



September 14, 2023

MEMORANDUM TO PROSPECTIVE BIDDERS

**Re: TOWN OF STRATFORD, CONNECTICUT
\$19,285,000 General Obligation Bond Anticipation Notes, Issue of 2023, Series B
Dated: October 3, 2024 Due: January 30, 2024**

Per the official Notice of Sale. Proposals may be submitted by telephone to:

Name:	William N. Lindsay, Munistat Services, Inc., as representative of the Town of Stratford
Date:	Thursday, September 21, 2023
Time:	Until 11:30 A.M. (Eastern Time)
Telephone:	(203) 421-2880 (203) 421-2087

Telephone proposals and Electronic Bids via *PARITY*® for the Notes will be received until 11:30 A.M. (Eastern Time) on Thursday, September 21, 2023 as described in the Notice of Sale.

An Official Statement has not been prepared by or on behalf of the Issuer for this sale. This issue of notes is exempt from the provisions of Rule 15c2-12, as amended, of the Securities and Exchange Commission.

The audited “Basic Financial Statements” of the Town of Stratford, Connecticut, (the “Town”) as of June 30, 2022 are included in this package as Appendix A. A complete copy of the Audited Financial Statements is available upon request.

The Town has retained Munistat Services, Inc. (the “Municipal Advisor”) to serve as its municipal advisor in connection with the issuance of the Notes. The Municipal Advisor has not independently verified any of the information contained in the Notice of Sale and its appendices and makes no guarantee as to their completeness or accuracy.

TOWN OF STRATFORD, CONNECTICUT

\$19,285,000

GENERAL OBLIGATION BOND ANTICIPATION NOTES, ISSUE OF 2023, SERIES B

DATED: OCTOBER 3, 2023

DUE: JANUARY 30, 2024

SALE DATE AND TIME: THURSDAY, SEPTEMBER 21, 2023 until 11:30 A.M. (E.T.)

THIS IS NOT AN OFFICIAL STATEMENT

INFORMATION REGARDING ISSUE AND THE TOWN

AUDITED FINANCIAL STATEMENTS

FORM OF OPINION OF BOND COUNSEL AND TAX MATTERS

NOTICE OF SALE AND PROPOSAL FOR NOTES

SEPTEMBER 14, 2023

TERM SHEET

Town of Stratford, Connecticut Tax-Exempt General Obligation Bond Anticipation Notes, Issue of 2023, Series B, dated October 3, 2023

Date of Sale:	<u>Thursday, September 21, 2023, 11:30 A.M. (Eastern Time).</u>
Location of Sale:	Proposals may be submitted by telephone to Mr. William Lindsay, Munistat Services, Inc., Representative of Town of Stratford at 203-421-2880 or 203-421-2087 or by electronic bid via <i>PARITY</i>®.
Issuer:	Town of Stratford, Connecticut (the “Town”).
Issue:	\$19,285,000 General Obligation Bond Anticipation Notes (the “Notes”), Issue of 2023, Series B.
Dated Date:	October 3, 2023.
Interest Due:	At maturity, January 30, 2024.
Principal Due:	At maturity, January 30, 2024.
Purpose:	Proceeds of the Notes will be used to redeem a portion of the Town’s \$21,085,000 Bond Anticipation Notes maturing on October 3, 2023 and the balance of the maturing notes in the amount of \$1,800,000 shall be paid with Town monies. The funds from the maturing notes were used to fund various capital projects of the Town.
Redemption:	The Notes are <u>not</u> subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the Town of Stratford, Connecticut. See “Notice of Sale” herein.
Credit Rating:	No application has been made for a rating on the Notes. Currently the Town has credit ratings of “A2” from Moody’s Investors Service, Inc. (“Moody’s”) and “AA-” from S&P Global Ratings (“S&P”) on its outstanding bonds.
Basis of Award:	Lowest Net Interest Cost (NIC), as of dated date.
Tax Exemption:	Tax Exempt. See attached “Form of Opinion of Bond Counsel and Tax Matters”.
Interest Calculation:	Interest will be calculated on the basis of twelve 30-day months and a 360-day year.
Continuing Disclosure:	The undertaking to provide continuing disclosure under SEC rule 15c2-12 does not apply to this issue of Notes. Therefore, the Town will not enter into a Continuing Disclosure Agreement with respect to the Notes.
Bank Qualification:	The Notes shall <u>NOT</u> 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 certain interest expense allocable to the Notes.
Minimum Denomination:	\$100,000 or multiples of \$1,000 in excess thereof. The Notes will be issued in reliance on an exemption from the provision of Rule 15c2-12 of the Securities and Exchange Commission.
Registrar, Certifying Agent and Paying Agent:	U.S. Bank Trust Company, National Association, Global Corporate Trust, City Place I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut, 06103.

Legal Opinion: Pullman & Comley, LLC, Hartford, Connecticut will act as Bond Counsel.

Delivery and Payment: It is expected that delivery of the Notes in book-entry form will be made to the Depository Trust Company on or about October 3, 2023 against payment in **Federal Funds**.

Issuer Official: Questions concerning the Town and this issue of Notes should be directed to Dawn N. Savo, Director of Finance, Town of Stratford, 2725 Main Street, Stratford, Connecticut, 06615. Telephone: (203) 385-4040.

Municipal Advisor: Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: William N. Lindsay, Managing Director, Telephone: 203-421-2880.

INFORMATION REGARDING ISSUE AND THE TOWN

Authorization and Purpose

<u>Project</u>	<u>Authorization</u>	BANs <u>Maturing</u> <u>10/3/2023</u>	<u>Additions/ Reductions</u>	<u>The Notes</u> <i>(This Issue)</i>
Stratford High School Improvements.....	\$ 65,000,000	\$ 7,000,000	\$ -	\$ 7,000,000
Fiscal Year 2017-18 Capital Equipment Plan.....	1,380,000	285,000	(285,000)	-
Fiscal Year 2018-19 Capital Equipment Plan.....	1,795,700	457,000	(457,000)	-
Fiscal Year 2019-20 Capital Equipment Plan.....	3,004,996	1,286,000	(600,000)	686,000
Fiscal Year 2020-21 Capital Equipment Plan.....	2,490,000	1,417,000	(458,000)	959,000
Fiscal Year 2021-22 Capital Improvement Plan....	11,685,000	550,000	-	550,000
2020 School Roof Projects.....	6,900,000	4,115,000	-	4,115,000
2021 School Photo-voltaic Panel Array Projects...	4,296,000	2,562,000	-	2,562,000
Fiscal Year 2022-23 Capital Equipment Plan.....	2,013,000	2,013,000	-	2,013,000
Fiscal Year 2022-23 Capital Improvement Plan....	10,425,000	1,400,000	-	1,400,000
Total.....	<u>\$108,989,696</u>	<u>\$21,085,000</u>	<u>\$ (1,800,000)</u>	<u>\$19,285,000</u>

General Description

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

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

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

The Town's public school system provides a balanced curriculum for approximately 6,800 students. There are several vocational training facilities, colleges and universities in close proximity to the Town which offer a variety of educational programs.

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

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

Form of Government

From 1921 until 2005, the Town operated under a Council-Manager form of government. In November 2003, the electors of the Town approved a referendum authorizing a revision to the Charter requiring a change to a Mayor-Council form of government. The new form of government took effect on December 12, 2005 when the Town's first Mayor was sworn into office. The Mayor is a full time, compensated, elected official. The Mayor's term is for four years. The Mayor is recognized as the head of the Town and appoints all department heads including the Town Attorney, appoints citizens to commissions,

prepares the budget, establishes criteria for evaluation of subordinates, and signs or vetoes legislation passed by the Council. This power includes the ability to veto a specific line item within proposed operating budgets. The Mayor's attendance at all Council meetings is required, but the Mayor is not able to vote unless to break a tie vote of the Town Council. A Chief Administrative Officer (the "CAO") is appointed by the Mayor, and assists the Mayor with budget preparation, labor negotiations, and any other areas deemed appropriate by the Mayor. The CAO is required to have an education and background in public administration. A Town Council of ten members, who are elected biennially for two-year terms and cannot serve more than three consecutive terms, performs the legislative function. The Town Council approves the annual budget, supplemental appropriations, and bond authorizations. The Mayor and the Town Council were all elected in November 2021.

Town Officials

<u>Name</u>	<u>Position</u>	<u>Term</u>	<u>Length of Service</u>
Laura R. Hoydick	Mayor	4 years - Elected	5 years
Christopher Pia.....	Town Council Chair.....	2 years - Elected	6 years
Katilyn Shake.....	Town Council Member.....	2 years - Elected	2 years
Lesette Franceshi.....	Town Council Member.....	2 years - Elected	1 year
Kimberly Rice.....	Town Council Member.....	2 years - Elected	1 year
Gregory Cann.....	Town Council Member.....	2 years - Elected	6 years
Ken Poisson.....	Town Council Member.....	2 years - Elected	5 years
Jean-Marie Sutton.....	Town Council Member.....	2 years - Elected	1 year
James Connor.....	Town Council Member.....	2 years - Elected	5 years
William O'Brien.....	Town Council Member.....	2 years - Elected	5 years
Laura Dancho.....	Town Council Member.....	2 years - Elected	5 years
Christopher Tymniak.....	Chief Administrative Officer.....	Appointed	7 years
Dr. Uyi Osunde.....	Superintendent of Schools.....	Appointed	9 years
Dawn M. Savo.....	Finance Director.....	Appointed	2 years
Sarah Matthews.....	Chief of Staff.....	Appointed	Less than 1 year
Ron Ing.....	Director of Personnel.....	Appointed	11 years
Larry Ciccarelli.....	Public Safety Director.....	Appointed	8 years

Municipal Employment

<u>Fiscal Year</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Board of Education.....	975	975	970	955	890
General Government.....	437	448	446	443	464
Total	<u>1,412</u>	<u>1,423</u>	<u>1,416</u>	<u>1,398</u>	<u>1,354</u>

Source: Town officials

[The remainder of this page has been intentionally left blank]

Population Trends

<u>Year</u>	<u>Town of Stratford</u>	<u>Fairfield County</u>	<u>State of Connecticut</u>
1980	50,541	807,143	3,107,576
1990	49,389	857,270	3,287,116
2000	49,976	882,567	3,405,565
2010	51,384	916,829	3,574,097
2020	51,982	944,306	3,570,549
2021	52,360	956,446	3,605,330

Source: U. S. Census Bureau.

Age Distribution of the Population

<u>Age</u>	<u>Town of Statford</u>		<u>Fairfield 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.....	2,351	4.5	51,434	5.4	182,122	5.1
5 - 9.....	2,328	4.4	57,243	6.0	196,540	5.5
10 - 14.....	3,402	6.5	65,500	6.8	224,371	6.2
15 - 19.....	3,031	5.8	67,324	7.0	245,790	6.8
20 - 24.....	3,610	6.9	59,983	6.3	241,370	6.7
25 - 34.....	6,061	11.6	108,981	11.4	445,861	12.4
35 - 44.....	6,282	12.0	120,976	12.6	439,098	12.2
45 - 54.....	7,404	14.1	137,537	14.4	488,283	13.5
55 - 59.....	3,664	7.0	72,231	7.6	269,688	7.5
60 - 64.....	3,922	7.5	63,852	6.7	252,028	7.0
65 - 74.....	5,619	10.7	85,656	9.0	357,409	9.9
75 - 84.....	3,061	5.8	43,079	4.5	173,149	4.8
85 and over....	1,625	3.1	22,650	2.4	89,621	2.5
Total	52,360	100.0	956,446	100.0	3,605,330	100.0
Median Age...	43.4		40.7		41.0	

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

Selected Wealth and Income Indicators

	<u>Median Family Income</u>		<u>Per Capita Income</u>	
	<u>(2000)</u>	<u>(2021)</u>	<u>(2000)</u>	<u>(2021)</u>
Town of Stratford.....	\$64,364	\$101,614	\$26,501	\$ 41,009
Fairfield County.....	77,690	125,563	38,350	61,651
Connecticut.....	65,521	106,441	28,766	47,869
United States.....	49,600	85,028	21,690	37,638

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

Income Distribution

	<u>Town of Stratford</u>		<u>Fairfield 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....	156	1.1	5,655	2.3	23,811	2.6
10,000 to 14,999.....	152	1.1	3,568	1.5	14,243	1.6
15,000 to 24,999.....	402	2.9	8,960	3.7	36,091	4.0
25,000 to 34,999.....	738	5.3	10,916	4.5	44,586	4.9
35,000 to 49,999.....	1,189	8.6	17,215	7.1	71,397	7.8
50,000 to 74,999.....	2,225	16.1	28,529	11.8	123,873	13.6
75,000 to 99,999.....	1,863	13.5	22,702	9.4	113,529	12.5
100,000 to 149,999.	3,488	25.2	41,184	17.0	188,052	20.7
150,000 to 199,999.	1,939	14.0	29,956	12.4	117,255	12.9
200,000 or more.....	1,697	12.3	73,000	30.2	177,169	19.5
	<u>13,849</u>	<u>100.0</u>	<u>241,685</u>	<u>100.0</u>	<u>910,006</u>	<u>100.0</u>

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

Educational Attainment

<u>Educational Attainment Group</u>	<u>Town of Stratford</u>		<u>Fairfield 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>
Less than 9th grade.....	1,312	3.5	34,610	5.3	101,461	4.0
9th to 12th grade, no diploma.....	2,076	5.5	29,615	4.5	123,560	4.9
High School graduate (includes equivalency)...	10,911	29.0	136,454	20.8	656,949	26.1
Some college, no degree.....	7,187	19.1	91,887	14.0	418,214	16.6
Associates degree.....	3,326	8.8	40,067	6.1	194,987	7.8
Bachelor's degree.....	7,656	20.3	177,060	27.0	561,567	22.3
Graduate or professional degree.....	5,170	13.7	145,269	22.2	458,399	18.2
Total	<u>37,638</u>	<u>100.0</u>	<u>654,962</u>	<u>100.0</u>	<u>2,515,137</u>	<u>100.0</u>
Percent of High School Graduates.....		91.0%		90.2%		91.1%
Percent of College Graduates.....		34.1%		49.2%		40.6%

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

Employment by Industry

<u>Employment Sector</u>	<u>Town of Stratford</u>		<u>Fairfield 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>
Agriculture, Forestry, Fishing, Hunting & Mining...	31	0.1	1,150	0.2	7,314	0.4
Construction.....	1,579	5.9	33,321	6.9	113,665	6.2
Manufacturing.....	3,108	11.5	38,723	8.0	192,688	10.6
Wholesale Trade.....	625	2.3	11,495	2.4	41,165	2.3
Retail Trade.....	2,885	10.7	49,967	10.3	194,081	10.6
Transportation, Warehousing & Utilities.....	1,309	4.9	18,276	3.8	80,481	4.4
Information.....	447	1.7	12,646	2.6	36,259	2.0
Finance, Insurance & Real Estate.....	2,298	8.5	58,062	12.0	164,657	9.0
Professional, Scientific & Management.....	2,952	10.9	75,723	15.6	212,866	11.7
Educational Services & Health Care.....	7,765	28.8	111,400	23.0	482,274	26.5
Arts, Entertainment, Recreation & Food Services...	1,941	7.2	37,782	7.8	148,835	8.2
Other Service (including nonprofit).....	793	2.9	23,814	4.9	82,217	4.5
Public Administration.....	1,231	4.6	12,482	2.6	66,493	3.6
Total	<u>26,964</u>	<u>100.0</u>	<u>484,841</u>	<u>100.0</u>	<u>1,822,995</u>	<u>100.0</u>

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

Major Employers

Name of Employer	Nature of Entity	Number of Employees
Lockheed Martin Sikorsky Aircraft....	Manufacturer of Helicopters.....	6,137
Town of Stratford.....	Government.....	1,398
United Parcel Service.....	Package Delivery.....	521
Lord Chamberlain.....	Skilled Nursing Facility.....	398
Ashcroft Holdings.....	Manufacturer of Gauges, Valves.....	401
Burns Construction.....	Construction.....	308
Connecticut Distributors.....	Liquor Distributors.....	305
Encon.....	HVAC.....	260
Nuovo Pasta.....	Retail Grocery Products.....	225
Bridgeport Fittings.....	Manufacturer of Electrical Fittings....	212
William B. Myers.....	Moving, Storage & Rigging.....	181
Big Y.....	Retail Grocery Products.....	133
ShopRite.....	Retail Grocery Products.....	160
Stop & Shop.....	Retail Grocery Products.....	139
Two Roads Brewing.....	Craft Beer Industry.....	100
Clarity Output Solutions.....	Communications - Publishing.....	91
Unifirst Corp.....	Uniforms.....	104
Total		<u>11,073</u>

Source: Town of Stratford Economic Development Department.

Unemployment

Period	Town of Stratford		Percentage Unemployed		
	Employed ¹	Unemployed ¹	Town of Stratford (%) ¹	Bridgeport Labor Market (%) ¹	State of Connecticut (%) ¹
July 2023.....	26,520	1,348	4.8	4.1	3.9
June 2023.....	26,304	1,287	4.7	4.2	4.0
May 2023.....	25,828	1,132	4.2	3.9	3.7
April 2023.....	25,778	1,023	3.8	3.1	3.0
March 2023.....	25,472	1,295	4.8	4.4	4.3
February 2023....	25,530	1,399	5.2	4.8	4.6
January 2023.....	25,808	1,323	4.9	4.3	4.2
Annual Average					
2022.....	26,242	1,349	4.9	4.2	4.2
2021.....	24,519	1,991	7.5	6.3	6.3
2020.....	24,239	2,510	9.4	8.1	7.9
2019.....	26,397	1,163	4.2	3.6	3.6
2018.....	26,264	1,215	4.4	3.9	3.9
2017.....	26,205	1,432	5.2	4.4	4.4
2016.....	25,931	1,522	5.5	4.8	4.8
2015.....	25,788	1,710	6.2	5.5	5.6
2014.....	25,526	2,032	7.4	6.4	6.6
2013.....	24,673	2,364	8.7	7.7	8.0

¹ Not seasonably adjusted.

