirement age	Based on age and service
Mortality	PubG-2010 Mortality Table with generational projection per the MP-2019 Ultimate Scale
Lump sum option	50% of officers hired before December 1, 2004 are assumed to elect a lump sum valued using a 4% interest rate and the

**TOWN OF NORTH BRANFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
VOLUNTEER PLAN
LAST TEN FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 321,221	\$ 322,512	\$ 273,182	\$ 260,605	\$ 238,104	\$ 201,510	\$ 190,992	\$ 173,885	\$ 173,133	\$ 184,597
Contribution in relation to the actuarially determined contribution	<u>321,221</u>	<u>322,512</u>	<u>273,182</u>	<u>260,605</u>	<u>238,104</u>	<u>201,510</u>	<u>190,992</u>	<u>173,885</u>	<u>173,133</u>	<u>184,597</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation date: July 1, 2021
Measurement date: June 30, 2022

Actuarially determined contribution rates are calculated as of July 1, 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	Unit credit
Amortization period	Level percent, closed
Remaining amortization period	20 years
Asset valuation method	5 year smoothing period with asymptotic recognition method
Inflation	2.50%
Salary increases	N/A
Investment rate of return	6.50%
Retirement age	65
Mortality	PubG-2010 Mortality Table with generational projection per the MP-2019 Ultimate Scale

**TOWN OF NORTH BRANFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
TOWN PENSION PLANS
LAST NINE FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money weighted rate of return, net of investment expenses									
Town plan	(14.96) %	26.95 %	3.31 %	7.68 %	3.30 %	0.18 %	(1.18) %	(3.07) %	20.96 %
Police plan	(12.39)	25.71	1.71	7.01	2.12	0.39	1.73	(2.79)	17.30
Volunteer plan	(16.34)	28.15	2.38	9.13	0.73	0.17	(1.51)	(2.79)	19.68

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

**TOWN OF NORTH BRANFORD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	47,723,144	60,250,950	56,821,962	43,813,034	45,421,382	47,919,906	37,590,172	34,744,581
Total	<u>\$ 47,723,144</u>	<u>\$ 60,250,950</u>	<u>\$ 56,821,962</u>	<u>\$ 43,813,034</u>	<u>\$ 45,421,382</u>	<u>\$ 47,919,906</u>	<u>\$ 37,590,172</u>	<u>\$ 34,744,581</u>
Town's covered-employee payroll	<u>\$ 11,367,375</u>	<u>\$ 14,015,394</u>	<u>\$ 13,742,971</u>	<u>\$ 13,565,668</u>	<u>\$ 12,875,622</u>	<u>\$ 10,318,040</u>	<u>\$ 11,996,977</u>	<u>\$ 12,939,190</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.00 %</u>	<u>0.00 %</u>	<u>0.00 %</u>	<u>0.00 %</u>	<u>0.00 %</u>	<u>0.00 %</u>	<u>0.00 %</u>	<u>0.00 %</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>60.77 %</u>	<u>49.24 %</u>	<u>52.00 %</u>	<u>57.69 %</u>	<u>55.93 %</u>	<u>52.26 %</u>	<u>59.50 %</u>	<u>61.51 %</u>

Notes to Schedule

Change in Benefit Terms: None

Change of Assumptions: None

Methods and Assumptions used in Calculation of the Net Pension Liability:

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 increases	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Mortality	PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019

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

TOWN OF NORTH BRANFORD, CONNECTICUT
SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY
AND RELATED RATIOS
LAST SIX FISCAL YEARS