Source: State of Connecticut Department of Labor

Housing Inventory

<u>Type</u>	<u>Units</u>	<u>Percent</u>
1-unit detached.....	14,339	66.2
1-unit attached.....	2,159	10.0
2 to 4 units.....	2,840	13.1
5 to 9 units.....	690	3.2
10 or more units.....	1,607	7.4
Mobile home, trailer, other..	40	0
Total Inventory.....	21,675	100.0

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

Value of Owner-Occupied Housing Units

<u>Value of Owner Occupied Units</u>	<u>Town of Stratford</u>		<u>Fairfield 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>
Less than \$50,000.....	344	2.1	4,076	1.8	19,747	2.1
50,000 to 99,999.....	449	2.8	3,940	1.7	25,603	2.8
100,000 to 149,999.....	877	5.5	6,478	2.8	68,932	7.4
150,000 to 199,999.....	1,580	9.9	12,562	5.4	130,158	14.1
200,000 to 299,999.....	6,689	41.8	33,563	14.4	250,981	27.1
300,000 to 499,999.....	5,426	33.9	73,072	31.4	268,183	29.0
500,000 to 999,999.....	544	3.4	64,162	27.6	117,839	12.7
1,000,000 and over.....	105	0.7	34,979	15.0	44,060	4.8
Total.....	16,014	100.0	232,832	100.0	925,503	100.0
Median Value	\$274,400		\$443,100		\$286,700	

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

{The remainder of this page intentionally left blank}

Taxable Grand List

Grand List Dated	Real Property	Personal Property	Motor Vehicle Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
10/1/22	\$4,146,747,610	\$782,073,695	\$540,689,508	\$5,469,510,813	\$307,972,270	\$5,161,538,543
10/1/21	4,125,935,164	681,118,728	494,214,415	5,301,268,307	290,958,584	5,010,309,723
10/1/20	4,017,920,520	632,943,671	381,013,445	5,031,877,636	256,028,506	4,775,849,130
10/1/19 ¹	4,062,106,980	586,022,641	361,182,757	5,009,312,378	240,202,846	4,769,109,532
10/1/18	3,929,535,970	575,631,130	351,015,990	4,856,183,090	238,452,090	4,617,731,000
10/1/17	3,909,285,220	544,923,142	345,667,180	4,799,875,542	245,951,660	4,553,923,882
10/1/16	3,897,095,857	495,024,132	341,137,740	4,733,257,729	240,770,110	4,492,487,619
10/1/15	3,899,177,250	474,463,002	336,333,270	4,709,973,522	227,802,820	4,482,170,702
10/1/14 ¹	3,888,216,900	469,680,249	329,035,740	4,686,932,889	242,736,347	4,444,196,542
10/1/13	4,006,478,639	470,070,716	322,759,890	4,799,309,245	240,770,110	4,558,539,135

¹ Revaluation

Source: Town of Stratford Assessor Office.

Largest Taxpayers

Business-Name	Nature of Business	Grand List of October 1, 2022		
		Estimated Assessment	Rank	Percent of Total
Lockheed Martin Co.....	Helicopter Manufacturer..	\$231,588,260	1	4.49%
United Illuminating.....	Utility.....	214,210,370	2	4.15%
Sikorsky Aircraft.....	Helicopter Manufacturer..	91,355,099	3	1.77%
Southern Connecticut Gas.....	Utility.....	48,339,640	4	0.94%
Ashcroft Inc.....	Instrument Manufacturer..	21,858,690	5	0.42%
ETCL Stratford, LLC.....	Real Estate.....	21,157,430	6	0.41%
485 Lordship DE Owner LLC.....	Real Estate.....	19,971,182	7	0.39%
UB Dockside LLC (Urstadt Biddle Prop).	Real Estate.....	19,937,190	8	0.39%
Stonybrook Gardens Cooperative.....	Apartments.....	18,886,910	9	0.37%
DCR7S1 CT LLC.....	Real Estate.....	18,743,270	10	0.36%
	Total	<u>\$706,048,041</u>		<u>13.69%</u>

Source: Town of Stratford Assessor Office.

Property Tax Levies and Collections

FY Ending 30-Jun	Net Taxable Grand List	Total Tax Rate (In Mills)	Adjusted Tax Levy	Collected End of Each FY	Uncollected Taxes	
					Each FY	As of 6/30/2022
2024 ¹	\$5,161,538,543	40.20	\$199,055,589	In process	In process	In process
2023 ²	5,010,309,723	39.46	189,954,675	In process	In process	In process
2022	4,775,849,130	39.47	192,146,304	97.5 %	\$4,736,804	\$4,736,804
2021 ³	4,769,109,532	39.64	189,770,948	97.8	4,095,027	2,563,184
2020	4,617,731,000	39.87	182,676,632	97.6	4,391,158	1,625,732
2019	4,553,923,882	39.90	181,908,368	97.9	3,874,828	994,434
2018	4,492,487,619	39.97	179,620,498	97.5	4,562,247	396,086
2017	4,482,170,702	38.99	164,272,933	97.7	3,994,094	190,737
2016 ³	4,444,196,542	36.98	164,272,933	97.6	4,029,648	144,314
2015	4,558,539,135	35.63	162,727,443	97.4	4,167,744	101,119

¹ Adopted Budget.

² Unaudited estimate.

³ Revaluation

Source: Town of Stratford Assessor Office.

FINANCIAL INFORMATION

Comparative General Fund Operating Statement – Fiscal Years 2021-22, 2022-23 and 2023-24
Budget and Actual (Budgetary Basis)

	<u>Fiscal Year 2021-22</u>			<u>Fiscal Year</u>	<u>Fiscal Year</u>
	<u>Revised</u>	<u>Unaudited</u>	<u>Variance</u>	<u>2022-23</u>	<u>2023-24</u>
	<u>Budget</u>	<u>Estimate</u>	<u>Favorable</u>	<u>Adopted</u>	<u>Adopted</u>
			<u>(Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>
REVENUES					
Property taxes, interest and liens.....	\$194,281,235	\$193,572,715	\$ (708,520)	\$198,393,246	\$205,123,589
Intergovernmental revenue.....	37,648,377	35,528,077	(2,120,300)	37,101,152	39,285,747
Departmental revenues.....	2,880,000	3,459,057	579,057	2,930,102	3,261,100
Licenses, fees and permits.....	944,000	1,035,537	91,537	897,000	1,043,000
Investment Income.....	875,000	(23,652)	(898,652)	450,000	1,595,000
Other revenues.....	1,099,000	1,101,473	2,473	1,024,000	3,034,000
TOTAL REVENUES	<u>237,727,612</u>	<u>234,673,207</u>	<u>(3,054,405)</u>	<u>240,795,500</u>	<u>253,342,436</u>
EXPENDITURES					
Current:					
Administration.....	\$ 6,317,942	\$ 6,250,355	\$ 67,587	\$ 8,835,686	\$ 8,976,782
Contingency.....	4,761,500	4,012,787	748,713	4,953,348	5,508,806
Employee Benefits.....	34,600,092 ¹	32,831,892 ¹	1,768,200	25,058,214 ¹	25,718,021 ¹
Finance.....	2,186,931	1,982,374	204,557	2,235,914	2,288,178
Human Development.....	6,569,789	6,328,370	241,419	6,903,229	7,253,695
Public Works.....	15,582,222	15,270,559	311,663	15,733,710	16,209,435
Public Safety.....	26,816,438	27,876,306	(1,059,868)	26,058,995	27,412,483
Education.....	120,184,338	119,971,490	212,848	123,188,946	125,400,722
Debt Service.....	22,872,830	23,955,266	(1,082,436)	34,824,813 ¹	34,710,008 ¹
TOTAL EXPENDITURES	<u>239,892,082</u>	<u>238,479,399</u>	<u>1,412,683</u>	<u>247,792,855</u>	<u>253,478,130</u>
Excess (deficiency) of revenues over expenditures	<u>(2,164,470)</u>	<u>(3,806,192)</u>	<u>(1,641,722)</u>	<u>(6,997,355)</u>	<u>(135,694)</u>
Other financing sources (uses):					
Operating transfers in.....	3,290,000	5,127,895	1,837,895	8,200,000 ²	1,050,000
Operating transfers out.....	<u>(1,125,530)</u>	<u>(1,125,530)</u>	<u>-</u>	<u>(1,202,645)</u>	<u>(914,306)</u>
Total Other financing sources (uses).....	2,164,470	4,002,365	1,837,895	6,997,355	135,694
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.....	<u>\$ -</u>	<u>\$ 196,173</u>	<u>\$ 196,173</u>	<u>\$ -</u>	<u>\$ -</u>

¹ Includes debt service for the Town's 2013 Pension Bond issue. For budgetary purposes, Pension Bond debt service was moved from the employee benefits line item to the debt service line item beginning with the Fiscal Year 2022-23 budget.

² Includes \$5,700,000 in ARPA funding for revenue loss.

Source: Fiscal year 2021-22 unaudited estimate; Fiscal year 2022-23 adopted budget; Fiscal year 2023-24 adopted budget.

Comparative Balance Sheets

Fiscal Year Ended:	2018	2019	2020	2021	2022
ASSETS					
Cash and cash equivalents.....	\$ 55,894,040	\$ 65,901,692	\$ 38,095,458	\$ 38,347,614	\$ 55,335,140
Receivables, net.....	11,967,778	10,465,306	12,292,756	12,741,881	16,484,709
Inventories and prepaids.....	3,066	391,396	249,081	105,832	23,977
Advances to other funds.....	1,402,248	1,227,942	1,220,363	1,063,061	895,502
Due from other funds.....	-	8,013,327	28,049,220	108,994,946	108,327,724
TOTAL ASSETS.....	<u>\$ 69,267,132</u>	<u>\$ 85,999,663</u>	<u>\$ 79,906,878</u>	<u>\$ 161,253,334</u>	<u>\$ 181,067,052</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES.....					
Accounts payable.....	\$ 3,202,139	\$ 2,980,606	\$ 3,840,609	\$ 4,383,557	\$ 3,421,448
Accrued liabilities.....	898,588	574,660	819,624	823,399	1,398,794
Due to other funds.....	48,835,665	66,003,746	56,491,648	132,701,294	147,335,733
TOTAL LIABILITIES.....	<u>52,936,392</u>	<u>69,559,012</u>	<u>61,151,881</u>	<u>137,908,250</u>	<u>152,155,975</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable resources - property taxes.....	10,270,294	9,355,938	10,808,112	11,407,315	8,721,644
Unavailable resources - property taxes interest...	-	-	-	-	3,617,197
Unavailable resources - other.....	-	28,934	33,629	34,411	-
Leases.....	-	-	-	-	1,427,345
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>10,270,294</u>	<u>9,384,872</u>	<u>10,841,741</u>	<u>11,441,726</u>	<u>13,766,186</u>
FUND BALANCES					
Nonspendable.....	1,405,314	1,619,338	1,469,444	1,168,893	919,479
Restricted.....	-	-	-	-	-
Committed.....	-	-	-	-	-
Assigned.....	1,064,339	190,623	102,859	502,946	599,538
Unassigned.....	3,590,793	5,245,818	6,340,953	10,231,519	13,625,874
TOTAL FUND BALANCES.....	<u>6,060,446</u>	<u>7,055,779</u>	<u>7,913,256</u>	<u>11,903,358</u>	<u>15,144,891</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	<u>\$ 69,267,132</u>	<u>\$ 85,999,663</u>	<u>\$ 79,906,878</u>	<u>\$ 161,253,334</u>	<u>\$ 181,067,052</u>

Source: Annual audited financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance

Fiscal Year Ended:	2018	2019	2020	2021	2022
REVENUES					
Property taxes.....	\$180,421,843	\$183,916,324	\$185,583,030	\$190,726,606	\$193,473,157
State and Federal Governments.....	48,171,466	36,258,221	47,900,337	49,714,746	54,079,573
Charges for services.....	3,001,405	2,821,562	2,708,610	2,981,652	3,266,057
Licenses and permits.....	1,003,139	786,372	1,107,379	1,066,298	1,071,416
Investment income.....	303,072	1,082,636	931,490	22,420	(23,855)
Other revenues.....	1,140,804	2,351,047	969,961	635,275	2,060,072
TOTAL REVENUES.....	\$234,041,729	\$227,216,162	\$239,200,807	\$245,146,997	\$253,926,420
EXPENDITURES					
Current:					
Administration.....	5,984,350	5,910,487	5,391,074	5,595,510	6,250,354
Contingency.....	4,733,208	4,431,445	3,422,031	3,627,246	3,934,753
Employee Benefits.....	19,310,201	19,302,656	19,230,941	20,146,212	22,166,936
Finance.....	2,198,148	1,882,833	2,561,578	1,821,275	1,982,376
Human Development.....	5,923,449	6,155,899	6,131,545	5,651,247	6,353,933
Physical Development.....	12,417,475	13,009,037	14,355,797	15,444,312	15,371,085
Public Safety.....	24,867,450	25,599,474	26,686,653	27,567,001	28,203,594
Education.....	128,126,498	120,596,747	131,166,556	132,123,348	136,591,658
Debt service ¹	35,360,568	29,890,458	33,469,155	32,888,900	32,681,468
Capital outlay.....	-	654,190	-	163,073	88,754
TOTAL EXPENDITURES.....	238,921,347	227,433,226	242,415,330	245,028,124	253,624,911
Excess (deficiency) of revenues over expenditures.....	(4,879,618)	(217,064)	(3,214,523)	118,873	301,509
Other financing sources (uses):					
Proceeds from issuance of bonds...	-	-	-	92,104,976	-
Proceeds from bond refunding.....	-	-	-	-	-
Premium on bond issuance.....	-	-	-	5,877,594	-
Payment to bond escrow agent.....	-	-	-	(97,054,563)	-
Proceeds from capital lease.....	-	-	-	-	-
Operating transfers in.....	2,120,254	1,970,397	4,610,000	4,430,242	3,740,024
Operating transfers (out).....	(494,614)	(758,000)	(538,000)	(1,487,020)	(800,000)
Total other financing sources (uses)..	1,625,640	1,212,397	4,072,000	3,871,229	2,940,024
Excess (deficiency) of revenues and other financing sources over expenditures and other uses.....	(3,253,978)	995,333	857,477	3,990,102	3,241,533
Fund Balance - July 1.....	9,314,424	6,060,446	7,055,779	7,913,256	11,903,358
Fund Balance - June 30.....	\$ 6,060,446	\$ 7,055,779	\$ 7,913,256	\$ 11,903,358	\$ 15,144,891

¹ In accordance with GAAP accounting, includes debt service for the Town's 2011 and 2013 Pension Bond issues. For budgetary purposes, the pension bond debt service was previously included under the employee benefits line item but was moved to debt service line item beginning in Fiscal year 2022-23 budget.

Source: Annual audited financial statements.

Employee Pension Systems

Net Pension Liability

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability.....	\$336,422,998	\$334,208,067	\$316,495,066	\$315,879,001	\$314,123,128
Plan fiduciary net position.....	268,430,253	301,760,734	248,414,592	258,826,783	259,954,977
Net pension liability.....	<u>\$67,992,745</u>	<u>\$32,447,333</u>	<u>\$ 68,080,474</u>	<u>\$ 57,052,218</u>	<u>\$ 54,168,151</u>
Plan fiduciary net position as a % of total pension liability.....	79.8%	90.3%	78.5%	81.9%	82.8%

Sensitivity of Net Pension Liability to Changes in the Discount Rate

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>5.75%</u>	<u>Discount Rate</u>	<u>7.75%</u>
	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
Net Pension Liability.....	\$ 103,976,735	\$ 67,992,745	\$ 37,586,432

Historical Trend Data

**Schedule of Funding Progress
(Actuarial Value - In Thousands)**

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value</u> <u>of Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u> <u>(b)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u> <u>(b-a)</u>	<u>Funded</u> <u>Ratio</u> <u>(a/b)</u>	<u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>UAAL as</u> <u>a % of</u> <u>Covered</u> <u>Payroll</u> <u>((b-a)/c)</u>
July 1, 2022	\$ 271,490	\$ 336,052	\$ 64,562	80.8%	\$ 16,470	392.0%
July 1, 2021	265,539	335,251	69,712	79.2%	15,704	443.9%
July 1, 2020	252,717	332,550	79,833	76.0%	16,509	483.6%
July 1, 2019	254,789	315,879	61,090	80.7%	17,810	343.0%
July 1, 2018	255,867	315,196	59,329	81.2%	17,810	333.1%
July 1, 2017	254,022	313,202	59,180	81.1%	18,713	316.3%
July 1, 2016	254,217	312,191	57,974	81.4%	18,756	309.1%
July 1, 2015	255,001	305,935	50,934	83.4%	19,912	255.8%
July 1, 2014	251,796	303,004	51,208	83.1%	20,317	252.0%
July 1, 2013	250,105 ¹	300,776	50,671	83.2%	22,237	227.9%

¹ Includes proceeds of the Town's 2013 pension bond issue. For the 7/1/13 valuation, the actuarial value of assets had been reset to equal the Market Value of assets. In future years, the Actuarial Value will be determined by recognizing gains or losses in equal installments over a five-year period.

Schedule of Employer Contributions

<u>Fiscal</u> <u>Year</u>	<u>Actuarial</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2024 ¹	\$ 6,087,126	\$ 6,093,501	100.1
2023 ²	6,243,501	6,243,501	100.0
2022	6,878,195	6,878,195	100.0
2021	6,610,201	6,610,201	100.0
2020	6,241,601	5,348,880	85.7
2019	6,088,400	5,399,899	88.7

¹ Adopted budget.

² Unaudited estimate.

Other Post-employment Benefits (OPEB)

Net OPEB Liability

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability.....	\$243,132,373	\$288,762,665	\$325,187,048	\$289,378,757	\$278,438,343
Plan fiduciary net position.....	7,153,157	8,249,690	5,923,076	5,494,362	5,022,624
Net OPEB liability.....	<u>\$235,979,216</u>	<u>\$280,512,975</u>	<u>\$319,263,972</u>	<u>\$283,884,395</u>	<u>\$273,415,719</u>
Plan fiduciary net position as a % of total pension liability.....	2.94%	2.86%	1.82%	1.90%	1.80%

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

	<u>1% Decrease</u> <u>(2.54%)</u>	<u>Current Rate</u> <u>(3.54%)</u>	<u>1% Increase</u> <u>(4.54%)</u>
Town's Net OPEB Liability.....	\$ 272,165,261	\$ 235,979,216	\$ 206,812,320

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

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Town's Net OPEB Liability.....	\$ 200,114,670	\$ 235,979,216	\$ 281,726,899

Historical Trend Data

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value</u> <u>of Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u> <u>(b)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u> <u>(b-a)</u>	<u>Funded</u> <u>Ratio</u> <u>(a/b)</u>	<u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>UAAL as</u> <u>a % of</u> <u>Covered</u> <u>Payroll</u> <u>((b-a)/c)</u>
July 1, 2020	\$ 5,923,076	\$ 279,769,067 ¹	\$273,845,991	2.1%	\$103,884,532	263.6%
July 1, 2018	5,022,624	263,345,104 ²	258,322,480	1.9%	79,532,000	324.8%
July 1, 2016	3,784,000	250,657,000 ³	246,873,000	1.5%	72,582,000	340.1%
July 1, 2014	3,392,000	239,827,000 ³	236,435,000	1.4%	75,985,000	311.2%
July 1, 2012	2,071,587	154,672,638 ⁴	152,601,051	1.3%	N/A	N/A

¹ Based on a 2.21% discount rate.

² Based on a 3.87% discount rate.

³ Based on a 4.00% discount rate.

⁴ Based on a 6.75% discount rate following the establishment of an irrevocable trust.

<u>Fiscal</u> <u>Year</u>	<u>Actuarial</u> <u>Required</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2022	\$24,704,615	\$ 10,544,013	42.7%
2021	26,133,040	9,674,363	37.0%
2020	23,177,582	9,310,404	40.2%
2019	22,133,340	9,017,876	40.7%
2018	20,679,264	8,477,088	41.0%

INDEBTEDNESS

Principal Amount of Bonded Indebtedness
Pro Forma as of October 3, 2023

Long-Term Debt

Date of Issue	Issue	Coupon Rate %	Original Issue Amount	Debt Outstanding Including This Issue	Final Maturity
01/31/08	Clean Water Fund Loan #105-CSL ¹	2.000	\$ 1,837,123	\$ 355,996	01/31/27
10/31/10	Clean Water Fund Loan #366-C1 ¹	2.000	46,145,572	15,883,755	10/31/29
12/29/11	Series 2011 (Energy Performance Contract) ¹ ...	3.240	8,212,115	3,663,867	06/15/30
10/29/13	Series 2013B (Federally Taxable).....	0.500 - 6.000	162,690,000	58,530,000	08/15/38
01/04/17	Series 2017.....	3.000 - 5.000	25,260,000	17,280,000	07/01/36
01/02/19	Series 2019.....	4.000 - 5.000	70,000,000	62,220,000	01/01/39
04/28/20	Series 2020A.....	3.000 -5.000	29,105,000	21,445,000	07/01/40
04/28/20	Series 2020B (Refunding)(Federally Taxable)...	0.349 - 2.461	78,100,000	71,735,000	08/01/34
12/16/21	Series 2022.....	4.000 - 5.000	15,650,000	15,650,000	05/15/42
04/28/23	Clean Water Fund Loan #713-CSL ¹	2.000	23,202,261	22,693,439	04/30/42
	Total			<u>\$ 289,457,056</u>	

Short-Term Debt

Date of Issue	Issue	Coupon Rate %	Original Issue Amount	Debt Outstanding Including This Issue	Final Maturity
10/03/23	Bond Anticipation Notes (This Issue).....	(This Issue)	19,285,000	19,285,000	1/30/2024
	Total			<u>\$ 19,285,000</u>	

¹ Includes debt of the Water Pollution Control Authority and Emergency Medical Services Enterprise Funds which are guaranteed by the full faith and credit of the Town but are expected to be repaid from user fees.

Source: Town of Stratford Finance Department.

Combined Schedule of Long-term Indebtedness (All Funds)

Pro Forma as of October 3, 2023

Fiscal Year	Existing Indebtness			Principal All Issues
	Principal Payments	Interest Payments	Total Debt Service	
2024 ¹	\$ 7,244,807	\$ 6,071,899	\$ 13,316,707	\$ 7,244,807
2025	24,345,117	10,386,373	34,731,491	24,345,117
2026	24,303,073	9,631,178	33,934,251	24,303,073
2027	22,360,907	9,007,578	31,368,484	22,360,907
2028	22,039,774	8,384,105	30,423,879	22,039,774
2029	21,813,731	7,741,174	29,554,905	21,813,731
2030	19,839,117	7,090,235	26,929,352	19,839,117
2031	17,561,172	6,478,506	24,039,677	17,561,172
2032	17,431,172	5,761,873	23,193,044	17,431,172
2033	17,391,172	4,916,302	22,307,474	17,391,172
2034	16,316,172	4,098,908	20,415,079	16,316,172
2035	16,261,172	3,348,514	19,609,686	16,261,172
2036	14,486,172	2,628,149	17,114,321	14,486,172
2037	14,476,172	1,929,876	16,406,048	14,476,172
2038	13,156,172	1,264,853	14,421,024	13,156,172
2039	13,076,172	634,629	13,710,801	13,076,172
2040	2,756,172	200,506	2,956,677	2,756,172
2041	2,721,172	115,382	2,836,554	2,721,172
2042	1,877,643	43,728	1,921,371	1,877,643
	<u>\$289,457,056</u>	<u>\$ 89,733,769</u>	<u>\$379,190,825</u>	<u>\$289,457,056</u>

¹ Excludes principal payments of \$17,968,402 and interest payments of \$5,172,068 made as of October 3, 2023.

Source: Town of Stratford Finance Department.

Schedule of General Fund Debt
Pro Forma as of October 3, 2023

Fiscal Year	Existing Indebtness			Principal All Issues
	Principal Payments	Interest Payments	Total Debt Service	
2024 ¹	\$ 4,365,239	\$ 5,498,788	\$ 9,864,026	\$ 4,365,239
2025	20,335,239	9,692,160	30,027,398	20,335,239
2026	20,265,239	9,016,562	29,281,801	20,265,239
2027	18,425,239	8,472,828	26,898,067	18,425,239
2028	18,115,239	7,928,073	26,043,312	18,115,239
2029	17,835,239	7,364,499	25,199,738	17,835,239
2030	17,659,048	6,783,177	24,442,225	17,659,048
2031	16,340,000	6,200,689	22,540,689	16,340,000
2032	16,210,000	5,508,480	21,718,480	16,210,000
2033	16,170,000	4,687,333	20,857,333	16,170,000
2034	15,095,000	3,894,361	18,989,361	15,095,000
2035	15,040,000	3,168,391	18,208,391	15,040,000
2036	13,265,000	2,472,450	15,737,450	13,265,000
2037	13,255,000	1,798,600	15,053,600	13,255,000
2038	11,935,000	1,158,000	13,093,000	11,935,000
2039	11,855,000	552,200	12,407,200	11,855,000
2040	1,535,000	142,500	1,677,500	1,535,000
2041	1,500,000	81,800	1,581,800	1,500,000
2042	860,000	34,400	894,400	860,000
	\$250,060,480	\$ 84,455,292	\$334,515,772	\$250,060,480

¹ Excludes principal payments of \$16,794,000 and interest payments of \$4,971,843 made as of October 3, 2023.

Source: Town of Stratford Finance Department.

Schedule of Enterprise Fund Debt
Pro Forma as of October 3, 2023

Fiscal Year	Existing Indebtness		
	Principal Payments	Interest Payments	Total Debt Service
2024 ¹	\$ 2,879,569	\$ 573,112	\$ 3,452,680
2025	4,009,879	694,214	4,704,092
2026	4,037,834	614,616	4,652,450
2027	3,935,668	534,749	4,470,417
2028	3,924,535	456,032	4,380,567
2029	3,978,493	376,675	4,355,168
2030	2,180,069	307,058	2,487,127
2031	1,221,172	277,817	1,498,988
2032	1,221,172	253,393	1,474,565
2033	1,221,172	228,970	1,450,141
2034	1,221,172	204,546	1,425,718
2035	1,221,172	180,123	1,401,294
2036	1,221,172	155,699	1,376,871
2037	1,221,172	131,276	1,352,448
2038	1,221,172	106,853	1,328,024
2039	1,221,172	82,429	1,303,601
2040	1,221,172	58,006	1,279,177
2041	1,221,172	33,582	1,254,754
2042	1,017,643	9,328	1,026,971
	<u>\$39,396,576</u>	<u>\$ 5,278,477</u>	<u>\$44,675,054</u>

¹ Excludes principal payments of \$1,174,302 and interest payments of \$200,225 made as of October 3, 2023.

Source: Town of Stratford Finance Department.

Overlapping/Underlying Debt

The Town has no overlapping debt.

Calculation of Net Direct Debt
Pro Forma as of October 3, 2023

Indebtedness ¹	
Bonded Debt	
General Purpose.....	\$ 56,102,384
Schools.....	91,238,096
Sewers.....	218,387
Pensions.....	102,965,000
State of Connecticut CWF PLO ²	<u>38,933,190</u>
Total Bonded Debt.....	<u>289,457,056</u>
Short Term Debt	
The Notes (This Issue).....	19,285,000
State of Connecticut CWF IFO ²	<u>24,469,075</u>
Total Short-term Debt.....	<u>43,754,075</u>
Gross Direct Debt.....	333,211,131
Exclusions:	
Self-supporting Enterprise Fund Debt ²	(63,402,265)
Guaranteed Energy Performance Contract ³	<u>(3,663,867)</u>
Net Direct Debt.....	<u>\$266,145,000</u>

¹ The Town has financed renovations and upgrades to its Water Pollution Control Facility through the State of Connecticut Clean Water Fund Program which are guaranteed by the full faith and credit of the Town but are expected to be repaid from user fees.

² Includes debt of the Water Pollution Control Authority which are guaranteed by the full faith and credit of the Town but are expected to be repaid from user fees.

³ Includes bonds issued to finance a Guaranteed Energy Performance Contract ("EPC") between the Town and Honeywell International Inc. Under the terms of the contract, various equipment and improvements intended to reduce energy consumption were undertaken at Town and Board of Education buildings. The cost of the improvements was in part financed by the issuance of \$8,212,115 of bonds and a \$2,229,855 lease with Bank of America. Under the terms of the EPC, if energy savings in any year are not sufficient to substantially cover the cost of the debt service on the improvements, Honeywell will cover the differential. The amounts reflected herein include \$3,663,867 of outstanding bonds for the EPC. The final lease payment made on December 15, 2021.

Source: Town of Stratford Finance Department.

{The remainder of this page intentionally left blank}

Current Debt Ratios
Pro Forma as of October 3, 2023

Gross Direct Debt.....	\$333,211,131
Net Direct Debt.....	\$266,145,000
Population ¹	52,360
Net Taxable Grand List (10/1/22).....	\$5,161,538,543
Estimated Full Value.....	\$7,373,626,490
Equalized Net Taxable Grand List (2021) ²	\$9,514,455,478
Per Capita Income ¹	\$41,009
Total Direct Indebtedness:	
Per Capita.....	\$6,363.85
To Net Taxable Grand List	6.46%
To Estimated Full Value	4.52%
To Equalized Net Taxable Grand List.....	3.50%
Per Capita to Per Capita Income.....	15.52%
Net Direct Indebtedness:	
Per Capita.....	\$5,082.98
To Net Taxable Grand List.....	5.16%
To Estimated Full Value.....	3.61%
To Equalized Net Taxable Grand List.....	2.80%
Per Capita to Per Capita Income.....	12.39%

¹ Census Bureau, American Community Survey, 2017-2021.

² Office of Policy and Management, State of Connecticut.

{The remainder of this page intentionally left blank}

Computation of Statutory Debt Limit
Pro Forma as of October 3, 2023

Total Tax Collections (including interest and lien fees) for the year ended June 30, 2022	\$192,470,729
Reimbursement for Revenue Loss On:	
Tax relief for elderly freeze	<u>-</u>
Base for Debt Limitation Computation	<u><u>\$192,470,729</u></u>

Debt Limitation ¹	General Purposes	Schools	Sewers	Urban	Past Pension	Total Debt
2 1/4 times base.....	\$433,059,140					
4 1/2 times base.....		\$866,118,281				
3 3/4 times base.....			\$721,765,234			
3 1/4 times base.....				\$625,529,869		
3 times base					\$577,412,187	
7 times base.....						\$1,347,295,103
Indebtedness:						
Outstanding Debt ²	\$ 56,102,384	\$ 91,238,096	\$ 218,387	\$ -	102,965,000	\$ 250,523,867
The Notes (This Issue)	4,795,000	14,490,000		-	-	19,285,000
Clean Water Fund PLO ³	-	-	38,932,190	-	-	38,932,190
Authorized but Unissued Debt.....	17,129,924	22,902,286	1,527,141	-	-	41,559,351
Total Indebtedness	78,027,309	128,630,382	40,677,717	-	102,965,000	350,300,407
Less:						
School Grants Receivable ⁴	-	(12,118,885)	-	-	-	(12,118,885)
Total Net Indebtedness	78,027,309	116,511,497	40,677,717	-	102,965,000	338,181,523
Debt Limitation in Excess of						
Indebtedness	\$355,031,831	\$749,606,784	\$681,087,517	\$625,529,869	\$474,447,187	\$1,009,113,580

¹ Under Chapter 109 of the Connecticut General Statutes the total of all indebtedness shall not exceed seven times the base or \$1,347,295,103.

² Includes debt of the Water Pollution Control Authority and EMS Enterprise Funds which are guaranteed by the full faith and credit of the Town but are expected to be repaid from user fees. Includes \$3,663,867 in bonds issued to finance a Guaranteed Energy Performance Contract ("EPC") between the Town and Honeywell International Inc. Under the terms of the contract, various equipment and improvements intended to reduce energy consumption were undertaken at Town and Board of Education buildings. The cost of the improvements was in part financed by the issuance of \$8,212,115 of bonds and a \$2,229,855 lease with Bank of America. Under the terms of the EPC, if energy savings in any year are not sufficient to substantially cover the cost of the debt service on the improvements, Honeywell will cover the differential. The final lease payment was due on December 15, 2021.

³ The Town has financed renovations and upgrades to its Water Pollution Control Facility through the State of Connecticut Clean Water Fund Program which are guaranteed by the full faith and credit of the Town but are expected to be repaid from user fees.

⁴ As of October 3, 2023 the Town has received \$67,450,158 in progress payments for current school construction projects from the State of Connecticut. The Town expects to receive an additional \$12,118,885 in progress payments for school construction projects in the future.

Source: Town of Stratford Finance Department.

{The remainder of this page intentionally left blank}

APPENDIX A - AUDITED FINANCIAL STATEMENTS

TOWN OF STRATFORD, CONNECTICUT

Fiscal Year Ending June 30, 2022 Financial Statements



INDEPENDENT AUDITORS' REPORT

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Stratford, Connecticut, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Stratford, 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.

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 of Stratford, Connecticut'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 GAAS 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 GAAS 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 Town of Stratford, Connecticut'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 Town of Stratford, Connecticut'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, the budgetary comparison information and the pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 of Stratford, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2023, on our consideration of the Town of Stratford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Stratford, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Stratford, Connecticut's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

West Hartford, Connecticut
June 21, 2023

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

This discussion and analysis of the Town of Stratford, Connecticut's (the Town) financial performance is developed by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2022. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to XI.

Financial Highlights

- In the Statement of Net Position, The Town's net position increased by \$3,381,000. The net position of our business-type activities increased by \$12,183,000.
- During the year, the Town's governmental activities program expenses were \$2.931 million less than the \$281.99 million generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues from charges for services are \$14.28 million while operating expenses are \$14.2 million primarily due to the Water Treatment plant.
- Total cost of all of the Town's programs increased by \$6.4 million to \$292.8 million. The main increases were in Physical Development \$13.2 million, General Government \$5.2 million and \$4.3 million in Public Safety program expenses; offset by decrease of \$14 million in Education – due to the near completion of the new Stratford High School building project.
- The General Fund reported a fund balance this year of \$15.1 million, which is an increase of \$3.24 million from the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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

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

Fund Financial Statements

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

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

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

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

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

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Government-Wide Financial Analysis

The Town's combined net position increased from a year ago from \$(343.3) million to \$(327.8) million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
ASSETS						
Current and Other Assets	\$ 82,540	\$ 61,514	\$ 3,958	\$ 3,254	\$ 86,498	\$ 64,768
Capital Assets, Net of Depreciation	307,786	304,002	54,747	46,383	362,533	350,385
Total Assets	<u>390,326</u>	<u>365,516</u>	<u>58,705</u>	<u>49,637</u>	<u>449,031</u>	<u>415,153</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows - Pension	3,450	9,315	104	281	3,554	9,596
Deferred Outflows - OPEB	33,792	45,119	804	1,134	34,596	46,253
Deferred Outflows on Refunding	5,774	6,318	-	-	5,774	6,318
Total Deferred Outflows of Resources	<u>43,016</u>	<u>60,752</u>	<u>908</u>	<u>1,415</u>	<u>43,924</u>	<u>62,167</u>
LIABILITIES						
Current Liabilities	74,220	63,995	1,422	1,484	75,641	65,479
Long-Term Debt Outstanding	624,740	622,634	25,287	28,397	650,027	651,031
Total Liabilities	<u>698,960</u>	<u>686,629</u>	<u>26,709</u>	<u>29,881</u>	<u>725,668</u>	<u>716,510</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows - Pension	-	36,139	-	1,092	-	37,231
Deferred Inflows - OPEB	91,127	65,126	2,168	1,637	93,295	66,763
Deferred Inflows on Refunding	145	159	-	-	145	159
Leases	1,514	-	111	-	1,625	-
Total Deferred Inflows of Resources	<u>92,786</u>	<u>101,424</u>	<u>2,279</u>	<u>2,729</u>	<u>95,065</u>	<u>104,153</u>
NET POSITION						
Net Investment in Capital Assets	99,153	113,217	34,429	23,500	133,583	136,717
Restricted	5,871	4,348	-	-	5,871	4,348
Unrestricted	(463,427)	(479,350)	(3,805)	(5,058)	(467,232)	(484,408)
Total Net Position	<u>\$ (358,403)</u>	<u>\$ (361,785)</u>	<u>\$ 30,624</u>	<u>\$ 18,442</u>	<u>\$ (327,778)</u>	<u>\$ (343,343)</u>

Net position of the Town's governmental activities increased to \$(358.4) million as comparable to the prior year at \$(361.8). Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed from \$(479.3) million at June 30, 2021 to \$(463.4) million at the end of this year.

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues:						
Charges for Services	\$ 7,388	\$ 9,239	\$ 14,279	\$ 13,129	\$ 21,667	\$ 22,368
Operating Grants and Contributions	55,937	68,365	-	-	55,937	68,365
Capital Grants and contributions	20,944	27,708	12,124	10,030	33,068	37,738
General Revenues:						
Property taxes	194,720	191,353	-	-	194,720	191,353
Grants and Contributions Not Restricted to Specific Purposes	567	1,431	-	-	567	1,431
Unrestricted Investment Earnings	(385)	931	-	-	(385)	931
Miscellaneous	2,822	916	-	-	2,822	916
Total Revenues	<u>281,993</u>	<u>299,943</u>	<u>26,403</u>	<u>23,159</u>	<u>308,396</u>	<u>323,102</u>
PROGRAM EXPENSES						
General Government	35,655	30,391	-	-	35,655	30,391
Human Development	8,337	8,520	-	-	8,337	8,520
Physical Development	39,058	25,812	-	-	39,058	25,812
Public Safety	31,438	27,082	-	-	31,438	27,082
Education	154,420	168,119	-	-	154,420	168,119
Interest Expense	10,154	12,266	-	-	10,154	12,266
Waste Operating	-	-	10,445	10,948	10,445	10,948
Short Beach Golf Course	-	-	145	150	145	150
Emergency Medical Services	-	-	3,180	3,136	3,180	3,136
Total Program Expenses	<u>279,062</u>	<u>272,190</u>	<u>13,770</u>	<u>14,234</u>	<u>292,832</u>	<u>286,424</u>
EXCESS BEFORE TRANSFERS	2,931	27,753	12,633	8,925	15,564	36,678
TRANSFERS	<u>450</u>	<u>900</u>	<u>(450)</u>	<u>(900)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	3,381	28,653	12,183	8,025	15,564	36,678
Net Position - Beginning of Year	(361,785)	(390,753)	18,442	10,417	(343,343)	(380,336)
RESTATEMENT	<u>-</u>	<u>315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ (358,404)</u>	<u>\$ (361,785)</u>	<u>\$ 30,625</u>	<u>\$ 18,442</u>	<u>\$ (327,779)</u>	<u>\$ (343,658)</u>

The Town's total revenues were \$308.4 million. The total cost of all programs and services was \$292.8 million. Our analysis below separately considers the operations of governmental and business-type activities.

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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

Changes in Net Pension Liability	\$	34,521
Change in Deferred Outflows Related to Pension		(5,865)
Change in Deferred Inflows Related to Pension		(36,138)
Change in Total OPEB Liability		(43,139)
Change in Deferred Outflows Related to OPEB		(11,327)
Change in Deferred Inflows Related to OPEB		26,001
Statement of Activities - Change in Pension/OPEB		7,621

Governmental Activities

Approximately 69% of the revenues were derived from property taxes; the remaining 31% of revenue is made up of operating and capital grants and investment earnings.