	2022	2021	2020	2019	2018	2017
Total OPEB liability						
Service cost	\$ 116,306	\$ 116,430	\$ 149,982	\$ 144,910	\$ 147,555	\$ 137,902
Interest	293,579	531,311	519,963	596,545	531,550	446,725
Effect of economic/demographic gains or losses	-	(3,072,459)	-	(1,352,213)	-	-
Effect of assumption changes or inputs	-	25,624	-	-	-	-
Benefit payments, including refunds of member contributions	(434,335)	(550,283)	(400,808)	(572,951)	1,049,559	(1,125,661)
Net change in total OPEB liability	(24,450)	(2,949,377)	269,137	(1,183,709)	1,728,664	(541,034)
Total OPEB liability - beginning	4,794,833	7,744,210	7,475,073	8,658,782	6,930,118	7,471,152
Total OPEB liability - ending (a)	<u>\$ 4,770,383</u>	<u>\$ 4,794,833</u>	<u>\$ 7,744,210</u>	<u>\$ 7,475,073</u>	<u>\$ 8,658,782</u>	<u>\$ 6,930,118</u>
Plan fiduciary net position						
Contributions - employer	\$ 284,990	\$ 509,627	\$ 509,627	\$ 515,103	\$ 716,492	\$ 312,400
Contributions - employee	-	-	-	-	-	199,992
Net investment return	(589,305)	1,017,663	185,774	258,062	197,645	226,970
Benefit payments, including refunds of member contributions	(434,335)	(550,283)	(400,808)	(572,951)	1,049,559	(1,125,661)
Administrative expenses	(32,367)	(16,637)	(26,632)	(13,147)	(11,649)	(18,933)
Net change in plan fiduciary net position	(771,017)	960,370	267,961	187,067	1,952,047	(405,232)
Plan fiduciary net position - beginning	5,041,696	4,081,326	3,813,365	3,626,298	1,674,251	2,079,483
Plan fiduciary net position - ending (b)	<u>\$ 4,270,679</u>	<u>\$ 5,041,696</u>	<u>\$ 4,081,326</u>	<u>\$ 3,813,365</u>	<u>\$ 3,626,298</u>	<u>\$ 1,674,251</u>
Town's net OPEB liability - ending (a) - (b)	<u>\$ 499,704</u>	<u>(\$ 246,863)</u>	<u>\$ 3,662,884</u>	<u>\$ 3,661,708</u>	<u>\$ 5,032,484</u>	<u>\$ 5,255,867</u>
Plan fiduciary net position as a percentage of the total OPEB liability	89.52 %	105.15 %	52.70 %	51.01 %	41.88 %	24.16 %
Covered payroll	\$19,619,009	\$19,619,009	\$20,628,912	\$20,628,912	\$20,605,322	\$20,605,322
Net OPEB liability as a percentage of covered payroll	2.55 %	-1.26 %	17.76 %	17.75 %	24.42 %	25.51 %

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

**TOWN OF NORTH BRANFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB PLAN
LAST SIX FISCAL YEARS**

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 231,835	\$ 509,627	\$ 509,627	\$ 613,786	\$ 589,849	\$ 558,000
Contribution in relation to the actuarially determined contribution	<u>284,990</u>	<u>509,627</u>	<u>509,627</u>	<u>515,103</u>	<u>716,492</u>	<u>312,400</u>
Contribution deficiency (excess)	<u>(\$ 53,155)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,683</u>	<u>(\$ 126,643)</u>	<u>\$ 245,600</u>
Covered-employee payroll	\$ 19,619,009	\$ 19,619,009	\$ 20,628,912	\$ 20,628,912	\$ 20,605,322	\$ 20,605,322
Contributions as a percentage of covered-employee payroll	1.45 %	2.60 %	2.47 %	2.50 %	3.48 %	1.52 %

Notes to Schedule

Valuation date: July 1, 2020
Measurement date: June 30, 2022
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, closed
Remaining amortization period	12 years
Asset valuation method	5 year smoothing period with non-asymptotic recognition method
Inflation	2.75%
Healthcare cost trend rates	5.30%, decreasing to 4.10% over 53 years
Dental rate trend	3.00%
Salary increases	4.50% for Police, 3.50% for all others
Investment rate of return	6.25%
Retirement age	Rates based on age
Mortality	Teachers & 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. Police Current - PubS-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvements per the MP-2019 Ultimate scale. All Others - PubG-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvements per the MP-2019 Ultimate scale.