Major revenue factors include:

- Property taxes increased by \$3.4 million over the prior year. Current tax collections totaled \$187.9.5 million or 99.8% of the collectible taxes. Arrear taxes and interest collected was \$5.52 million.
- Operating grants for governmental activities decreased by \$12.4 million over the prior year. The State of Connecticut Education Cost Sharing grant, Special education, and Municipal Grants-in-Aid totaled \$34.3 million of the Operating grants total.
- Governmental expenses increased from \$272.2 million to \$279.1 million this year. These increases consisted of \$13.2 million in physical development and \$5.2 million in general government. There was a corresponding decrease of \$13.6 million in education, \$2.1 million in interest expense.

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

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
General Government	\$ 35,655	\$ 30,391	\$ 18,744	\$ 21,295
Public Safety	31,438	27,082	29,267	25,021
Physical Development	39,058	25,812	35,060	7,957
Education	154,420	168,119	94,686	93,102
Human Development	8,337	8,520	6,882	7,237
All Others	10,154	12,266	10,154	12,266
Total	\$ 279,062	\$ 272,190	\$ 194,793	\$ 166,878

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Business-Type Activities

Business-type activities increased the Town's net position by \$12.2 million. The key factors were \$11.4 million in program revenues in Waste Operating Fund.

Town Funds Financial Analysis

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$23.2 million, an increase of \$12.1 million in comparison with the prior year. This is due to the issuance of bonds in \$15.6 million to finance capital outlays from prior periods.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the General Fund total fund balance is \$15.1 million.

General Fund mirrors the general fund activities analysis highlighted in RSI-1 and RSI-2. The fund balance of the Town's General Fund increased by \$3.24 million during the current fiscal year.

The Capital Projects Fund has a fund balance of \$625,194 at the end of the year, an increase of \$8.1 million from the prior year. Major projects in 2022 are as follows:

- Completion of the Stratford High School Project of \$2.93 million.
- Road Resurfacing, sidewalk improvement, street improvement, and bridge improvement of \$3.2 million.
- Clean Water Fund Pump Station Renovation for \$11,593,542 to be completed in FY23.
- Capital equipment purchases including vehicles for public works, police, EMS, and fire of \$3.6 million.

Other nonmajor governmental funds have a total fund balance of \$7.4 million, an increase of \$804,029 from the prior year. The increase is attributed to reimbursement of state and federal government fund of prior year and bond premium of \$1.09 million to extinguish debt expense in the current year.

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

Overall enterprise funds net position total \$30.6 million at the end of 2022, increasing by \$12.1 million from the previous year.

Net position of the Waste Operating Fund at the end of the year is \$33.1 million, 108% of total net position of the proprietary funds. Other nonmajor activities have net deficit of \$2.5 million or -8% of the total net position. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town's Business-Type Activities.

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

The Internal Service Funds net position at the end of 2022 totaled (\$9.6) million; thereby, decreasing the deficit by \$1.57 million from the previous year.

Net position of the Health Benefit Fund and Workers' Compensation as of June 30, 2022 is \$304,170 thousand and (\$9.9) million, respectively. Increase in Health Benefit fund net position is due to increased contribution by Town to cover prior year deficit and to cover increased health claim activity. Decrease in Workers' Compensation fund net position deficit is due to implementation of risk management strategies coupled with strong case management that includes department heads, town attorneys, and administration.

General Fund Budgetary Highlights

During the year, total revenues were under budgetary estimates by \$(1.2) million and total expenditures were under budgetary estimates by \$1.4 million. The town had a negative revenue variance of \$2.747 million in State Intergovernmental Revenues that was the result \$4.7 million in Distressed Community Funding in Governor's Budget that was in final approved budget after the Town had passed their budget. The Town used \$1.38 million of ARPA revenue replacement to offset the lost revenue. Expenditures were kept under budget estimates in all categories except public safety which had a negative variance of \$1.06 million or 3.9%, and debt service which was \$1.08 million over budget due to new debt service interest payments.

Capital Asset and Debt Administration

Capital Assets – The Town's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2022 amounted to \$307.8 million and \$54.7 million, respectively. This investment in capital assets included land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 15,855	\$ 15,855	\$ -	\$ -	\$ 15,855	\$ 15,855
Land Improvements	10,610	11,394	11	18	10,621	11,412
Buildings and Improvements	208,111	212,419	21,688	24,933	229,799	237,352
Infrastructure	28,371	30,484	5,935	6,210	34,306	36,694
Machinery and Equipment	10,695	10,723	1,608	1,850	12,303	12,573
Construction in Progress	34,144	23,127	25,505	13,372	59,649	36,499
Total	<u>\$ 307,786</u>	<u>\$ 304,002</u>	<u>\$ 54,747</u>	<u>\$ 46,383</u>	<u>\$ 362,533</u>	<u>\$ 350,385</u>

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

Long-Term Debt. At June 30, 2022 the Town had \$322.5 million in bonds and notes outstanding versus \$331.6 million last year, a decrease of 2.74% as shown in Table 5.

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
General and Pension Obligation Bonds	\$ 302,336	\$ 308,530	\$ 820	\$ 1,007	\$ 303,155	\$ 309,537
Leases Payable	-	170	-	11	-	181
Notes Payable	-	-	19,396	21,867	19,396	21,867
Interim Funding Obligation	18,728	-	-	-	18,728	-
Total	<u>\$ 302,336</u>	<u>\$ 308,700</u>	<u>\$ 20,215</u>	<u>\$ 22,885</u>	<u>\$ 322,551</u>	<u>\$ 331,585</u>

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior year’s tax collections. The current debt limitation for the Town amounts to \$1.3 billion, significantly more than the Town’s outstanding general obligation debt.

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

Economic Factors and Next Year’s Budgets and Rates

- Inflationary trends in the region are comparable to the national indices.
- Debt Service for the Clean Water Fund Pump Station Project will come due in FY23
- BOE declared an Alliance District by State will impact State Education Cost Sharing/Equalization Grant funding to Town

All of these factors were considered in preparing the Town’s budget for fiscal year 2023. The fiscal year 2023 General Fund budget calls for \$248,995,500 in revenues with matching expenditures resulting in an increase of \$7,977,888 over fiscal year 2022 or a 3.31% increase. The Grand List increased by 3.35% from 2022 and the Town’s mill rate increased by 1.88%.

During the current fiscal year, unassigned fund balance in the General Fund increased by \$3,241,533 for an unassigned balance of \$13,625,874. The Town did not utilize general fund balance for the fiscal year 2023 budget.

Contacting the Town’s Financial Management

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

BASIC FINANCIAL STATEMENTS

TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 58,441,362	\$ 1,131,650	\$ 59,573,012
Investments	2,594,755	-	2,594,755
Receivables, Net	20,521,796	3,722,357	24,244,153
Supplies and Prepays	86,172	-	86,172
Advance to Other Funds	895,502	(895,502)	-
Capital Assets:			
Assets Not Being Depreciated	49,998,867	25,504,986	75,503,853
Assets Being Depreciated, Net	257,787,424	29,241,690	287,029,114
Total Assets	<u>390,325,878</u>	<u>58,705,181</u>	<u>449,031,059</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pension	3,450,165	104,241	3,554,406
Deferred Outflows Related to OPEB	33,792,270	804,044	34,596,314
Deferred Outflows on Refunding	5,773,740	-	5,773,740
Total Deferred Outflows of Resources	<u>43,016,175</u>	<u>908,285</u>	<u>43,924,460</u>
LIABILITIES			
Accounts and Other Payables	8,441,540	583,790	9,025,330
Accrued Liabilities	6,330,270	126,393	6,456,663
Unearned Revenue	7,687,768	3,240	7,691,008
Internal Balances	2,184,763	(2,184,763)	-
Bond Anticipation Notes	19,472,000	-	19,472,000
Noncurrent Liabilities:			
Due Within One Year	30,103,746	2,893,491	32,997,237
Due in More Than One Year	624,739,931	25,286,642	650,026,573
Total Liabilities	<u>698,960,018</u>	<u>26,708,793</u>	<u>725,668,811</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to OPEB	91,126,741	2,168,245	93,294,986
Deferred Inflows on Refunding	145,318	-	145,318
Leases	1,513,539	111,275	1,624,814
Total Deferred Inflows of Resources	<u>92,785,598</u>	<u>2,279,520</u>	<u>95,065,118</u>
NET POSITION			
Net Investment in Capital Assets	99,152,830	34,429,730	133,582,560
Restricted For:			
Nonexpendable Trust	2,709,489	-	2,709,489
Education	2,024,432	-	2,024,432
Human Development	104,177	-	104,177
Physical Development	1,032,907	-	1,032,907
Unrestricted	(463,427,398)	(3,804,577)	(467,231,975)
Total Net Position	<u>\$ (358,403,563)</u>	<u>\$ 30,625,153</u>	<u>\$ (327,778,410)</u>

See accompanying Notes to Financial Statements.

**TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-Type Activities	Total
			Grants and Contributions	Grants and Contributions			
GOVERNMENTAL ACTIVITIES							
General Government	\$ 35,655,142	\$ 3,489,472	\$ 7,637,175	\$ 5,784,709	\$ (18,743,786)	\$ -	\$ (18,743,786)
Human Development	8,337,325	640,310	678,988	135,614	(6,882,413)	-	(6,882,413)
Physical Development	39,057,565	603,965	6,890	3,387,037	(35,059,673)	-	(35,059,673)
Public Safety	31,437,535	1,739,495	430,864	-	(29,267,176)	-	(29,267,176)
Education	154,419,760	913,928	47,183,556	11,636,590	(94,685,686)	-	(94,685,686)
Debt Service	10,154,425	-	-	-	(10,154,425)	-	(10,154,425)
Total Governmental Activities	279,061,752	7,387,170	55,937,473	20,943,950	(194,793,159)	-	(194,793,159)
BUSINESS-TYPE ACTIVITIES							
Waste Operating	10,445,011	11,391,896	-	12,123,936	-	13,070,821	13,070,821
Emergency Medical Services	3,178,845	2,604,868	-	-	-	(573,977)	(573,977)
Short Beach Golf Course	145,085	280,774	-	-	-	135,689	135,689
Total Business-Type Activities	13,768,941	14,277,538	-	12,123,936	-	12,632,533	12,632,533
Total	\$ 292,830,693	\$ 21,664,708	\$ 55,937,473	\$ 33,067,886	(194,793,159)	12,632,533	(182,160,626)
GENERAL REVENUES							
Property Taxes					194,720,322	-	194,720,322
Grants and Contributions Not Restricted to Specific Programs					566,884	-	566,884
Unrestricted Investment Earnings					(385,639)	-	(385,639)
Miscellaneous					2,822,542	831	2,823,373
Total General Revenues					197,724,109	831	197,724,940
Transfers					450,000	(450,000)	-
Total General Revenue and Transfers					198,174,109	(449,169)	197,724,940
CHANGE IN NET POSITION							
					3,380,950	12,183,364	15,564,314
Net Position - Beginning of Year					(361,784,513)	18,441,789	(343,342,724)
NET POSITION - END OF YEAR							
					\$ (358,403,563)	\$ 30,625,153	\$ (327,778,410)

See accompanying Notes to Financial Statements.

**TOWN OF STRATFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

ASSETS	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 55,335,140	\$ -	\$ 3,026,222	\$ 58,361,362
Investments	-	-	2,594,755	2,594,755
Receivables, Net	16,484,709	1,337,837	2,699,250	20,521,796
Supplies and Prepaids	23,977	-	62,195	86,172
Advance to Other Funds	895,502	-	-	895,502
Due From Other Funds	108,327,724	78,791,879	21,727,302	208,846,905
Total Assets	\$ 181,067,052	\$ 80,129,716	\$ 30,109,724	\$ 291,306,492
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts and Other Payables	\$ 3,421,448	\$ 3,934,506	\$ 816,525	\$ 8,172,479
Accrued Liabilities	1,398,794	-	90,261	1,489,055
Unearned Revenue	-	6,500,452	1,187,316	7,687,768
Bond Anticipation Notes	-	19,472,000	-	19,472,000
Due to Other Funds	147,335,733	48,991,120	19,618,308	215,945,161
Total Liabilities	152,155,975	78,898,078	21,712,410	252,766,463
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	8,721,644	-	-	8,721,644
Unavailable Revenue - Property Taxes Interest	3,617,197	-	-	3,617,197
Unavailable Revenue - Other Receivables	-	-	904,715	904,715
Unavailable Revenue - Special Assessments	-	606,444	-	606,444
Leases	1,427,345	-	86,194	1,513,539
Total Deferred Inflows of Resources	13,766,186	606,444	990,909	15,363,539
FUND BALANCES				
Nonspendable	919,479	-	2,709,489	3,628,968
Restricted	-	-	3,161,516	3,161,516
Committed	-	36,828,830	3,937,645	40,766,475
Assigned	599,538	-	-	599,538
Unassigned	13,625,874	(36,203,636)	(2,402,245)	(24,980,007)
Total Fund Balances	15,144,891	625,194	7,406,405	23,176,490
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 181,067,052	\$ 80,129,716	\$ 30,109,724	\$ 291,306,492

See accompanying Notes to Financial Statements.

**TOWN OF STRATFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Fund Balances - Total Governmental Funds (Exhibit III)	\$ 23,176,490
<p>Amounts reported for governmental activities in the statement of net assets (Exhibit I) are different because of the following:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:</p>	
Governmental Capital Assets	548,691,193
Less Accumulated Depreciation	(240,904,902)
Net Capital Assets	307,786,291
<p>Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:</p>	
Property Tax Receivables Greater Than 60 Days	8,721,644
Interest Receivable on Property Taxes	3,617,197
Assessments Receivable	606,444
Other Receivables and Deferred Amounts	904,715
Deferred Outflows Related to Pension	3,450,165
Deferred Outflows Related to OPEB	33,792,270
Deferred Charges on Refunding	5,773,740
<p>Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.</p>	
	(9,637,748)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:</p>	
Bonds and Notes Payable	(287,884,719)
Bond Premium	(14,451,034)
Interim Funding Obligation - Clean Water Fund	(18,728,202)
Interest Payable on Bonds and Notes	(4,834,853)
Compensated Absences	(12,330,322)
Landfill Closure	(9,600,000)
Deferred Charges on Refunding	(145,318)
Claims and Judgments	(1,000,000)
Net Pension Liability	(65,998,699)
Net OPEB Liability	(230,494,883)
Deferred Inflows Related to OPEB	(91,126,741)
Net Position of Governmental Activities (Exhibit I)	\$ (358,403,563)

See accompanying Notes to Financial Statements.

TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes and Assessments	\$ 193,473,157	\$ 211,200	\$ -	\$ 193,684,357
State and Federal Governments	54,079,573	6,618,486	21,225,680	81,923,739
Department Revenue	3,266,057	-	3,695,077	6,961,134
Licenses and Permits	1,071,416	-	95,936	1,167,352
Investment Income (Loss)	(23,855)	-	(361,784)	(385,639)
Other	2,060,072	136,051	1,428,716	3,624,839
Total Revenues	<u>253,926,420</u>	<u>6,965,737</u>	<u>26,083,625</u>	<u>286,975,782</u>
EXPENDITURES				
Current:				
General Government:				
Administration	6,250,354	-	145,945	6,396,299
Contingency	3,934,753	-	-	3,934,753
Employee Benefits	22,166,936	-	-	22,166,936
Finance	1,982,376	-	-	1,982,376
Human Development	6,353,933	-	1,597,015	7,950,948
Physical Development	15,371,085	4,437,556	1,796,722	21,605,363
Public Safety	28,203,594	942,324	1,757,603	30,903,521
Education	136,591,658	-	17,881,730	154,473,388
Debt Service:				
Principal Retirements	20,757,864	-	-	20,757,864
Interest and Other Charges	11,923,604	187,800	-	12,111,404
Capital Outlay	88,754	27,974,748	450,937	28,514,439
Total Expenditures	<u>253,624,911</u>	<u>33,542,428</u>	<u>23,629,952</u>	<u>310,797,291</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	301,509	(26,576,691)	2,453,673	(23,821,509)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	15,650,000	-	15,650,000
Premium on Bond Issuance	-	-	1,090,380	1,090,380
Proceeds From Interim Funding Obligation	-	18,728,202	-	18,728,202
Transfers in	3,740,024	250,000	100,000	4,090,024
Transfers Out	(800,000)	-	(2,840,024)	(3,640,024)
Total Other Financing Sources	<u>2,940,024</u>	<u>34,628,202</u>	<u>(1,649,644)</u>	<u>35,918,582</u>
NET CHANGE IN FUND BALANCES	3,241,533	8,051,511	804,029	12,097,073
Fund Balances - Beginning of Year	11,903,358	(7,426,317)	6,602,376	11,079,417
FUND BALANCES - END OF YEAR	<u>\$ 15,144,891</u>	<u>\$ 625,194</u>	<u>\$ 7,406,405</u>	<u>\$ 23,176,490</u>

See accompanying Notes to Financial Statements.

**TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Total Governmental Funds (Exhibit IV) \$ 12,097,073

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

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

Capital Outlay	16,277,595
Depreciation Expense	(12,493,240)

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

Property Tax Receivable	806,190
Property Tax Interest Receivable	125,336
Assessments	104,439
Other Receivables and Deferred Amounts	(1,154,325)
Change in Deferred Outflows Related to Pension	(5,864,720)
Change in Deferred Outflows Related to OPEB	(11,326,595)
Deferred Outflow on Refunding	(543,957)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net positions. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond Principal Payments	20,757,864
Premium on Bonds Issued	(1,090,380)
Issuance of Bonds	(15,650,000)
Interim Funding Obligation - Clean Water Fund	(18,728,202)
Amortization of Premiums and Discounts	2,176,672
Notes Payable	169,626

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The details of the changes in other recorded Obligations are as Follows:

Compensated Absences	(993,551)
Accrued Interest	283,040
Landfill Post Closure Care	(1,800,000)
Deferred Inflow on Refunding	13,211
Change in Net Pension Liability	(34,502,960)
Change in Net OPEB Liability	43,139,388
Change in Deferred Inflows Related to Pension	36,138,690
Change in Deferred Inflows Related to OPEB	(26,000,584)

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

1,440,340

Change in Net Position of Governmental Activities (Exhibit 2)

\$ 3,380,950

See accompanying Notes to Financial Statements.

**TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Fund	Nonmajor Funds	Total	Internal Service Fund
	Waste Operating Fund			
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 1,131,650	\$ 1,131,650	\$ 80,000
Receivables:				
Accounts and Other	-	571,069	571,069	-
Sewer Usage Receivable	1,379,728	-	1,379,728	-
Unbilled Sewer Usage Receivable	1,771,560	-	1,771,560	-
Due From Other Funds	41,068,426	151,270	41,219,696	12,953,443
Total Current Assets	44,219,714	1,853,989	46,073,703	13,033,443
Capital Assets:				
Assets Not Being Depreciated	25,275,447	229,539	25,504,986	-
Assets Being Depreciated, Net	27,157,273	2,084,417	29,241,690	-
Total Capital Assets	52,432,720	2,313,956	54,746,676	-
Total Assets	96,652,434	4,167,945	100,820,379	13,033,443
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pension	104,241	-	104,241	-
Related to OPEB	804,044	-	804,044	-
Total Deferred Outflows of Resources	908,285	-	908,285	-
LIABILITIES				
Current:				
Accounts Payable	417,966	165,824	583,790	275,423
Accrued Wages and Benefits	126,393	-	126,393	-
Unearned Revenue	-	3,240	3,240	-
Advance From Other Funds	-	895,502	895,502	-
Due to Other Funds	34,359,214	4,703,351	39,062,565	8,012,318
Risk Management Claims	-	-	-	1,086,000
Bonds Payable	30,122	95,000	125,122	-
Serial Notes Payable - Clean Water Fund	2,520,526	-	2,520,526	-
Net OPEB Liability	101,847	-	101,847	-
Compensated Absences	76,975	69,021	145,996	-
Total Current Liabilities	37,633,043	5,931,938	43,564,981	9,373,741
Noncurrent Liabilities:				
Bonds Payable	218,387	476,000	694,387	-
Serial Notes Payable - Clean Water Fund	16,875,064	-	16,875,064	-
Risk Management Claims	-	-	-	13,269,818
Net Pension Liability	1,994,046	-	1,994,046	-
Net OPEB Liability	5,382,486	-	5,382,486	-
Compensated Absences	179,609	161,050	340,659	-
Total Noncurrent Liabilities	24,649,592	637,050	25,286,642	13,269,818
Total Liabilities	62,282,635	6,568,988	68,851,623	22,643,559
DEFERRED INFLOWS OF RESOURCES				
Related to OPEB	2,168,245	-	2,168,245	-
Leases	-	111,275	111,275	-
Total Deferred Inflows of Resources	2,168,245	111,275	2,279,520	-
NET POSITION				
Net Investment in Capital Assets	32,686,774	1,742,956	34,429,730	-
Unrestricted	423,065	(4,255,274)	(3,832,209)	(9,610,116)
Total Net Position	33,109,839	(2,512,318)	30,597,521	(9,610,116)
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	23,886	3,746	27,632	(27,632)
Net Position of Business-Type Activities	\$ 33,133,725	\$ (2,508,572)	\$ 30,625,153	\$ (9,637,748)

See accompanying Notes to Financial Statements.

TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Fund			Internal Service Funds
	Waste Operating Fund	Nonmajor Funds	Total	
OPERATING REVENUES				
Charges for Services	\$ 11,306,697	\$ 2,840,313	\$ 14,147,010	\$ 10,419,708
Other	-	-	-	-
Total Operating Revenues	<u>11,306,697</u>	<u>2,840,313</u>	<u>14,147,010</u>	<u>10,419,708</u>
OPERATING EXPENSES				
Operating and Maintenance	6,537,243	3,027,651	9,564,894	8,848,840
Depreciation	3,484,161	285,892	3,770,053	-
Total Operating Expenses	<u>10,021,404</u>	<u>3,313,543</u>	<u>13,334,947</u>	<u>8,848,840</u>
OPERATING INCOME (LOSS)	1,285,293	(473,230)	812,063	1,570,868
NONOPERATING EXPENSES				
Interest Expense, Net	(423,607)	(9,556)	(433,163)	-
Total Nonoperating Revenues (Expenses)	<u>(423,607)</u>	<u>(9,556)</u>	<u>(433,163)</u>	<u>-</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	861,686	(482,786)	378,900	1,570,868
CAPITAL CONTRIBUTIONS	12,123,936	-	12,123,936	-
TRANSFERS IN		450,000	450,000	
TRANSFERS OUT	(900,000)		(900,000)	-
CHANGE IN NET POSITION	12,085,622	(32,786)	12,052,836	1,570,868
Net Position - Beginning of Year	<u>21,024,217</u>	<u>(2,479,532)</u>	<u>18,544,685</u>	<u>(11,180,984)</u>
NET POSITION - END OF YEAR	33,109,839	(2,512,318)	30,597,521	(9,610,116)
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	85,199	45,329	130,528	(130,528)
Change in Net Position of Business-Type Activities	<u>\$ 12,170,821</u>	<u>\$ 12,543</u>	<u>\$ 12,183,364</u>	<u>\$ 1,440,340</u>

See accompanying Notes to Financial Statements.

**TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Fund			Internal Service Fund
	Operating Fund	Nonmajor Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received From Customers and Users	\$ 11,306,697	\$ 2,798,488	\$ 14,105,185	\$ 10,419,708
Cash Payments to Suppliers	(3,644,267)	(589,132)	(4,233,399)	(7,943,010)
Cash Payments to Employees	(2,828,373)	(2,461,791)	(5,290,164)	-
(Payments) Receipts for Interfund Services	(1,100,501)	699,728	(400,773)	(2,476,698)
Net Cash Provided by Operating Activities	3,733,556	447,293	4,180,849	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to (from) Other Funds	(900,000)	450,000	(450,000)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Payments on Debt	(2,409,949)	(157,000)	(2,566,949)	-
Acquisition and Construction of Capital Assets	-	(9,539)	(9,539)	-
Principal Income from Leases	-	29,517	29,517	-
Interest Income from Leases	-	831	831	-
Interest Paid on Debt	(423,607)	(10,387)	(433,994)	-
Net Cash Used by Capital and Related Financing Activities	(2,833,556)	(146,578)	(2,980,134)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	750,715	750,715	-
Cash and Cash Equivalents - Beginning of Year	-	380,935	380,935	80,000
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ -</u>	<u>\$ 1,131,650</u>	<u>\$ 1,131,650</u>	<u>\$ 80,000</u>

See accompanying Notes to Financial Statements.

**TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Fund			
	Operating Fund	Nonmajor Funds	Total	Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 1,285,293	\$ (473,230)	\$ 812,063	\$ 1,570,868
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:				
Depreciation	3,484,161	285,892	3,770,053	-
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	674,321	(153,100)	521,221	-
(Increase) Decrease in Unbilled Accounts Receivable	(336,840)	-	(336,840)	-
(Increase) Decrease in Due From Other Funds	(11,646,499)	(10,706)	(11,657,205)	3,632,704
Increase (Decrease) in Accounts Payable and Accrued Expenses	203,375	22,119	225,494	229,047
Increase (Decrease) in Risk Management Claim Liability	-	994	994	676,783
Increase (Decrease) in Compensated Absences	30,942	(46,385)	(15,443)	-
Increase (Decrease) in Due to Other Funds	10,545,998	710,434	11,256,432	(6,109,402)
Increase (Decrease) in Net Pension Liability	1,042,452	-	1,042,452	-
Increase (Decrease) in Net OPEB Liability	(1,496,218)	-	(1,496,218)	-
(Increase) Decrease in Deferred Outflows of Resources - Pension	177,193	-	177,193	-
Increase (Decrease) in Deferred Inflows of Resources - Pension	(1,091,873)	-	(1,091,873)	-
(Increase) Decrease in Deferred Outflows of Resources - OPEB	330,168	-	330,168	-
Increase (Decrease) in Deferred Inflows of Resources - OPEB	531,083	-	531,083	-
Increase (Decrease) in Deferred Inflows of Resources - Leases	-	111,275	111,275	-
Net Cash Provided by Operating Activities	<u>\$ 3,733,556</u>	<u>\$ 447,293</u>	<u>\$ 4,180,849</u>	<u>\$ -</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL FINANCING ACTIVITIES:				
Capital Assets From Town	<u>\$ 12,123,936</u>	<u>\$ -</u>	<u>\$ 12,123,936</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	<u>Pension and Other Employee Benefit Trust Funds</u>	<u>Custodial Fund Teachers' Retiree</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,692,721	\$ 299,950
Investments:		
Pooled, Common, and Collective Trusts	96,402,612	-
Mutual Funds	82,087,657	-
Real Estate Investment Funds	65,884,463	-
Equity Hedge Funds	29,524,359	-
Total Assets	<u>275,591,812</u>	<u>299,950</u>
LIABILITIES		
Accounts Payable	<u>8,400</u>	-
Total Liabilities	8,400	-
NET POSITION		
Restricted for Pension Benefits	268,430,254	-
Restricted for OPEB Benefits	7,153,158	-
Restricted for Teacher's Retiree Fund	-	299,950
Total Net Position	<u><u>\$ 275,583,412</u></u>	<u><u>\$ 299,950</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	Pension and Other Employee Benefit Trust Funds	Custodial Fund Teachers' Retiree
ADDITIONS		
Contributions:		
Plan Members	\$ 1,198,763	\$ -
Employer	17,403,219	-
Other	-	1,821,078
Total Contributions	<u>18,601,982</u>	<u>1,821,078</u>
Investment Income:		
Net Change in Fair Value of Investments	(18,533,051)	-
Investment Fee	<u>(345,338)</u>	-
Net Investment Income (Loss)	<u>(18,878,389)</u>	<u>-</u>
Total Additions	(276,407)	1,821,078
DEDUCTIONS		
Benefits	34,056,830	-
Other	<u>93,776</u>	<u>1,548,825</u>
Total Deductions	<u>34,150,606</u>	<u>1,548,825</u>
CHANGE IN NET POSITION	(34,427,013)	272,253
Net Position - Beginning of Year	<u>310,010,425</u>	<u>27,697</u>
NET POSITION - END OF YEAR	<u><u>\$ 275,583,412</u></u>	<u><u>\$ 299,950</u></u>

See accompanying Notes to Financial Statements.

TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

Fiduciary Component Units

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

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

B. Basis of Presentation

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days after the end of the current fiscal period for property taxes and certain other revenues and 120 days for grants.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

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

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

The Town reports the following major governmental funds:

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

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

The Town reports the following major proprietary fund:

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

Additionally, the Town reports the following fund types:

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

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

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

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

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

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

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

C. Cash Equivalents

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

D. Investments

Investments are stated at fair value.

E. Supplies

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables and Payables

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

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

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

G. Capital Assets

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

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

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

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

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources (Continued)

The Town reports a deferred outflow on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred outflow on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs and differences in actual versus expected investment income.

These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees) except for differences in actual versus expected investment income which is amortized over 5 years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow on refunding, deferred inflows related to OPEB, deferred inflows for unavailable revenues and deferred inflows related to leases in the government-wide statement of net position. A deferred inflow on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plans (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from three sources: property taxes, other receivables and special assessments. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Lessor Arrangements

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.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease 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 records 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 STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Lessor Arrangements (Continued)

Individual lease contracts do not provide information about the discount rate; therefore, the incremental borrowing rate was used to calculate the present value of expected lease payments.

K. Compensated Absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for amounts expected to be paid with available resources, for example, as a result of employee resignations and retirements.

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

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

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

M. Equity

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

Net Investment in Capital Assets

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Equity (Continued)

Restricted Net Position

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

Unrestricted Net Position

This component consists of net position that does not meet the definition of "Restricted" or "Net Investment in Capital Assets."

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Equity (Continued)

Unassigned Fund Balance (Continued)

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.

N. Property Taxes

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

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

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

O. Accounting Estimates

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

General Fund

The Town's general budget policies are as follows:

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

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

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

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

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

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

Budgeted amounts reported are as originally adopted, or as amended by the Town Council during the course of the year. No supplemental appropriations were approved for year ended June 30, 2022.

B. Expenditures Exceeding Appropriations

The following line items exceeded appropriations for the year ended June 30, 2022:

Human Resources	\$	49,515
Town Buildings		38,581
Administration		4,359
Accounting		21,172
Tax Collector		5,559
Health Department		1,123
Short Beach		4,106
Administration		17,442
Highways		100,866
Administration		4,929
Fire Suppression		735,840
Investigation		147,921
Patrol		480,836
Traffic		22,792
Principal and Interest		1,082,436

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B. Expenditures Exceeding Appropriations (Continued)

Deficit Fund Equity

The following funds had fund deficits at June 30, 2022:

Major, Nonmajor and Other Funds:	
Community Development*	\$ 89,009
Railroad Property*	449,482
Miscellaneous Grants*	314,346
Debt Service**	1,549,408
Short Beach Golf Course*	223,969
Emergency Medical Services*	2,288,349
Internal Service - Workers' Compensation**	9,914,286

* Deficit will be eliminated through future charges for services.

** Deficit will be eliminated through future appropriations.

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$56,378,244 of the Town's bank balance of \$57,733,217 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 50,615,418
Uninsured and Collateral Held by the Pledging Bank's Trust Department, not in the Town's Name	<u>5,762,826</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 56,378,244</u></u>

Cash Equivalents

At June 30, 2022, the Town's cash equivalents amounted to \$1,703,556. State Short-Term Investment Fund (STIF) is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates. The Wells Fargo 100% Treasury Money Market Fund is exclusively invested in U.S. Treasury obligations. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Credit Risk – Cash Equivalents

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

	Standard & Poor's
State Short-Term Investment Fund (STIF)	AAAm
Wells Fargo 100% Treasury Money Market Fund	AAAm

Investments

The Town categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2022:

	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Mutual Funds	\$ 84,682,412	\$ 84,682,412	\$ -	\$ -
Pooled, Common and Collective Funds	96,402,612	-	96,402,612	-
Total Investments by Fair Value Level	181,085,024	\$ 84,682,412	\$ 96,402,612	\$ -
Investments Recorded at Net Asset Value (NAV):				
Equity Hedge Funds	29,524,359			
Real Estate Investment Funds	65,884,463			
Total Investments	\$ 276,493,846			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Pooled, common and collective funds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Investments (Continued)

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

	Fair Value	Unfunded Commitments	Frequency (If Currently Eligible)	Notice Period
Equity Hedge Funds	\$ 29,524,359	\$ -	Quarterly	Various
Real Estate Investment Funds	65,884,463	-	Quarterly	Various
Total Investments Measured at NAV	\$ 95,408,822	\$ -		

Equity Hedge Funds

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

Real Estate Investment Funds

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

Interest Rate Risk

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

Credit Risk – Investments

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2022, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent, that were not in the Town's name.

NOTE 4 RECEIVABLES

Receivables as of June 30, 2022 for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects	Waste Operating	Nonmajor Enterprise Funds	Nonmajor and Other Funds	Total
Receivables:						
Taxes and Interest	\$ 14,640,502	\$ -	\$ -	\$ -	\$ -	\$ 14,640,502
Accounts and Other	967,063	-	-	685,019	573,926	2,226,008
Special Assessments	-	606,444	-	-	-	606,444
Sewer Usage	-	-	1,379,728	-	-	1,379,728
Unbilled Sewer Usage Receivable	-	-	1,771,560	-	-	1,771,560
Intergovernmental	69,137	731,393	-	-	2,038,277	2,838,807
Leases	1,458,007	-	-	112,106	87,047	1,657,160
Gross Receivables	17,134,709	1,337,837	3,151,288	797,125	2,699,250	25,120,209
Less Allowance for Uncollectibles	650,000	-	-	226,056	-	876,056
Net Total Receivables	<u>\$ 16,484,709</u>	<u>\$ 1,337,837</u>	<u>\$ 3,151,288</u>	<u>\$ 571,069</u>	<u>\$ 2,699,250</u>	<u>\$ 24,244,153</u>

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 CAPITAL ASSETS

	Beginning Balance	Transfers/ Increases	Transfers/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 15,854,529	\$ -	\$ -	\$ 15,854,529
Construction in Progress	23,127,478	11,016,860	-	34,144,338
Total Capital Assets not Being Depreciated	38,982,007	11,016,860	-	49,998,867
Capital Assets Being Depreciated:				
Land Improvements	22,549,344	127,786	-	22,677,130
Buildings and Improvements	301,335,198	2,980,686	-	304,315,884
Machinery and Equipment	47,582,029	2,089,498	663,385	49,008,142
Infrastructure	122,628,405	62,765	-	122,691,170
Total Capital Assets Being Depreciated	494,094,976	5,260,735	663,385	498,692,326
Less Accumulated Depreciation for:				
Land Improvements	11,155,562	911,747	-	12,067,309
Buildings and Improvements	88,915,356	7,288,627	-	96,203,983
Machinery and Equipment	36,859,334	2,117,177	663,385	38,313,126
Infrastructure	92,144,795	2,175,689	-	94,320,484
Total Accumulated Depreciation	229,075,047	12,493,240	663,385	240,904,902
Total Capital Assets Being Depreciated, Net	265,019,929	(7,232,505)	-	257,787,424
Governmental Activities Capital Assets, Net	<u>\$ 304,001,936</u>	<u>\$ 3,784,355</u>	<u>\$ -</u>	<u>\$ 307,786,291</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets not Being Depreciated:				
Construction in Progress	\$ 13,371,510	\$ 12,133,476	\$ -	\$ 25,504,986
Capital Assets Being Depreciated:				
Land Improvements	2,148,942	-	-	2,148,942
Buildings and Improvements	71,576,138	-	-	71,576,138
Machinery and Equipment	8,411,961	-	-	8,411,961
Infrastructure	21,593,625	-	-	21,593,625
Total Capital Assets Being Depreciated	103,730,666	-	-	103,730,666
Less Accumulated Depreciation for:				
Land Improvements	2,130,586	6,947	-	2,137,533
Buildings and Improvements	46,642,258	3,246,840	-	49,889,098
Machinery and Equipment	6,562,074	241,786	-	6,803,860
Infrastructure	15,384,005	274,480	-	15,658,485
Total Accumulated Depreciation	70,718,923	3,770,053	-	74,488,976
Total Capital Assets Being Depreciated, Net	33,011,743	(3,770,053)	-	29,241,690
Business-Type Activities Capital Assets, Net	<u>\$ 46,383,253</u>	<u>\$ 8,363,423</u>	<u>\$ -</u>	<u>\$ 54,746,676</u>

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General Government	\$ 538,406
Human Development	386,377
Physical Development	3,415,358
Public Safety	1,317,311
Education	<u>6,835,788</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 12,493,240</u></u>
Business-Type Activities:	
Waste Operating	\$ 3,484,161
Short Beach Golf Course	28,925
Emergency Medical Services	<u>256,967</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 3,770,053</u></u>

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2022 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects	General Fund	\$ 74,713,813
Capital Projects	Major Enterprise	3,674,180
Capital Projects	Nonmajor SR	403,886
General Fund	Nonmajor SR	19,194,037
General Fund	Nonmajor Enterprise	4,703,351
General Fund	Major Enterprise	30,498,639
General Fund	Internal Service Funds	7,965,816
General Fund	Capital Projects	45,965,881
Internal Service Funds	General Fund	9,721,424
Internal Service Funds	Nonmajor SR	20,385
Internal Service Funds	Major Enterprise	186,395
Internal Service Funds	Capital Projects	3,025,239
Nonmajor SR	General Fund	21,727,302
Nonmajor Enterprise	General Fund	104,768
Major Enterprise	General Fund	41,068,426
Nonmajor Enterprise	Internal Service Funds	<u>46,502</u>
Total		<u><u>\$ 263,020,044</u></u>

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund balances are a result of temporary loans to various funds. Excluded from the above is an interfund from the General Fund to the Emergency Medical Services Fund in the amount of \$895,502. This amount is shown as an advance to/from other funds due to a lack of commitment to pay by the Emergency Medical Services Fund.