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

**TOWN OF NORTH BRANFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OPEB PLAN
LAST SIX FISCAL YEARS**

	2022	2021	2020	2019	2018	2017
Annual money weighted rate of return, net of investment expenses	(11.89) %	25.17 %	4.69 %	7.13 %	6.43 %	14.21 %

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

APPENDIX B – FORM OF OPINION OF BOND COUNSEL – THE BONDS



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August __, 2023

Town of North Branford,
 North Branford, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of North Branford, Connecticut (the “Town”), a Tax Regulatory Agreement of the Town, dated August __, 2023 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$14,975,000 Town of North Branford, Connecticut General Obligation Bonds, Issue of 2023, dated August __, 2023 (the “Bonds”), maturing on August 1 in each of the years, in the principal amounts and bearing interest payable on August 1, 2024 and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2025	[\$__],000	%	2035	[\$__],000	%
2026	[__],000		2036	[__],000	
2027	[__],000		2037	[__],000	
2028	[__],000		2038	[__],000	
2029	[__],000		2039	[__],000	
2030	[__],000		2040	[__],000	
2031	[__],000		2041	[__],000	
2032	[__],000		2042	[__],000	
2033	[__],000		2043	[__],000	
2034	[__],000				

with principal payable at the principal office of U.S. Bank Trust Company, National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of business on the fifteenth day of January and July in each year, or the preceding business day if such fifteenth day is not a business day, by check mailed to such registered owner at the address as shown on the registration books of the Town kept for such purpose. The Bonds are subject to redemption prior to maturity as therein provided.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid general obligation of the Town the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The Town has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the Town with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Bonds.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

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

Respectfully,



280 Trumbull Street
Hartford, CT 06103-3597
Main (860) 275-8200
Fax (860) 275-8299

August __, 2023

Town of North Branford,
North Branford, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of North Branford, Connecticut (the “Town”), a Tax Regulatory Agreement of the Town, dated August __, 2023 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$24,805,000 Town of North Branford, Connecticut General Obligation Bond Anticipation Notes, dated August __, 2023 and maturing August __, 2024, consisting of Note R-1 in the aggregate principal amount of \$24,805,000, bearing interest at the rate of __% per annum, with principal and interest payable at maturity (the “Notes”). The Notes are not subject to redemption prior to maturity.

The Notes are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), to effect a book-entry system for the ownership and transfer of the Notes. So long as DTC or its nominee is the registered owner, principal and interest payments on the Notes will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Notes under authority of the Constitution and General Statutes of Connecticut and that the Notes are a valid general obligation of the Town the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income for federal income tax purposes. The Town has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Notes shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Notes.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the Town with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Notes.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Notes, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Notes will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Notes or adversely affect the market price of the Notes.

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

The rights of owners of the Notes and the enforceability of the Notes and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

Respectfully,

APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT – THE BONDS

CONTINUING DISCLOSURE AGREEMENT

Town of North Branford, Connecticut
\$14,975,000 General Obligation Bonds, Issue of 2023
dated August __, 2023

August __, 2023

WHEREAS, the Town of North Branford, Connecticut (the “Town”) has heretofore authorized the issuance of \$14,975,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2023, dated August __, 2023 (the “Bonds”), maturing on the dates and in the amounts set forth in the Town’s Official Statement dated July __, 2023 describing the Bonds (the “Official Statement”); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale, dated June __, 2023 (the “Notice of Sale”); and

WHEREAS, in the Notice of Sale, the Town has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the Town has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the “Rule”), and the Town desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the Town is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement (this “Agreement”) is to be made, executed and delivered by the Town in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, the Town hereby represents, covenants and agrees as follows:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Annual Report” shall mean any Annual Report provided by the Town pursuant to, and as described in, Sections 2 and 3 of this Agreement.

“Financial Obligation” shall mean any (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). Municipal securities as to which a final official statement has been filed with the Repository, consistent with the Rule, shall not be considered a Financial Obligation.

“Fiscal Year End” shall mean the last day of the Town’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” shall mean the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“SEC” shall mean the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Annual Reports.