Interfund transfers for the year ended June 30, 2022 are as follows:

	Transfers In:				Total Transfers Out
	General	Capital Projects	Nonmajor Governmental	Nonmajor Enterprise	
Transfers Out:					
General Fund	\$ -	\$ 250,000	\$ 100,000	\$ 450,000	\$ 800,000
Waste Operating Fund	900,000	-	-	-	900,000
Nonmajor Governmental Funds	2,840,024	-	-	-	2,840,024
Total Transfers In	<u>\$ 3,740,024</u>	<u>\$ 250,000</u>	<u>\$ 100,000</u>	<u>\$ 450,000</u>	<u>\$ 4,540,024</u>

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM DEBT

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation					
Bonds and Notes	\$ 292,992,583	\$ 15,650,000	\$ 20,757,864	\$ 287,884,719	\$ 21,030,239
Premium on General					
Obligation Bonds	15,537,326	1,090,380	2,176,672	14,451,034	-
Notes Payable - Direct Placement	169,626	-	169,626	-	-
Interim Funding Obligation - CWF	-	18,728,202	-	18,728,202	-
Claims and Judgments	1,000,000	-	-	1,000,000	-
Compensated Absences	11,336,771	20,900,666	19,907,115	12,330,322	3,699,097
Landfill Monitoring Closure and					
Postclosure Costs	7,800,000	1,800,000	-	9,600,000	-
Net Pension Liability	31,495,739	34,502,960	-	65,998,699	-
Net OPEB Liability	273,634,271	-	43,139,388	230,494,883	4,288,410
Risk Management	13,679,035	1,359,783	683,000	14,355,818	1,086,000
	<u>\$ 647,645,351</u>	<u>\$ 94,031,991</u>	<u>\$ 86,833,665</u>	<u>\$ 654,843,677</u>	<u>\$ 30,103,746</u>
Governmental Activities					
Long-Term Liabilities	<u>\$ 647,645,351</u>	<u>\$ 94,031,991</u>	<u>\$ 86,833,665</u>	<u>\$ 654,843,677</u>	<u>\$ 30,103,746</u>
Business-Type Activities:					
General Obligation Bonds Payable	\$ 1,006,632	\$ -	\$ 187,123	\$ 819,509	\$ 125,122
Notes Payable - CWF	21,866,512	-	2,470,922	19,395,590	2,520,526
Notes Payable - Direct Placement	10,752	-	10,752	-	-
Compensated Absences	502,097	649,565	665,007	486,655	145,996
Net Pension Liability	951,594	1,042,452	-	1,994,046	-
Net OPEB Liability	6,878,704	-	1,394,371	5,484,333	101,847
	<u>\$ 31,216,291</u>	<u>\$ 1,692,017</u>	<u>\$ 4,728,175</u>	<u>\$ 28,180,133</u>	<u>\$ 2,893,491</u>
Business-Type Activities					
Long-Term Liabilities	<u>\$ 31,216,291</u>	<u>\$ 1,692,017</u>	<u>\$ 4,728,175</u>	<u>\$ 28,180,133</u>	<u>\$ 2,893,491</u>

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

Included in the Town's Governmental Activities above is an interim funding obligation in the amount of \$18,728,202 to the state of Connecticut under the Clean Water Fund Program. The note carries a 2% interest rate and the principal also becomes payable upon the permanent financing of the note payable.

General Obligation Bonds

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

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

Description	Balance Outstanding June 30, 2022
<u>Governmental Activities:</u>	
School bonds with interest rates ranging from 2.0% to 5.0% and varying expiration dates ranging from December 2022 to May 2042	\$ 101,419,619
General obligation pension bonds with interest rates ranging from 0.5% to 5.0% and varying expiration dates from August 2030 to August 2038	116,365,000
General obligation bonds with interest rates ranging from 2.0% to 5.0% and varying expiration dates from December 2022 to May 2042	70,100,100
Total Governmental Activities	<u>\$ 287,884,719</u>
<u>Business-Type Activities:</u>	
EMS Bonds with interest rates ranging from 2.0% to 5.0% and varying expiration dates ranging from August 2023 to May 2042	\$ 571,000
WPCA Bonds with interest rates ranging from 1.0% to 5.0% and an expiration date of June 2030	248,509
Total Business-Type Activities	<u>\$ 819,509</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Governmental Activities

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 21,030,239	\$ 11,350,793	\$ 32,381,032
2024	21,159,239	10,470,631	31,629,870
2025	20,335,239	9,692,160	30,027,399
2026	20,265,239	9,016,562	29,281,801
2027	18,425,239	8,472,828	26,898,067
2028-2032	86,159,524	33,784,918	119,944,442
2033-2037	72,825,000	16,021,136	88,846,136
2038-2042	27,685,000	1,968,900	29,653,900
Total	<u>\$ 287,884,719</u>	<u>\$ 100,777,928</u>	<u>\$ 388,662,647</u>

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

Business-Type Activities

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 125,122	\$ 13,749	\$ 138,871
2024	261,122	10,487	271,609
2025	165,122	7,696	172,818
2026	140,122	5,477	145,599
2027	30,122	3,904	34,026
2028-2030	97,899	5,856	103,755
Total	<u>\$ 819,509</u>	<u>\$ 47,169</u>	<u>\$ 866,678</u>

Bonds Authorized but Unissued

The total of authorized but unissued bonds at June 30, 2022 are as follows:

General Purpose	\$ 11,019,924
School	19,977,286
Sewers	1,527,141
Total	<u>\$ 32,524,351</u>

Waste Operating Fund Notes Payable

Clean Water Fund Notes

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

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,520,526	\$ 364,949	\$ 2,885,475
2024	2,468,977	314,069	2,783,046
2025	2,623,588	262,161	2,885,749
2026	2,676,540	209,196	2,885,736
2027	2,684,275	155,335	2,839,610
2028-2030	6,421,684	153,533	6,575,217
Total	<u>\$ 19,395,590</u>	<u>\$ 1,459,243</u>	<u>\$ 20,854,833</u>

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM DEBT (CONTINUED)

Debt Limitation

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 424,404,203	\$ 102,939,024	\$ 321,465,179
Schools	848,808,405	132,830,578	715,977,827
Sewer and Water	707,340,338	39,899,442	667,440,896
Urban Renewal	613,028,293	-	613,028,293
Unfunded Pension Benefit Obligation	565,872,270	116,365,000	449,507,270
Total	<u>\$ 3,159,453,508</u>	<u>\$ 392,034,044</u>	<u>\$ 2,767,419,464</u>

The total overall statutory debt limit for the Town does not exceed the legal debt limitation that is equal to seven times annual receipts from taxation (\$1.3 billion).

Bond Anticipation Notes Payable

Bond anticipation notes outstanding at June 30, 2022 were as follows:

	<u>Amount</u>
Notes Payable, July 1, 2021	\$ 13,845,000
Notes Issued	43,962,000
Notes Retired	(38,335,000)
Notes Payable, June 30, 2022	<u>\$ 19,472,000</u>

During the year, the Town issued bond anticipation notes on three separate occasions. These notes serve as temporary financing for various public improvements and school projects.

- \$12,245,000 in notes dated December 16, 2021, which matured on March 15, 2022. The notes carried an interest rate of 2%.
- \$12,245,000 in notes dated March 15, 2022, which matured on May 17, 2022. The notes carried an interest rate of 2%.
- \$19,472,000 in notes dated May 17, 2022, which will mature on May 9, 2023. The notes carry an interest rate of 2%.

Landfill Post-Closure Care Costs

State and federal laws and regulations require that the Town place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The estimated total current cost of the landfill post closure care, aggregating approximately \$9.6 million, is based on the amount estimated to be paid for all equipment, facilities and services required to cap, monitor, and maintain the landfills as of June 30, 2022. However, the actual cost of post closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through the issuance of general obligation bonds and state and federal grants. The Town is currently in discussions with the Department of Environmental Protection to develop and implement a superfund site plan, which needs to occur prior to the capping process. Therefore, there is no current portion of the liability reflected in the financial statements. Once an agreement is established the current portion will be reported.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 FUND BALANCE

The components of fund balance for the governmental funds as of June 30, 2022 are as follows:

	General Fund	Capital Projects	Nonmajor Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Inventory and Prepaids	\$ 23,977	\$ -	\$ 62,195	\$ 86,172
Nonexpendable Trusts	-	-	2,647,294	2,647,294
Advances to Other Funds	895,502	-	-	895,502
Restricted for:				
Education	-	-	2,024,432	2,024,432
Human Development	-	-	104,177	104,177
Physical Development	-	-	1,032,907	1,032,907
Committed to:				
General Government	-	-	321,133	321,133
Education	-	-	571,572	571,572
Human Development	-	-	643,143	643,143
Physical Development	-	-	927,501	927,501
Public Safety	-	-	1,098,052	1,098,052
Student Activities	-	-	376,244	376,244
Capital Projects	-	36,828,830	-	36,828,830
Assigned to:				
Education Encumbrances	599,538	-	-	599,538
Unassigned	13,625,874	(36,203,636)	(2,402,245)	(24,980,007)
Total Fund Balances	<u>\$ 15,144,891</u>	<u>\$ 625,194</u>	<u>\$ 7,406,405</u>	<u>\$ 23,176,490</u>

Encumbrances of approximately \$600,000, \$1,555,000 and \$131,000 at June 30, 2022 are contained in the above table in the assigned category of the General Fund, the committed category of the Capital Projects Fund and the restricted and committed categories of the Nonmajor Governmental funds, respectively.

NOTE 9 EMPLOYEE RETIREMENT PLAN

Employee Defined Benefit Pension Plan

A. Plan Description

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Employee Defined Benefit Pension Plan (Continued)

A. Plan Description (Continued)

As of July 1, 2020, the date of the most recent actuarial valuation, membership consisted of the following:

Actives	164
Terminated Vested and Other Inactives	14
Retirees and Beneficiaries	663
Total	<u>841</u>

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

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Method Used to Value Investments

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

C. Funding Policy

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

Under the Town's defined benefit plan, all employees hired and working 20 hours or more per week are eligible. Employees are 100% vested after 10 years of service. The retirement benefit is calculated at 2.4% of average compensation during the 24 months immediately prior to retirement multiplied by up to 25 years of service. The calculation for service over 25 years varies by union contract. Employees are required to contribute 8% of their salaries to the defined benefit plan except for police hired after October 17, 1996 who contribute 7%.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Employee Defined Benefit Pension Plan (Continued)

C. Funding Policy (Continued)

If an employee leaves covered employment or dies before 10 years of service, accumulated employee contributions and related investment earnings are refunded. The Town is required to contribute the remaining amounts necessary to finance the coverage for its employees. Benefits and contributions are established by the Town and may be amended only by the Town Council and Union negotiations.

D. Investments Investment Policy

The pension plan's policy, in regard to the allocation of invested assets, is established and may be amended by the Pension Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation as of June 30, 2022, and are also summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
U.S. Core Fixed Income	30.0 %	1.26 %
U.S. Large Caps	22.5	3.65
U.S. Mid Caps	10.0	3.66
U.S. Small and Mid Caps	10.0	3.75
Non-U.S. Equity	10.0	4.90
Private Real Estate Property	15.0	3.58
Timber	2.5	3.88
Total	<u>100.0 %</u>	

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Employee Defined Benefit Pension Plan (Continued)

D. Investments Investment Policy (Continued)

Concentrations

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

Concentrations:

Pension:

BR Russell 2500 Index	11 %
SSGA S&P 500 R Flagship NL Fund	25
Ernest Partners International	11
JP Morgan US Real Estate Income Growth Fund	6
Prime Property Fund LLC	10
U.S. Real Estate Inv Fund LLC	8

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 -5.98%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Plan (DROP)

The Town offers a DROP to bargaining unit members employed on or after July 1, 2001. Any bargaining unit member who is a member of the Retirement Plan for full-time employees of the police Department of the Town upon completing his/her 25th year of service may elect the DROP at any time up to and through the completion of his/her 29th year of service. No bargaining unit member may elect the DROP after the completion of his/her 29th year of service. Upon the election of the DROP, no further pension benefits will accrue. During the DROP period, the employee's monthly pension benefits will be made to the employee's separately designated DROP account equal to 96% of the pension payment the employee was entitled to receive had that employee not elected the DROP. Upon separation from Town service, the monthly pension benefit shall increase to 100% of the monthly pension payment. During the DROP period, the employee will continue to make employee contributions equivalent to the amounts in effect at the time the DROP was elected, and these contributions will be made to the Town's Pension Fund, not the member's separate DROP account. The DROP period has a minimum length of one year and a maximum of five years. At June 30, 2022, there are three participants. The account balance is \$979,540 at June 30, 2022.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Employee Defined Benefit Pension Plan (Continued)

D. Investments Investment Policy (Continued)

Net Pension Liability of the Town

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

Total Pension Liability	\$ 336,422,998
Plan Fiduciary Net Position	<u>268,430,253</u>
Net Pension Liability	<u>\$ 67,992,745</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.79 %
---	---------

E. Actuarial Assumptions

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

Inflation	2.50 %
Salary increases	3.75% for Police and Fire, rates that vary by age for all others
Investment rate of return	6.75 %

Pension plan mortality rates were based on the Pub-2010 Mortality (Public Safety variant for police, fire and public works employees and General variant for all others) with generational projection per MP 2019.

F. Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Employee Defined Benefit Pension Plan (Continued)

G. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2021	\$ 334,208,067	\$ 301,760,734	\$ 32,447,333
Changes for the year:			
Service Cost	2,705,132	-	2,705,132
Interest on Total Pension Liability	21,959,381	-	21,959,381
Effect of Assumptions Changes or Inputs	-	-	-
Effect of Economic/Demographic Gains or Losses	1,113,235	-	1,113,235
Employer Contributions	-	6,859,206	(6,859,206)
Member Contributions	-	1,198,763	(1,198,763)
Net Investment Income	-	(17,671,155)	17,671,155
Benefit Payments, Including Refund of Employee Contributions	(23,562,817)	(23,562,817)	-
Administrative Expenses	-	(154,478)	154,478
Other Changes	-	-	-
Net Changes	2,214,931	(33,330,481)	35,545,412
Balances as of June 30, 2022	<u>\$ 336,422,998</u>	<u>\$ 268,430,253</u>	<u>\$ 67,992,745</u>

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 103,976,735	\$ 67,992,745	\$ 37,586,432

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Employee Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2022, the Town recognized pension expense of \$11,215,968. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 494,771	\$ -
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,059,635	-
Total	\$ 3,554,406	\$ -

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

Year Ending June 30,	Pension Expense
2023	\$ (81,751)
2024	(883,633)
2025	(2,983,836)
2026	7,503,626
Total	\$ 3,554,406

Connecticut Teachers Retirement System – Pension

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

B. Benefit Provisions (Continued)

Early Retirement

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

Disability Retirement

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

C. Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2021, the amount of "on-behalf" contributions made by the State was \$16,460,101 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows 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		196,576,197
Total		<u>\$ 196,576,197</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, 2020. At June 30, 2022, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2022, the Town recognized pension expense and revenue of \$12,689,451 in Exhibit II for on-behalf amounts for the benefits provided by the State.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.00%-6.50%, including inflation
Investment Rate of Return	6.90%, net of pension plan investment expense, including inflation

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

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

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Connecticut Teachers Retirement System – Pension

E. Actuarial Assumptions (Continued)

Benefit changes since the prior year are as follows:

- There were no changes in benefit provisions that affected the measurement of the TPL since the prior measurement date.

Cost-of-Living Allowance

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

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

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

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

The current capital market assumptions and the target allocation as provided by the state of Connecticut treasurer’s office are summarized in the following table:

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

F. Discount Rate

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

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

I. Other Information

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

Defined Contribution Pension Plan

The Town administers a defined contribution pension plan that was opened to new members and contributions beginning in 1999. In a defined contribution plan, benefits depend solely on the amounts contributed to the plan plus investment earnings.

Employees are vested after five years of service with the Town and contribute between 6-8% annually, depending on the union. Plan investments are reported at fair value. Benefits and contributions are established by the Town and may be amended by the Town Council and union negotiations. The Town's contribution for the fiscal year ended June 30, 2022 was \$1,755,703.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN

A. Plan Description

The Town, in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The single-employer plan covers Town, Board of Education, police and fire employees as further defined in collective bargaining agreements and other written materials. Eligibility and premium sharing information is detailed in the various collective bargaining agreements. The Town does not issue separate stand-alone financial statements for the plan. At July 1, 2020, plan membership consisted of the following:

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

B. Funding Policy

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

Town Hall

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

Medical Benefits:

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

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

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

Life Insurance:

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

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

Police

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

Medical Benefits:

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

Life Insurance:

\$5,000 until age 65.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

B. Funding Policy (Continued)

Firefighters

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

Medical Benefits:

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

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

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

Public Works

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

Medical Benefits:

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

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

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

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

Life Insurance:

\$5,000 until age 65.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

B. Funding Policy (Continued)

Supervisors

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

Medical Benefits:

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

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

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

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

Life Insurance:

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

BOE Custodians

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

Medical and Dental Benefits:

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

Life Insurance:

\$15,000.

BOE Nurses

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

Medical and Dental Benefits:

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

B. Funding Policy (Continued)

BOE Administrators

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

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

Medical and Dental Benefits:

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

BOE Paraprofessional/Cafeteria Workers

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

Medical and Dental Benefits:

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

Life Insurance:

\$7,000

BOE Secretaries

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

Medical and Dental Benefits:

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

Life Insurance:

\$15,000.

BOE Teachers

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

Medical and Dental Benefits:

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

C. Investments

Investment Policy

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

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -13.78%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net OPEB Liability of the Town

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

Total OPEB Liability	\$ 243,132,373
Plan Fiduciary Net Position	7,153,157
Net OPEB Liability	<u>\$ 235,979,216</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.94 %
--	--------

E. Actuarial Assumptions

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

Inflation	2.50 %
Discount Rate	3.54 %
Healthcare Cost Trend Rates	Varies by Medical Plan, Group, and Age

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

The actuarial assumptions used in the July 1, 2020 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. A full actuarial experience study has not been completed.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

E. Actuarial Assumptions (Continued)

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

The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
U.S. Core Fixed Income	30 %	1 %
U.S. Large Caps	20	5
U.S. Midcap Growth	10	6
U.S. Midcap Value	10	5
Non-U.S. Equity	10	7
Private Real Estate Property	15	5
Timber	5	5
Total	<u>100 %</u>	

F. Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

G. Changes in OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2021	\$ 288,762,665	\$ 8,249,690	\$ 280,512,975
Changes for the Year:			
Service Cost	10,745,547	-	10,745,547
Interest on Total OPEB Liability	6,356,648	-	6,356,648
Effect of Assumptions/Changes or Inputs	(52,238,474)	-	(52,238,474)
Employer Contributions	-	10,544,013	(10,544,013)
Net Investment Income	-	(1,142,757)	1,142,757
Benefit Payments, Including Refund of Employee Contributions	(10,494,013)	(10,494,013)	-
Administrative Expenses		(3,776)	3,776
Net Changes	(45,630,292)	(1,096,533)	(44,533,759)
Balances as of June 30, 2022	\$ 243,132,373	\$ 7,153,157	\$ 235,979,216

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

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

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Net OPEB Liability	\$ 272,165,261	\$ 235,979,216	\$ 206,812,320

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 200,114,670	\$ 235,979,216	\$ 281,726,899

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

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

For the year ended June 30, 2022, the Town recognized OPEB expense of \$4,198,684. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 49,922,935
Changes of Assumptions	34,596,314	43,073,829
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	298,222
Total	\$ 34,596,314	\$ 93,294,986

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

Year Ending June 30,	Amount
2023	\$ 10,950,199
2024	10,900,416
2025	14,107,417
2026	15,087,880
2027	7,652,760
Thereafter	-
Total	\$ 58,698,672

Other Post Employment Benefit - Connecticut State Teachers Retirement Plan

A. Plan Description

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

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**Other Post Employment Benefit - Connecticut State Teachers Retirement Plan
(Continued)**

B. Benefit Provisions

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

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

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

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

Survivor Health Care Coverage

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**Other Post Employment Benefit - Connecticut State Teachers Retirement Plan
(Continued)**

C. Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**Other Post Employment Benefit - Connecticut State Teachers Retirement Plan
(Continued)**

D. Contributions (Continued)

Employer (School Districts)

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

For the year ended June 30, 2022, the amount of “on-behalf” contributions made by the State was \$387,338 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

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

At June 30, 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 OPEB liability that was associated with the Town was as follows:

Town's Proportionate Share of the Net OPEB Liability	\$	-
State's Proportionate Share of the Net OPEB Liability		
Associated with the Town		21,416,616
Total		<u>21,416,616</u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2022, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2021, the Town recognized OPEB expense and revenue of \$(790,848) in Exhibit II for on-behalf amounts for the benefits provided by the State.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**Other Post Employment Benefit - Connecticut State Teachers Retirement Plan
(Continued)**

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 %
Health Care Costs Trend Rate	5.125% for 2020, decreasing to an ultimate rate of 4.50% by 2023
Salary Increases	3.00-6.50%, including inflation
Investment Rate of Return	2.17%, net of OPEB plan investment expense, including inflation
Year Fund Net Position Will be Depleted	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 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.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 2.21% to 2.17%
- Expected annual per capita claims costs were updated to better reflect anticipated Medicare and prescription drug claim experience based on scheduled premium increases through calendar year 2024.

The changes in the benefit terms since the prior year are as follows:

- There were no changes to benefit terms in the two years preceding the measurement date.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best- estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.42%).

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**Other Post Employment Benefit - Connecticut State Teachers Retirement Plan
(Continued)**

G. Discount Rate

The discount rate used to measure the total OPEB liability was 2.17%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on 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 annually at a rate of 3.00%
- 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 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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

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

I. OPEB Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

J. Other Information

Additional information is included in the required supplementary information section of the financial statements.

A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION AND OPEB TRUST FUNDS COMBINING SCHEDULES

Combining Schedule of Net Position - Trust Funds

	Pension Trust Fund	OPEB Trust Fund	Total
Assets:			
Cash and Cash Equivalents	\$ 1,590,794	\$ 101,927	\$ 1,692,721
Investments:			
Mutual Funds	75,028,026	7,059,631	82,087,657
Pooled, Common and Collective Trusts	96,402,612	-	96,402,612
Real Estate Investment Funds	65,884,463	-	65,884,463
Equity Hedge Funds	29,524,359	-	29,524,359
Total Assets	268,430,254	7,161,558	275,591,812
Liabilities:			
Accounts Payable	-	8,400	8,400
Total Liabilities	-	8,400	8,400
Net Position:			
Restricted for Pension and OPEB Benefits	<u>\$ 268,430,254</u>	<u>\$ 7,153,158</u>	<u>\$ 275,583,412</u>

Combining Schedule of Changes in Net Position - Trust Funds

	Pension Trust Fund	OPEB Trust Fund	Total
Additions:			
Contributions:			
Plan Members	\$ 1,198,763	-	\$ 1,198,763
Employer	6,859,206	10,544,013	17,403,219
Total Contributions	8,057,969	10,544,013	18,601,982
Investment Income:			
Net Appreciation in Fair Value of Investments	(17,390,295)	(1,142,756)	(18,533,051)
Interest and Dividends	-	-	-
Total Investment Income	(17,390,295)	(1,142,756)	(18,533,051)
Investment Fees	(345,338)	-	(345,338)
Net Investment Income	(17,735,633)	(1,142,756)	(18,878,389)
Total Additions	(9,677,664)	9,401,257	(276,407)
Deductions:			
Benefits	23,562,817	10,494,013	34,056,830
Other	90,000	3,776	93,776
Total Deductions	23,652,817	10,497,789	34,150,606
Net Increase (Decrease)	(33,330,481)	(1,096,532)	(34,427,013)
Net Position - Beginning of Year	301,760,735	8,249,690	310,010,425
Net Position - End of Year	\$ 268,430,254	\$ 7,153,158	\$ 275,583,412

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Town purchases commercial property, boiler, and machinery insurance for losses in excess of \$50,000 to the Town's real estate, third-party liability insurance up to \$10,000,000 for claims above a \$1,000,000 self-insured retention. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2022.

The Town is self-insured for medical, dental, workers' compensation and heart and hypertension. The Town has opted to manage certain of its risks internally and has set aside assets for claim settlement in its Internal Service Fund.

The Internal Service Fund services employee health and workers' compensation claims for risk of loss. Under the program, the Town is obligated for claim payments. The Town has purchased a stop loss policy for individual claims exceeding \$500,000 for hospital and major medical. All departments of the Town participate in the program and make payments to the Internal Service Fund based on estimates of the amount needed to provide for normal occurrence of claims.

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

Health Benefit Fund

Fiscal Year	Claims Payable July 1,	Current Year Claims and Changes in Estimates	Payment of Claims	Claims Payable June 30,
2021	\$ 595,000	\$ 4,532,928	\$ 4,444,928	\$ 683,000
2022	683,000	6,732,577	6,329,577	1,086,000

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

Workers' Compensation Fund

<u>Fiscal Year</u>	<u>Claims Payable July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Payment of Claims</u>	<u>Claims Payable June 30,</u>
2021	\$ 12,983,355	\$ 2,534,926	\$ 2,522,246	\$ 12,996,035
2022	12,996,035	2,793,046	2,519,263	13,269,818

B. Contingent Liabilities and Commitments Lawsuits

There are several personal injury, negligence and personnel related lawsuits pending against the Town. The outcome and eventual liability of the Town, if any, in these cases is not known at this time.

Based upon consultation with legal counsel, the Town's management estimates that potential claims against the Town not covered by insurance resulting from such litigation would not materially affect the financial position of the Town. The Town has recorded in the government-wide financial statements \$1,00,000 to cover claims not covered by insurance. At this time, the Town has determined that none of the claims outstanding are due within the next 12 months.

Municipal Solid Waste Service Agreement

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

Federal and State Assistance Programs - Compliance Audits

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

NOTE 13 SUBSEQUENT EVENTS

On May 9, 2023, the Town issued \$21,085,000 of General Obligation Bond Anticipation Notes that have an interest rate of 4.5%. The notes are due October 3, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF STRATFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property Taxes:				
Current Levy	\$ 188,142,468	\$ 188,142,468	\$ 187,897,018	\$ (245,450)
Arrears	5,233,500	5,233,500	5,010,367	(223,133)
Interest and Lien Fees	551,500	551,500	514,328	(37,172)
Suspense Taxes	-	-	51,040	51,040
Tax Refunds and Adjustments	-	-	404	404
Payments in Lieu of Taxes - Fed	1,500	1,500	1,323	(177)
Payments in Lieu of Taxes - Local	352,267	352,267	98,235	(254,032)
Total Property Taxes	194,281,235	194,281,235	193,572,715	(708,520)
Intergovernmental Revenues:				
State:				
Education Equalization Grant	25,147,965	25,147,965	25,302,662	154,697
Special Education	2,500,000	2,500,000	3,259,928	759,928
Veterans' Additional Relief	115,000	115,000	84,392	(30,608)
In Lieu of State Property Tax	200,000	200,000	213,514	13,514
State Disability Exemption	8,000	8,000	7,060	(940)
State Health CGS 10-217A	70,000	70,000	67,347	(2,653)
State Telecom Personal Property	100,000	100,000	85,488	(14,512)
Municipal Grants-in-Aid	4,682,925	4,682,925	5,784,709	1,101,784
Distressed Communities Fee	4,719,720	4,719,720	-	(4,719,720)
Airplane Registration	55,000	55,000	46,460	(8,540)
Mashantucket Grant	30,567	30,567	30,567	-
Total State	37,629,177	37,629,177	34,882,127	(2,747,050)
Federal:				
FEMA Disaster Recovery	-	-	645,950	645,950
Civil Preparedness	19,200	19,200	-	(19,200)
Total Federal	19,200	19,200	645,950	626,750
Total Intergovernmental Revenues	37,648,377	37,648,377	35,528,077	(2,120,300)

**TOWN OF STRATFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Departmental Revenues:				
Education	\$ 88,500	\$ 88,500	\$ 67,881	\$ (20,619)
Economic Development	-	-	30,650	30,650
Finance	200,000	200,000	111,480	(88,520)
Fire Department	45,000	45,000	104,473	59,473
Health Department	110,250	110,250	97,958	(12,292)
Conservation	16,000	16,000	39,331	23,331
Planning and Zoning	115,000	115,000	115,008	8
Police Department	203,000	203,000	128,777	(74,223)
Public Works	550,000	550,000	519,316	(30,684)
Recreation Department	47,500	47,500	(270)	(47,770)
Sanitation	265,000	265,000	395,871	130,871
Senior services	7,000	7,000	6,112	(888)
Town Attorney	-	-	64,214	64,214
Town Clerk	1,232,750	1,232,750	1,778,256	545,506
Total Departmental Revenues	2,880,000	2,880,000	3,459,057	579,057
Licenses and Permits:				
Building Permits	760,000	760,000	874,048	114,048
Boothe Memorial Park Permits	38,000	38,000	42,615	4,615
Street and Sewer Permits	21,000	21,000	7,650	(13,350)
Beach Stickers/Concessions	125,000	125,000	111,224	(13,776)
Total Licenses and Permits	944,000	944,000	1,035,537	91,537
Investment Income	875,000	875,000	(23,652)	(898,652)
Other:				
Miscellaneous Rental:				
Cell Tower Rentals	190,000	190,000	159,408	(30,592)
Baldwin Rental	4,000	4,000	1,728	(2,272)
Beach House Rental	20,000	20,000	33,750	13,750
Rental Custodian Revenue	165,000	165,000	14,192	(150,808)
Other Insurance Recovery	50,000	50,000	-	(50,000)
Traffic Patrol	15,000	15,000	30,781	15,781
Gain on Sale of Land	160,000	160,000	430,201	270,201
Miscellaneous	400,000	400,000	328,963	(71,037)
Boothe Estates	95,000	95,000	102,450	7,450
Total Other	1,099,000	1,099,000	1,101,473	2,473
Total Revenues	237,727,612	237,727,612	234,673,207	(3,054,405)
Other Financing Sources:				
ARPA Revenue Replacement	-	-	1,387,871	1,387,871
Transfers in	3,290,000	3,290,000	3,740,024	450,024
Total	\$ 241,017,612	\$ 241,017,612	239,801,102	\$ (1,216,510)

Budgetary revenues are different than GAAP revenues because:

State of Connecticut pension on-behalf contributions related to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted	16,460,101
State of Connecticut OPEB on-behalf contributions related to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted	387,338
Lease Revenue	30,662
Other unbudgeted items	965,020
Revenues Consolidated for GASB Statement No. 54	22,221

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

\$ 257,666,444

**TOWN OF STRATFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Administration:				
Council Clerk	\$ 88,602	\$ 88,602	\$ 76,958	\$ 11,644
Office of the Mayor	297,414	297,414	296,910	504
Human Resources	442,304	442,304	491,819	(49,515)
Town Attorney	1,952,970	1,952,970	1,948,245	4,725
Chief Administrative Officer	410,648	410,648	369,188	41,460
Department of Planning	411,743	411,743	396,772	14,971
Registrar of Voters	278,746	278,746	251,536	27,210
Town Clerk	408,336	408,336	399,502	8,834
Town Buildings	1,263,750	1,263,750	1,302,331	(38,581)
Agencies	205,315	205,315	189,562	15,753
Information Technology	558,114	558,114	527,532	30,582
Total Administration	6,317,942	6,317,942	6,250,355	67,587
Contingency	4,761,500	4,761,500	4,012,787	748,713
Employee Benefits	34,600,092	34,600,092	32,831,892	1,768,200
Finance:				
Administration	196,599	196,599	200,958	(4,359)
Accounting	541,655	541,655	562,827	(21,172)
Purchasing	247,916	247,916	141,875	106,041
Tax Assessor	604,057	604,057	474,451	129,606
Tax Collector	596,704	596,704	602,263	(5,559)
Total Finance	2,186,931	2,186,931	1,982,374	204,557
Human Development:				
Community Services	457,182	457,182	450,102	7,080
Economic Community Development	282,935	282,935	251,558	31,377
Health Department	881,515	881,515	882,638	(1,123)
Recreation Department	788,021	788,021	688,733	99,288
Senior Services	595,738	595,738	542,283	53,455
Sterling House	171,950	171,950	171,950	-
Stratford Library Association	3,338,948	3,338,948	3,283,500	55,448
Visiting Nurses Association	53,500	53,500	53,500	-
Short Beach	-	-	4,106	(4,106)
Total Human Development	6,569,789	6,569,789	6,328,370	241,419

**TOWN OF STRATFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Physical Development:				
Public Works:				
Administration	\$ 556,508	\$ 556,508	\$ 573,950	\$ (17,442)
Building Inspection	280,572	280,572	279,435	1,137
Building Maintenance	2,326,701	2,326,701	2,154,302	172,399
Engineering	395,703	395,703	311,703	84,000
Parks	2,983,388	2,983,388	2,947,497	35,891
Highways	2,766,661	2,766,661	2,867,527	(100,866)
Town garage	922,545	922,545	883,138	39,407
Sanitation/Refuse	5,350,144	5,350,144	5,253,007	97,137
Total Physical Development	<u>15,582,222</u>	<u>15,582,222</u>	<u>15,270,559</u>	<u>311,663</u>
Public Safety:				
Fire Department:				
Administration	402,197	402,197	407,126	(4,929)
Fire Suppression	12,811,070	12,811,070	13,546,910	(735,840)
Fire Prevention	554,078	554,078	428,674	125,404
Communications Center	1,347,247	1,347,247	1,407,217	(59,970)
Police Department:				
Administration	669,301	669,301	655,030	14,271
Investigation	2,141,180	2,141,180	2,289,101	(147,921)
Patrol	7,028,982	7,028,982	7,509,818	(480,836)
Traffic	652,641	652,641	675,433	(22,792)
Professional Standards	764,932	764,932	598,415	166,517
Police Records	444,810	444,810	358,582	86,228
Total Public Safety	<u>26,816,438</u>	<u>26,816,438</u>	<u>27,876,306</u>	<u>(1,059,868)</u>
Board of Education	120,184,338	120,184,338	119,971,490	212,848
Debt Service:				
Bonds Payable:				
Principal and Interest	22,872,830	22,872,830	23,955,266	(1,082,436)
Total Debt Service	<u>22,872,830</u>	<u>22,872,830</u>	<u>23,955,266</u>	<u>(1,082,436)</u>
Total Expenditures	239,892,082	239,892,082	238,479,399	1,412,683

**TOWN OF STRATFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Other Financing Uses:				
Transfers Out	\$ 1,125,530	\$ 1,125,530	\$ 1,125,530	\$ -
Total	<u>\$ 241,017,612</u>	<u>\$ 241,017,612</u>	239,604,929	<u>\$ 1,412,683</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut pension on-behalf contributions relative to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted	16,460,101
State of Connecticut OPEB on-behalf contributions relative to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted	387,338
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.	(599,538)
Encumbrances for purchases and commitments ordered in the previous year, that were received and liquidated in the current year are reported for financial statement reporting purposes.	502,947
Encumbrances for purchases and commitments ordered in the previous year, that were cancelled in the current year are reported as a reduction of expenditures for budgetary purposes.	(130,679)
Reduction of Bond Anticipation Notes Payable included in Debt Service above Expenditures and Transfers Consolidated for GASB Statement No. 54	(1,600,000)
	<u>(200,187)</u>

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV	<u>\$ 254,424,911</u>
---	-----------------------

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:									
Service Cost	\$ 2,705	\$ 2,818	\$ 3,003	\$ 3,009	\$ 3,143	\$ 3,169	\$ 3,338	\$ 3,386	\$ 3,739
Interest	21,959	20,787	20,756	20,644	20,662	20,268	20,161	19,991	19,881
Effect of Economic/Demographic Gains or Losses	1,113	(2,018)	-	1,070	(1,327)	4,548	1,019	(1,301)	(462)
Effect of Assumption Changes or Inputs		19,193		-		-	-	-	-
Benefit Payments	(23,563)	(23,067)	(23,143)	(22,967)	(22,252)	(22,019)	(21,504)	(20,807)	(20,286)
Net Change in Total Pension Liability	2,215	17,713	616	1,756	226	5,966	3,014	1,269	2,872
Total Pension Liability - Beginning	334,208	316,495	315,879	314,123	313,897	307,931	304,917	303,648	300,776
Total Pension Liability - Ending (a)	336,423	334,208	316,495	315,879	314,123	313,897	307,931	304,917	303,648
Plan Fiduciary Net Position:									
Contributions - Employer	6,859	6,610	5,349	5,400	5,644	5,385	5,393	5,221	162,209
Contributions - Member	1,199	1,320	1,282	1,309	1,387	1,447	1,661	1,578	1,683
Net Investment Income (Loss)	(17,672)	68,689	6,376	15,456	22,479	28,887	(1,004)	9,918	26,333
Benefit Payments, Including									
Refunds of Member Contributions	(23,563)	(23,067)	(23,143)	(22,967)	(22,252)	(22,019)	(21,504)	(20,807)	(20,286)
Administrative Expense	(154)	(206)	(276)	(326)	(305)	(295)	(264)	(400)	(239)
Net Change in Plan Fiduciary Net Position	(33,331)	53,346	(10,412)	(1,128)	6,953	13,405	(15,718)	(4,490)	169,700
Plan Fiduciary Net Position - Beginning	301,761	248,415	258,827	259,955	253,002	239,597	255,315	259,805	90,105
Plan Fiduciary Net Position - Ending (b)	268,430	301,761	248,415	258,827	259,955	253,002	239,597	255,315	259,805
Net Pension Liability - Ending (a)-(b)	\$ 67,993	\$ 32,447	\$ 68,080	\$ 57,052	\$ 54,168	\$ 60,895	\$ 68,334	\$ 49,602	\$ 43,843
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.79 %	90.29 %	78.49 %	81.94 %	82.76 %	80.60 %	77.81 %	83.73 %	85.56 %
Covered Payroll	\$ 16,509	\$ 17,810	\$ 17,810	\$ 18,713	\$ 18,756	\$ 19,912	\$ 20,317	\$ 22,237	\$ 22,771
Net Pension Liability as a Percentage of Covered Payroll	411.85 %	182.18 %	382.26 %	304.88 %	288.80 %	305.82 %	336.34 %	223.06 %	192.54 %

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution	\$ 6,878,195	\$ 6,610,201	\$ 6,241,601	\$ 6,088,400	\$ 5,830,217	\$ 5,470,701	\$ 5,212,079	\$ 5,185,559	\$ 12,720,477	\$ 10,264,676
Contributions in Relation to the Actuarially Determined Contribution	<u>6,859,206</u>	<u>6,610,201</u>	<u>5,348,880</u>	<u>5,399,899</u>	<u>5,643,634</u>	<u>5,385,385</u>	<u>5,393,200</u>	<u>5,220,969</u>	<u>162,209,000</u>	<u>9,778,500</u>
Contribution Deficiency (Excess)	<u>\$ 18,989</u>	<u>\$ -</u>	<u>\$ 892,721</u>	<u>\$ 688,501</u>	<u>\$ 186,583</u>	<u>\$ 85,316</u>	<u>\$ (181,121)</u>	<u>\$ (35,410)</u>	<u>\$ (149,488,523)</u>	<u>\$ 486,176</u>
Covered Payroll	\$ 16,508,932	\$ 17,809,917	\$ 17,809,917	\$ 18,713,339	\$ 18,755,885	\$ 19,912,480	\$ 20,317,247	\$ 22,237,216	\$ 22,770,569	\$ 23,551,913
Contributions as a Percentage of Covered Payroll	41.55 %	37.12 %	30.03 %	28.86 %	30.09 %	27.05 %	26.54 %	23.48 %	712.36 %	41.52 %