(a) The Town shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the Town:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End prepared in accordance with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

- (A) the amounts of the gross and net taxable grand list;
- (B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;
- (C) the percentage and amount of the annual property tax levy collected and uncollected;
- (D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;
- (E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);
- (F) the total direct debt, total net direct debt and total overall net debt of the Town per capita;
- (G) the ratios of total direct debt and total overall net debt of the Town to the Town's net taxable grand list;
- (H) a statement of statutory debt limitations and debt margins; and
- (I) the funding status of the Town's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Town's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the Town which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the Town reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule. The Town also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The Town shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the Town shall provide such financial information and operating data no later than eight months after the close of such preceding Fiscal Year End. The Town agrees that if audited financial statements are not available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. The Town agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material;
- (xv) incurrence of a Financial Obligation by any obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of any obligated person, any of which affect Bondholders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of any obligated person, any of which reflect financial difficulties.

Section 5. Notice of Failure. The Town agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the Town to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The Town's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The Town may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the Town chooses to include any other information in any Annual Report or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the Town shall have no obligation under this Agreement to update such information or include or provide such information or notice of the occurrence of such event in the future.

Section 10. Indemnification. The Town agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the Town under this Section shall survive termination of this Agreement.

Section 11. Enforceability. The Town agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the Town does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the Town's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the Town with respect to the Bonds.

IN WITNESS WHEREOF, the Town has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

**TOWN OF NORTH BRANFORD,
CONNECTICUT**

By: _____

Name: Michael P. Downes

Title: Town Manager

By: _____

Name: Anthony P. Esposito, Jr.

Title: Town Treasurer

APPENDIX E – FORM OF CONTINUING DISCLOSURE AGREEMENT – THE NOTES

CONTINUING DISCLOSURE AGREEMENT

Town of North Branford, Connecticut
\$24,805,000 General Obligation Bond Anticipation Notes
dated August __, 2023

August __, 2023

WHEREAS, the Town of North Branford, Connecticut (the “Town”) has heretofore authorized the issuance of \$24,805,000 in aggregate principal amount of its General Obligation Bond Anticipation Notes, dated August __, 2023 (the “Notes”), maturing on the dates and in the amounts set forth in the Town’s Official Statement dated July __, 2023 describing the Notes (the “Official Statement”); and

WHEREAS, the Notes have been sold by a competitive bid pursuant to a Notice of Sale, dated June __, 2023 (the “Notice of Sale”); and

WHEREAS, in the Notice of Sale, the Town has heretofore acknowledged that an underwriter may not purchase or sell the Notes unless it has reasonably determined that the Town has undertaken in a written agreement for the benefit of the beneficial owners of the Notes to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the “Rule”), and the Town desires to assist the underwriter of the Notes in complying with the Rule; and

WHEREAS, the Town is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Notes to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Notes in complying with the Rule, this Continuing Disclosure Agreement (this “Agreement”) is to be made, executed and delivered by the Town in connection with the issuance of the Notes and to be described in the Official Statement, all for the benefit of the beneficial owners of the Notes, as they may be from time to time;

NOW, THEREFORE, the Town hereby represents, covenants and agrees as follows:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Financial Obligation” shall mean any (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). Municipal securities as to which a final official statement has been filed with the Repository, consistent with the Rule, shall not be considered a Financial Obligation.

“Listed Events” shall mean any of the events listed in Section 2 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” shall mean the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“SEC” shall mean the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Event Notices. The Town agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (ix) modifications to rights of Noteholders, if material;
- (x) Note calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Notes, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material;
- (xv) incurrence of a Financial Obligation by any obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of any obligated person, any of which affect Noteholders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of any obligated person, any of which reflect financial difficulties.

Section 3. Termination of Reporting Obligation. The Town's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes.

Section 4. Agent. The Town may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 5. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Notes and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 6. Additional Information. Nothing in this Agreement shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the Town chooses to disseminate any other information or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the Town shall have no obligation under this Agreement to update such information or provide such information or notice of the occurrence of such event in the future.

Section 7. Indemnification. The Town agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the Town under this Section shall survive termination of this Agreement.

Section 8. Enforceability. The Town agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Notes. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Notes of such failure. In the event the Town does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the Town's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the Town with respect to the Notes.

IN WITNESS WHEREOF, the Town has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

**TOWN OF NORTH BRANFORD,
CONNECTICUT**

By: _____
Name: Michael P. Downes
Title: Town Manager

By: _____
Name: Anthony P. Esposito, Jr.
Title: Town Treasurer

APPENDIX F – NOTICE OF SALE – THE BONDS

**NOTICE OF SALE
\$14,975,000
TOWN OF NORTH BRANFORD, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2023**

Electronic bids (as described herein) will be received by the **TOWN OF NORTH BRANFORD, CONNECTICUT** (the “Town”), until 11:30 A.M. (E.T.) Thursday,

JULY 13, 2023

(the “Sale Date”) for the purchase of all, but not less than all, of the \$14,975,000 Town of North Branford, Connecticut General Obligation Bonds, Issue of 2023 (the “Bonds”). Electronic bids must be submitted via **PARITY®**. (See “Electronic Bidding Procedures”).

The Town reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through **PARITY®**. Prospective bidders are advised to check for such **PARITY®** postings prior to the above stated sale time.

The Bonds

The Bonds will be dated August 3, 2023, mature in the principal amounts of \$575,000 on August 1 in the year 2025, \$850,000 on August 1 in the year 2026, \$575,000 on August 1 in the year 2027, \$800,000 on August 1 in each of the years 2028 to 2037, both inclusive, \$825,000 on August 1 in each of the years 2038 to 2042, and \$850,000 on August 1 in the year 2043, and bear interest payable on August 1, 2024 and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption, as further described in the Preliminary Official Statement for the Bonds dated June 30, 2023 (the “Preliminary Official Statement”).

The Bonds maturing on or before August 1, 2030 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2031 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after August 1, 2030, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the respective prices (expressed as a percentage of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
August 1, 2030 and thereafter	100%

Nature of Obligation

The full faith and credit of the Town will be pledged for the prompt payment of the principal of and interest on the Bonds when due. The Bonds will be general obligations of the Town payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

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

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 and integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent in Federal funds to DTC or its nominee as registered owner of the Bonds. Principal and interest payments to participants of DTC will be the responsibility of DTC. Principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY®**. Subscription to i-Deal LLC’s BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Town will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY®** shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, **PARITY®**, the use of such facilities being the sole risk of the prospective bidder.

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale. If any provisions of this Notice of Sale shall conflict with information provided by **PARITY®** as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: parity@i-deal.com).

Bid Specifications/Basis of Award

Each bid must be for the entire \$14,975,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state more than one interest rate for any Bonds having the same maturity date. The highest interest rate bid for a maturity and the lowest rate bid for any other maturity may not differ by more than three (3%) percentage points. Interest shall be computed on the basis of twelve 30-day months and a 360-day year. No bid for less than all of the Bonds or for less than par and accrued interest, if any, will be considered.

For purposes of the electronic bidding process, the time as maintained by **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, computed and rounded to six decimal places.

For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to August 3, 2023, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued, if any, to August 3, 2023, the delivery date of the Bonds. It is requested that each bid be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as a part of the bid. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.T.) on the Sale Date. The purchase price must be paid in Federal funds.

The Town reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The Town further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless all bids are rejected, or the bid is postponed, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut. The legality of the Bonds will be passed upon by Robinson & Cole LLP, Hartford, Connecticut (“Bond Counsel”), and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the Town relating to the accuracy and completeness of information contained in the final Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that (i) under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022, (iii) under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering its legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Town for the benefit of the owners of the Bonds, and further, will assume compliance by the Town with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank Trust Company, National Association, Hartford, Connecticut, and will be available for examination upon request.