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 of Payroll, Closed
- Remaining Amortization Period: 22 years
- Asset Valuation Method: 5-year, Non-asymptotic, no corridor
- Inflation: 2.50%
- Salary Increases: 3.75% for Police and Fire; rates vary by age for all others
- Investment Rate of Return: 6.75%
- Retirement Age: Rates vary by length of service for Police and Fire; rates vary by age for all others
- Mortality: Pub-2010 Mortality (Public Safety variant for Police, Fire and Public Works employees and General variant for all others) with generational projection per MP 2019 Ultimate Scale

**TOWN OF STRATFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
PENSION
LAST 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 Expense	(5.98)%	28.22 %	2.53 %	6.11 %	9.11 %	12.38 %	(0.40)%	3.91 %	13.03 %

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

**TOWN OF STRATFORD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST EIGHT 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>
Town's Proportion of the Net Pension Liability	- %	- %	- %	- %	- %	- %	- %	- %
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	<u>196,576,197</u>	<u>248,199,613</u>	<u>221,298,534</u>	<u>170,634,027</u>	<u>169,755,214</u>	<u>179,093,051</u>	<u>138,076,507</u>	<u>127,624,060</u>
Total	<u>\$ 196,576,197</u>	<u>\$ 248,199,613</u>	<u>\$ 221,298,534</u>	<u>\$ 170,634,027</u>	<u>\$ 169,755,214</u>	<u>\$ 179,093,051</u>	<u>\$ 138,076,507</u>	<u>\$ 127,624,060</u>
Town's Covered Payroll	\$ 59,465,140	\$ 58,257,295	\$ 56,384,995	\$ 53,913,000	\$ 53,337,000	\$ 51,654,000	\$ 49,711,000	\$ 47,921,000
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	- %	- %	- %	- %	- %	- %	- %	- %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.77 %	49.24 %	52.00 %	57.69 %	55.93 %	52.26 %	59.50 %	61.51 %

Notes to Schedule

Changes in Benefit Terms	None
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation
Single Equivalent Amortization Period	30 years
Asset Valuation Method	4-year Smoothed Market
Inflation	2.50%
Salary Increase	3.25%-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Investment Related Expense

Notes:

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

TOWN OF STRATFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OPEB
LAST SIX FISCAL YEARS*
(IN THOUSANDS)

	2022	2021	2020	2019	2018	2017
Total OPEB Liability:						
Service Cost	\$ 10,746	\$ 9,012	\$ 10,105	\$ 9,059	\$ 9,287	\$ 10,903
Interest	6,357	7,280	10,321	10,954	10,221	8,890
Effect of Plan Changes	-	(4,729)	-	-	-	-
Economic/Demographic (Gains) or Losses	-	(67,527)	-	(13,465)	-	-
Changes of Assumptions	(52,238)	29,164	24,641	13,360	(13,028)	(36,171)
Benefit Payments	(10,494)	(9,624)	(9,259)	(8,968)	(8,427)	(8,447)
Net Change in Total OPEB Liability	(45,629)	(36,424)	35,808	10,940	(1,947)	(24,825)
Total OPEB Liability - Beginning (a)	288,762	325,186	289,378	278,438	280,385	305,210
Total OPEB Liability - Ending (b)	243,132	288,762	325,186	289,378	278,438	280,385
Plan Fiduciary Net Position:						
Contributions - Employer	10,544	9,674	9,310	9,018	8,477	8,497
Net Investment Income (Loss)	(1,143)	2,280	379	433	573	611
Benefit Payments	(10,494)	(9,624)	(9,259)	(8,968)	(8,427)	(8,447)
Administrative Expense	(4)	(3)	(2)	(11)	(43)	(2)
Net Change in Plan Fiduciary Net Position	(1,097)	2,327	428	472	580	659
Plan Fiduciary Net Position - Beginning	8,250	5,923	5,495	5,023	4,443	3,784
Plan Fiduciary Net Position - Ending	7,153	8,250	5,923	5,495	5,023	4,443
Net OPEB Liability - Ending (a)-(b)	\$ 235,979	\$ 280,513	\$ 319,264	\$ 283,884	\$ 273,415	\$ 275,942
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.94 %	2.86 %	1.82 %	1.90 %	1.80 %	1.58 %
Covered Payroll	\$ 103,885	\$ 103,885	\$ 79,532	\$ 79,532	\$ 71,201	\$ 71,201
Net OPEB Liability as a Percentage of Covered Payroll	227.16 %	270.02 %	401.43 %	356.94 %	384.00 %	387.55 %

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution (1)	\$ 24,704,615	\$ 26,133,040	\$ 23,177,582	22,133,340	\$ 20,679,264	\$ 21,050,753	\$ 19,699,700	\$ 20,482,200	\$ 13,330,000	\$ 11,643,400
Contributions in Relation to the Actuarially Determined Contribution	10,544,013	9,674,363	9,310,404	9,017,976	8,477,088	8,496,506	8,139,200	7,635,300	7,076,900	7,012,000
Contribution Deficiency	<u>\$ 14,160,602</u>	<u>\$ 16,458,677</u>	<u>\$ 13,867,178</u>	<u>13,115,364</u>	<u>\$ 12,202,176</u>	<u>\$ 12,554,247</u>	<u>\$ 11,560,500</u>	<u>\$ 12,846,900</u>	<u>\$ 6,253,100</u>	<u>\$ 4,631,400</u>
Covered Payroll	\$ 103,884,532	\$ 103,884,532	\$ 79,531,950	79,531,950	\$ 71,200,894	\$ 71,200,894	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	10.15 %	9.31 %	11.71 %	11.34 %	11.91 %	11.93 %	N/A	N/A	N/A	N/A

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

Notes to Schedule

Valuation Date: July 1, 2020

Measurement Date: June 30, 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 percentage of payroll, closed
Amortization Period	17 years
Asset Valuation Method	Market value
Inflation	2.50%
Healthcare Cost Trend Rates	Town pre-65 trend is 15.30%-4.00% over 53 years, Town post-65 trend is 3.20%-4.00% over 54 years. BOE pre-65 trend is 7.70%-4.00% over 54 years, BOE post-65 trend is 1.30%-4.00% over 54 years, and BOE Medicare Part B trend rate is 4.50%-4.10% over 31 years.
Salary Increases	3.75% for Police and Fire, graded by age for teachers and administrators, graded by age for all others
Investment Rate of Return	2.21%
Retirement Age	Retirement ages and rates vary
Mortality	Teachers and Administrators: PubT-2010 Mortality Table for Employees and Healthy Annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP-2019 Ultimate scale. The PubT-2010 Contingent Survivor Table projected generationally per the MP-2019 Ultimate scale and set forward 1 year for both males and females is used for survivors and beneficiaries. All others: Pub-2010 Mortality Table with generational projection per the MP-2019 Ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after benefit commencement. The Public Safety variant was used for the Police and Fire groups, the General variant was used for all other groups.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	(13.78)%	38.18 %	6.84 %	8.54 %	12.83 %	15.98 %

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's Proportion of the Net OPEB Liability	- %	- %	- %	- %	- %
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	<u>21,416,616</u>	<u>37,018,981</u>	<u>34,512,756</u>	<u>34,110,853</u>	<u>43,693,067</u>
Total	<u>\$ 21,416,616</u>	<u>\$ 37,018,981</u>	<u>\$ 34,512,756</u>	<u>\$ 34,110,853</u>	<u>\$ 43,693,067</u>
Town's Covered Payroll	\$ 59,465,140	\$ 58,257,295	\$ 56,384,995	\$ 53,913,000	\$ 53,337,000
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	- %	- %	- %	- %	- %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.11 %	2.50 %	2.08 %	1.49 %	1.79 %

Notes to Schedule

Changes in Benefit Terms	None
Changes of Assumptions	Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2021 was updated to equal the Municipal Bond Index Rate as of June 30, 2021; Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience based on scheduled premium increases through calendar year 2024
Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll over an open period
Remaining Amortization Period	30 years
Asset Valuation Method	Market value of assets
Investment Rate of Return	3.00%, net of investment related expense including price inflation
Price Inflation	2.75%

Notes:

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

APPENDIX B - FORM OF OPINION OF BOND COUNSEL AND TAX MATTERS

October __, 2023

Town of Stratford
Stratford Town Hall
2725 Main Street
Stratford, CT 06615

We have acted as Bond Counsel in connection with the issuance by the Town of Stratford, Connecticut (the "Town"), of its \$ _____ General Obligation Bond Anticipation Notes, Issue of 2023, Series B (the "Notes") dated October __, 2023. In such capacity, we have examined a record of proceedings of the Town authorizing the Notes, a Tax Compliance Certificate of the Town dated the date hereof (the "Agreement"), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Notes are duly certified by U.S. Bank Trust Company, National Association, the Notes will be valid and legally binding general obligations of the Town payable as to both principal and interest 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 pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Notes in order that interest on the Notes be excluded from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes to ensure that interest on the Notes shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Notes.

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

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

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 for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other state income tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Notes and we express no opinion relating thereto.

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Notes, including the adoption of federal tax legislation, may affect the tax status of interest on the Notes.

Respectfully,

PULLMAN & COMLEY, LLC

Tax Matters

Federal Taxes. In the opinion of Bond Counsel, under existing law, (i) interest on the Notes is excluded from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

Bond Counsel's opinion with respect to the Notes will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Notes in order that interest on the Notes be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes irrespective of the date on which such noncompliance occurs. In the Tax Compliance Certificate, which will be delivered concurrently with the issuance of the Notes, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of the Note proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Notes is conditioned upon compliance by the Town with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Notes.

Original Issue Premium. The initial public offering prices of certain maturities of the Notes may be more than their stated principal amounts payable at maturity (the "OIP Notes"). In general, an owner who purchases an OIP Note must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner's basis in the OIP Note for federal income tax purposes. Prospective purchasers of OIP Notes at a premium to its principal amount should consult their tax advisors regarding the amortization of premium and its effect upon basis.

Other Federal Tax Matters. Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Notes may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxes. In the opinion of Bond Counsel, 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 for individuals, trusts and estates required to pay the federal alternative minimum tax.

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

Owners of the Notes should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Notes.

Changes in Federal and State Tax Law. Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Notes should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be adversely affected and the ability of holders to sell their Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the interest rates on the Notes are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Notes.

General. The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the date of its opinion. Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Notes. Prospective owners of the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Notes.

APPENDIX C – NOTICE OF SALE

NOTICE OF SALE

TOWN OF STRATFORD, CONNECTICUT

\$19,285,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES, ISSUE OF 2023, SERIES B BOOK-ENTRY-ONLY

NOTICE IS GIVEN that TELEPHONE BIDS and ELECTRONIC BIDS via **PARITY**® (as described herein) will be received by the TOWN OF STRATFORD, CONNECTICUT (the “Issuer”), until 11:30 A.M. (E.T.) on THURSDAY,

SEPTEMBER 21, 2023

(the “Sale Date”) for the purchase of the Issuer’s \$19,285,000 General Obligation Bond Anticipation Notes, Issue of 2023, Series B (the “Notes”). Telephone bids will be received by an authorized agent of Munistat Services, Inc., the Issuer’s municipal advisor (see “Telephone Bidding Procedures”). Electronic bids must be submitted via **PARITY**® (see “Electronic Bidding Procedures”).

The Notes

The Notes are expected to be dated October 3, 2023 and will mature and be payable to the registered owner on January 30, 2024. The Notes will bear interest (which interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum. The Notes are not subject to redemption prior to maturity.

Nature of Obligation.

The Notes will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit 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 pursuant to provisions of the Connecticut General Statutes, as amended.

Bank Qualification.

The Notes SHALL NOT be designated by the Issuer as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, 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 (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$100,000 or multiples of \$1,000 in excess thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser(s), as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC 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 Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Notes directly to DTC so long as DTC or its nominee, Cede & Co, is the Noteholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Notes and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Notes, the Issuer will authenticate and deliver replacement Notes in the form of fully registered certificates. Any such replacement Notes, will provide that principal of and interest on the Notes will be payable to the registered owner upon presentation and surrender of the Notes at the principal office of the Paying Agent, or of its successors as paying agent for the Notes.

Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms

Each bid for the purchase of the Notes must be in accordance with the requirements prescribed herein. A proposal may be for all or any part of the Notes but any proposal for a part must be for at least \$100,000, or multiples of \$1,000 in excess thereof, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost (“NIC”), 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. As between proposals resulting in the same lowest net interest cost to the Issuer, 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 Issuer 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 Issuer with respect to the Notes awarded is the same as that contained in the bidder’s proposal with respect to the entire amount bid, carried to six decimal places. The purchase price must be paid in immediately available federal funds.

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

The Issuer further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Notes in accordance with the provisions of this Notice of Sale.

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 Issuer 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 Issuer. By submitting a bid for the Notes via **PARITY**[®], the bidder represents and warrants to the Issuer that such bidder’s bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice of Sale. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of **PARITY**[®], or the inaccuracies of any information, including bid information or worksheets supplied by **PARITY**[®], the use of **PARITY**[®] facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

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, 36th Street, 2nd Floor, New York, NY 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: www.parity@i-deal.com).

For purposes of the telephone bidding process and 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 Issuer, as described under “Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms” above. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

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

Telephone Bidding Procedures

Telephone bids will be received until 11:30 A.M. (E.T.) on the Sale Date by an authorized agent of Munistat Services, Inc., the Issuer's municipal advisor. All telephone bids must be made to (203) 421-2880 or (203) 421-2087 and be completed by 11:30 A.M. (E.T.) on the Sale Date.

Bidders shall recognize that a bid by telephone means that the bidder accepts the terms and conditions of this Notice of Sale and agrees to be bound by such and, further, such bidder recognizes and accepts the risk that its telephone bid may not be received by the Issuer or may be received later than the time specified as the result of a failure in communications including, but not limited to, a failure in telephonic communications, or the inability to reach the Issuer by the time required. A bid received after the time specified, as determined in the Issuer's sole discretion, will not be reviewed or honored by the Issuer.

CUSIP Numbers

The Notes will be delivered to DTC or its agent on or about October 3, 2023. The deposit of the Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the purchaser to apply for CUSIP numbers for the Notes prior to delivery. Neither the failure to print such CUSIP number on any note, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

The Notes will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

At or prior to the delivery of the Notes the winning bidder shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Bridgeport and Hartford, Connecticut, Bond Counsel (see "Bond Counsel Opinion" below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Notes, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Notes or the power of the Issuer to levy and collect taxes to pay them; and (c) a receipt of payment for the Notes.

The Notes will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer ("FAST") on or about October 3, 2023 (the "Closing Date").

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer's costs of issuance except to the extent specifically stated in this Notice of Sale.

Bond Counsel Opinion

The legality of the issue will be passed upon by Pullman & Comley, LLC of Bridgeport and Hartford, Connecticut, Bond Counsel, and the purchaser will be furnished with its opinion, without charge. The opinion will state that the Notes are valid and binding obligations of the Issuer. If either the Competitive Rule or the Hold-the-Offering-Price Rule (as each defined below in the Establishment of Issue Price” section) is met, Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Notes deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Notes awarded to such bidder, as described below under “Establishment of Issue Price”. In rendering such legal opinion, Pullman & Comley, LLC will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Compliance Certificate entered into by the Issuer for the benefit of the owners of the Notes, and further, will assume compliance by the Issuer with the covenants and procedures set forth in such Tax Compliance Certificate.

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion of interest on the Notes from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Notes an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Notes, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Michael J. Andreana, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (203) 330-2235, E-mail: mandreana@pullcom.com and (2) the Municipal Advisor at William Lindsay, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2880, E-mail: Bill.Lindsay@munistat.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements 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 from at least three (3) underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds or notes such as the Notes, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

Competitive Sale Rule. The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “Competitive Sale Rule”) because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;

- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes; and
- (4) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest net interest cost, as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. The winning bidder will be required to deliver to Bond Counsel on behalf of the Issuer prior to the delivery of the Notes a completed "Issue Price Certificate" in the form attached hereto as Attachment A.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Notes (the "Actual Sales Rule") is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Notes as the issue price of that Maturity (the "Hold-the-Offering-Price Rule"), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity of Notes has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities of the Notes that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Notes shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Notes subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Notes (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Notes to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of each Underwriter participating in the purchase of the Notes, that each Underwriter will neither offer nor sell unsold Notes of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

No Continuing Disclosure or Official Statement. Since the Notes mature not more than nine months from the date of issue and are in denominations of \$100,000 or more, the undertaking to provide an official statement or continuing disclosure under SEC Rule 15c2-12 does not apply to the Notes. Therefore, the Issuer will not provide an official statement nor enter into a Continuing Disclosure Agreement with respect to the Notes.

More Information. For more information regarding this issue and the Issuer reference is made to the Issuer’s financial statements. Copies of the Issuer’s financial statements may be obtained from William Lindsay, Munistat Services, Inc., 781 Boston Post Road, Suite 945, Madison, CT 06443, Telephone: (203) 421-2880, E-mail: Bill.Lindsay@munistat.com. Questions concerning the Issuer should be directed to Dawn M. Savo, Finance Director, Town of Stratford, 2725 Mian Street, Stratford, CT 06615, (telephone: 203-385-4040).

TOWN OF STRATFORD, CONNECTICUT

LAURA R. HOYDICK
Mayor

DAWN M. SAVO
Finance Director

September 21, 2023

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(If Competitive Sale Rule Met)

TOWN OF STRATFORD, CONNECTICUT
\$ _____ GENERAL OBLIGATION BOND ANTICIPATION NOTES, ISSUE OF 2023, SERIES B
DATED OCTOBER 3, 2023 AND ISSUED JANUARY 30, 2024

The undersigned, on behalf of [Underwriter] (“[Short Name]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Notes”).

1. **Due Authorization.** The undersigned is a duly authorized representative of [Short Name], the purchaser of the Notes.

2. **Purchase Price.** The Town of Stratford, Connecticut (the “Issuer”) sold to [Short Name], for delivery on or about October 3, 2023 (the “Issue Date”), the Notes at a price of par (\$ _____), plus an aggregate net premium of \$ _____ and less an underwriter’s discount of \$ _____, resulting in an aggregate net purchase price of \$ _____.

3. **Reasonably Expected Initial Offering Price.**

(a) As of September 21, 2023 (the “Sale Date”), the reasonably expected initial offering price(s) of the Notes to the Public by [Short Name] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Notes used by [Short Name] in formulating its bid to purchase the Notes. Attached as **Schedule B** is a true and correct copy of the bid provided by [Short Name] to purchase the Notes.

(b) [Short Name] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [Short Name] constituted a firm offer to purchase the Notes.

4. **Defined Terms.**

(a) “Maturity” means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

5. **Representations and Information.** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [Short Name]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Notes under the Code and with respect to compliance with the federal income tax rules affecting the Notes. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Notes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Notes. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of September 21, 2023.

[UNDERWRITER]

By: _____

Name:

Title:

Schedule A to Issue Price Certificate

<u>Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
01/30/2024			

Schedule B to Issue Price Certificate

[Copy of Bid]