Obligation to Deliver Issue Price Certificate

Pursuant to the Code and applicable Treasury Regulations, the Town must establish the “issue price” of the Bonds. In order to assist the Town, the winning bidder is obligated to deliver to the Town a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Bonds. The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Mark N. Chapman, Managing Director, Munistat Services, Inc., Email: mark.chapman@munistat.com, Telephone: (203) 421-2087, municipal advisor to the Town (the “Municipal Advisor”).

By submitting a bid, each bidder is certifying that (i) it is an underwriter of municipal bonds which has an established industry reputation for underwriting new issuances of municipal bonds, (ii) its bid is a firm offer to purchase the Bonds, (iii) its bid is a good faith offer which the bidder believes reflects current market conditions, and (iv) its bid is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of the issue price of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Rule”).

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Bonds. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

Competitive Sale Rule Met. If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Bonds as of the Sale Date.

Competitive Sale Rule Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Bonds prior to the delivery date of the Bonds. The rule selected with respect to each maturity of the Bonds shall be set forth on an Issue Price Rule Selection Certificate, the form of which is attached hereto, which shall be sent to the winning bidder promptly after the award of the Bonds. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to a maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

10% Sale Rule. To satisfy the 10% Sale Rule for any maturity of the Bonds, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Bonds of each maturity have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sale prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Bonds, this reporting requirement will continue, beyond the closing date of the Bonds, if necessary, until such date that at least 10 percent (10%) of such maturity of the Bonds has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or third party distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for any maturity of the Bonds, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Bonds of such maturity at a price that is higher than the initial offering price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Bonds of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Bonds; and

(iii) has or will include within any agreement among underwriters, selling group agreement or third party distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Bonds for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Bonds was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Bonds to the public (such as a third party distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

Settlement of the Bonds

The Bonds will be available for delivery on or about August 3, 2023. The deposit of the Bonds with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Municipal Advisor shall obtain CUSIP numbers for the Bonds prior to delivery, and the Town will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder.

The Preliminary Official Statement is in a form “deemed final” by the Town for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 25 copies of the final Official Statement prepared for the Bonds at the Town’s expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the Town’s Municipal Advisor. If the Municipal Advisor is provided with the necessary information from the winning bidder by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Continuing Disclosure

The Town will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Related Information

For more information regarding the Bonds and the Town, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement and the Issue Price Certificate may be obtained from the undersigned, or from Mark N. Chapman, Managing Director, Munistat Services, Inc., Email: mark.chapman@munistat.com, Telephone: (203) 421-2087, municipal advisor to the Town.

MICHAEL P. DOWNES
Town Manager

ANTHONY P. ESPOSITO, JR.
Town Treasurer

June 30, 2023

ISSUE PRICE RULE SELECTION CERTIFICATE

Town of North Branford, Connecticut
 \$14,975,000 General Obligation Bonds, Issue of 2023

The undersigned, on behalf of _____, [on behalf of itself and _____], hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned bonds (the “Bonds”), as described in the Notice of Sale for the Bonds, dated June 30, 2023 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	10% Sale Rule (Underwriter has or will comply with 10% Sale Price Rule for this Maturity)		Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
08/01/2025	\$575,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2026	850,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2027	575,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2028	800,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2029	800,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2030	800,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2031	800,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2032	800,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2033	800,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2034	800,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2035	800,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2036	800,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2037	800,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2038	825,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2039	825,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2040	825,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2041	825,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2042	825,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2043	850,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be completed prior to the delivery date of the Bonds.)

[NAME OF UNDER/REP]
 By: _____
 Name:
 Title:

Email this completed and executed certificate to the following by 5:00 P.M. on July 14, 2023:

Bond Counsel: kpalmer@rc.com **Municipal Advisor:** mark.chapman@munistat.com

APPENDIX G – NOTICE OF SALE – THE NOTES

**NOTICE OF SALE
\$24,805,000
TOWN OF NORTH BRANFORD, CONNECTICUT
GENERAL OBLIGATION BOND ANTICIPATION NOTES**

Electronic bids (as described herein) will be received by the **TOWN OF NORTH BRANFORD, CONNECTICUT** (the “Town”), until 11:00 A.M. (E.T.) Thursday,

JULY 13, 2023

(the “Sale Date”) for the purchase of all or a portion of the \$24,805,000 Town of North Branford, Connecticut General Obligation Bond Anticipation Notes (the “Notes”). Electronic bids must be submitted via **PARITY®**. (See “Electronic Bidding Procedures”).

The Town reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through **PARITY®**. Prospective bidders are advised to check for such **PARITY®** postings prior to the above stated sale time.

The Notes

The Notes will be dated August 3, 2023, and will be payable to the registered owner on August 2, 2024, as further described in the Preliminary Official Statement for the Notes dated June 30, 2023 (the “Preliminary Official Statement”). The Notes will bear interest (which interest shall be computed on the basis of twelve 30-day months and a 360 day year) payable at maturity at the rate or rates per annum set forth in the bid or bids accepted for their purchase, which rates shall be multiples of 1/1000 of one percent (1%) per annum.

The Notes are not subject to redemption prior to maturity.

Nature of Obligation

The full faith and credit of the Town will be pledged for the prompt payment of the principal of and interest on the Notes when due. The Notes will be general obligations of the Town payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

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

Registration

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$5,000 and integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidders, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Town or its agent in Federal funds to DTC or its nominee as registered owner of the Notes. Principal and interest payments to participants of DTC will be the responsibility of DTC. Principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY®**. Subscription to i-Deal LLC’s BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Town will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY®** shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, **PARITY®**, the use of such facilities being the sole risk of the prospective bidder.

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale. If any provisions of this Notice of Sale shall conflict with information provided by **PARITY®** as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: parity@i-deal.com).

Bid Specifications/Basis of Award

A proposal may be for all or any part of the Notes but any proposal for a part must be for not less than \$100,000, or a whole multiple thereof, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. As between proposals resulting in the same lowest net interest cost (rounded to six decimal places) to the Town, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the Town reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Town with respect to the Notes awarded is the same as that contained in the bidder’s proposal with respect to the entire amount bid, rounded to six decimal places. The Notes will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.T.) on July 13, 2023. The purchase price must be paid in Federal funds.

For purposes of the electronic bidding process, the time as maintained by **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the Town, computed and rounded to six decimal places.

The Town reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The Town further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless all bids are rejected or the bid is postponed, the Notes will be awarded to the bidder or bidders offering to purchase the Notes or a portion thereof at the lowest net interest cost computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any.

Closing Documents and Legal Opinion

The Notes will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut. The legality of the Notes will be passed upon by Robinson & Cole LLP, Hartford, Connecticut (“Bond Counsel”), and the winning bidders will be furnished with their opinion without charge. Each winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Notes, a certificate signed by the appropriate officials of the Town relating to the accuracy and completeness of information contained in the final Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that (i) under existing statutes and court decisions, interest on the Notes is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022, (iii) under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering its legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Town for the benefit of the owners of the Notes, and further, will assume compliance by the Town with the covenants and procedures set forth in such Tax Regulatory Agreement. A signed opinion and transcript of proceedings will be filed with U.S. Bank Trust Company, National Association, Hartford, Connecticut, and will be available for examination upon request.

Obligation to Deliver Issue Price Certificate

Pursuant to the Code and applicable Treasury Regulations, the Town must establish the “issue price” of the Notes. In order to assist the Town, each winning bidder is obligated to deliver to the Town a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Notes. The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Notes. The form of Issue Price Certificate is available by contacting Mark N. Chapman, Managing Director, Munistat Services, Inc., Email: mark.chapman@munistat.com, Telephone: (203) 421-2087, municipal advisor to the Town (the “Municipal Advisor”).

By submitting a bid, each bidder is certifying that (i) it is an underwriter of municipal notes which has an established industry reputation for underwriting new issuances of municipal notes, (ii) its bid is a firm offer to purchase the Notes, (iii) its bid is a good faith offer which the bidder believes reflects current market conditions, and (iv) its bid is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of the issue price of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received on all of the Notes from at least three (3) underwriters of municipal notes who have established industry reputations for underwriting new issuances of municipal notes (the “Competitive Sale Rule”).

The Municipal Advisor will advise the winning bidders if the Competitive Sale Rule was met at the same time it notifies the winning bidders of the award of the Notes. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

Competitive Sale Rule Met. If the Municipal Advisor advises the winning bidders that the Competitive Sale Rule has been met, the winning bidders shall, within one (1) hour after being notified of the award of the Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of the Notes as of the Sale Date.

Competitive Sale Rule Not Met. By submitting a bid, the winning bidders agree (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Notes prior to the delivery date of the Notes. The rule selected with respect to each maturity of the Notes shall be set forth on an Issue Price Rule Selection Certificate, the form of which is attached hereto, which shall be sent to the winning bidders promptly after the award of the Notes. The winning bidders shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made, the winning bidders agree that the Hold the Offering Price Rule shall apply to such Notes.**

10% Sale Rule. To satisfy the 10% Sale Rule for any maturity of the Notes, the winning bidders:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Notes (or each maturity thereof, if applicable) have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sale prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Notes, this reporting requirement will continue, beyond the closing date of the Notes, if necessary, until such date that at least 10 percent (10%) of such maturity of the Notes has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or third party distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for any maturity of the Notes, the winning bidders:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering price(s) and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Notes at a price that is higher than the initial offering price of such Notes until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of such maturity of the Notes at a price that is no higher than the initial offering price of such maturity of the Notes or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Notes; and

(iii) has or will include within any agreement among underwriters, selling group agreement or third party distribution agreement (to which each winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Notes that have the same interest rate, credit and payment terms.

If a winning bidder has purchased any maturity of the Notes for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Notes was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidders or any person that agrees pursuant to a written contract with the winning bidders to participate in the initial sale of the Notes to the public (such as a third party distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Notes to the public). In making the representations described above, the winning bidders must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the winning bidder in connection with the initial sale of any of the Notes.

Settlement of the Notes

The Notes will be available for delivery on or about August 3, 2023. The deposit of the Notes with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Municipal Advisor shall obtain CUSIP numbers for the Notes prior to delivery, and the Town will not be responsible for any delay occasioned by the failure of the winning bidders to obtain such numbers and to supply them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder(s).

The Preliminary Official Statement is in a form “deemed final” by the Town for purposes of SEC Rule 15c2-12(b)(1). The winning bidders will be furnished 25 copies of the final Official Statement prepared for the Notes at the Town’s expense. Additional copies may be obtained by the winning bidders at their own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidders no later than seven business days after the bid opening at the office of the Town’s Municipal Advisor. If the Municipal Advisor is provided with the necessary information from the winning bidders by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, and the names of the winning bidders of the Notes.

Continuing Disclosure

The Town will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Notes. Each winning bidder’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for the Notes.

Related Information

For more information regarding the Notes and the Town, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement and the Issue Price Certificate may be obtained from the undersigned, or from Mark N. Chapman, Managing Director, Munistat Services, Inc., Email: mark.chapman@munistat.com, Telephone: (203) 421-2087, municipal advisor to the Town.

MICHAEL P. DOWNES

Town Manager

ANTHONY P. ESPOSITO, JR.

Town Treasurer

June 30, 2023

ISSUE PRICE RULE SELECTION CERTIFICATE

Town of North Branford, Connecticut
 \$24,805,000 General Obligation Bond Anticipation Notes

The undersigned, on behalf of _____, [on behalf of itself and _____], hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned notes (the “Notes”), as described in the Notice of Sale for the Notes, dated June 30, 2023 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	10% Sale Rule (Underwriter has or will comply with 10% Sale Price Rule for this Maturity)		Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
08/02/2024	\$24,805,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be completed prior to the delivery date of the Notes.)

[NAME OF UNDER/REP]

By: _____
 Name:
 Title:

Email this completed and executed certificate to the following by 5:00 P.M. on July 14, 2023:

Bond Counsel: kpalmer@rc.com **Municipal Advisor:** mark.chapman@munistat.com