

## Preliminary Official Statement Dated October 10, 2024

### NEW MONEY ISSUE

### S&P GLOBAL RATINGS:

(See "Ratings" herein)

*In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; 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. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. (See "Tax Matters" herein.)*

## TOWN OF BRANFORD, CONNECTICUT

### \$18,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2024

(BOOK-ENTRY-ONLY)

#### Dated: Date of Delivery

**Due: October 15, 2025-2042, as shown below**

The \$18,000,000 General Obligation Bonds, Issue of 2024 (the "Bonds") will be general obligations of the Town of Branford, Connecticut (the "Town"), and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. (See "Security and Remedies" herein).

Interest on the Bonds will be payable semiannually on April 15 and October 15 in each year until maturity, commencing April 15, 2025. The Bonds will be issued by means of a book-entry system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. The Beneficial Owners of the Bonds will not receive certificates representing their ownership interest in the Bonds. Principal of and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. DTC will act as security depository for the Bonds. So long as Cede & Co. is the Bondowner, as nominee for DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. (See "Book-Entry Transfer System" herein.)

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

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

The Bonds are being offered for sale in accordance with an official Notice of Sale dated October 10, 2024. Electronic bids via **PARITY®** for the Bonds will be received until 11:00 A.M. (E.T.) on Tuesday, October 22, 2024, as described in the official Notice of Sale for the Bonds. (See "Appendix D" to this Official Statement.)

### MATURITY SCHEDULE AND AMOUNTS

Maturity	Amount	Coupon	Yield	CUSIP (1)	Maturity	Amount	Coupon	Yield	CUSIP (1)
2025	\$ 1,000,000	%	%	105385***	2034	\$ 1,000,000	%	%	105385***
2026	1,000,000			105385***	2035	1,000,000			105385***
2027	1,000,000			105385***	2036	1,000,000			105385***
2028	1,000,000			105385***	2037	1,000,000			105385***
2029	1,000,000			105385***	2038	1,000,000			105385***
2030	1,000,000			105385***	2039	1,000,000			105385***
2031	1,000,000			105385***	2040	1,000,000			105385***
2032	1,000,000			105385***	2041	1,000,000			105385***
2033	1,000,000			105385***	2042	1,000,000			105385***

*The Bonds are offered for delivery when as, and if issued, subject to the final approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about November 5, 2024.*

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

***This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.***

No dealer, broker, salesperson or other person has been authorized by the Town of Branford, Connecticut (the "Town"), to give any information or to make representations not contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of this Official Statement.

Other than as to matters expressly set forth in Appendix A - "Audited Financial Statements" to this Official Statement, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same. The independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this Official Statement.

Other than as to matters expressly set forth in Appendix B to this Official Statement, Bond Counsel is not passing on and does not assume any responsibility for the sufficiency, accuracy or completeness of the statements made in this Official Statement and makes no representation it has independently verified the same.

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

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this offering document.

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

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

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## THE BOND ISSUE SUMMARY

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

<b>Date of Sale:</b>	Tuesday, October 22, 2024, 11:00 AM (E.T.).
<b>Location of Sale:</b>	Office of the Finance Director, Branford Town Hall, 1019 Main Street, Branford, Connecticut 06405.
<b>Issuer:</b>	Town of Branford, Connecticut (the "Town").
<b>Issue:</b>	\$18,000,000 General Obligation Bonds, Issue of 2024 (the "Bonds").
<b>Dated Date:</b>	Date of Delivery, October 30, 2024.
<b>Interest Due:</b>	April 15, 2025 and semiannually thereafter on October 15 and April 15 in each year until maturity.
<b>Principal Due:</b>	Serially, October 15, 2025 through 2042, as detailed in this Official Statement.
<b>Purpose and Authority:</b>	The Bonds are being issued to finance capital projects undertaken by the Town pursuant to certain bond resolutions authorized by the Representative Town Meeting. (See "Authorization and Use of Proceeds" herein.)
<b>Redemption:</b>	The Bonds are subject to optional redemption prior to maturity. (See "Optional Redemption" herein.)
<b>Security:</b>	The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due. (See "Security and Remedies" herein.)
<b>Credit Rating:</b>	The Bonds have been rated "___" by S&P Global Ratings ("S&P"). The bond rating on the Town's outstanding general obligation bonds is currently "AAA" by S&P. (See "Ratings" herein.)
<b>Basis of Award:</b>	Lowest True Interest Cost ("TIC"), as of the dated date.
<b>Tax Exemption:</b>	See "Tax Matters" herein.
<b>Bank Qualification:</b>	The Bonds shall <b>not</b> be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense allocable to carry the Bonds.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notices of certain events not in excess of ten (10) business days of occurrence of such events and (iii) timely notice of a failure to provide the required financial information by the date specified pursuant to a Continuing Disclosure Agreement to be executed by the Town in substantially the form attached as Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	U.S. Bank Trust Company, National Association, Corporate Trust Services, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford, Connecticut 06103.
<b>Legal Opinion:</b>	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about October 30, 2024 against payment in <b>Federal Funds</b> .
<b>Issuer Official:</b>	Questions regarding the Town and this Official Statement should be directed to James P. Finch, Jr., Finance Director, 1019 Main Street, Branford, Connecticut 06405 - Telephone (203) 315-0663.
<b>Municipal Advisor:</b>	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. Mark N. Chapman, Managing Director, Telephone: (203) 421-2087.

## I. SECURITIES OFFERED

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### INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Branford, Connecticut (the "Town") with assistance from the municipal advisor in connection with the issuance and sale of \$18,000,000 General Obligation Bonds, Issue of 2024 (the "Bonds").

The Bonds are being offered for sale at public bidding. A notice of Sale dated October 10, 2024 has been furnished to prospective bidders. Reference is made to the Notice of Sale (see "Appendix D" to this Official Statement) for terms and conditions of the bidding on the Bonds.

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

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

### DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature on the dates and in the principal amounts set forth on the cover page of this Official Statement. Interest on the Bonds will be payable commencing April 15, 2025 and on October 15 and April 15 in each year until maturity. Interest will be calculated on the basis of 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the close of business on the last business day of March and September in each year.

A book-entry system will be employed evidencing ownership of the Bonds with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein.) The Certifying, Registrar, Transfer and Paying Agent will be U.S. Bank Trust Company, National Association, in Hartford, Connecticut, 06103. The legal opinion on the Bonds will be rendered by Pullman & Comley, LLC, of Hartford, Connecticut in substantially the form set forth in Appendix B to this Official Statement. The Bonds shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds. **The Bonds are subject to redemption prior to maturity. (See "Optional Redemption" herein.)**

### OPTIONAL REDEMPTION

The Bonds maturing on or before October 15, 2030 are not subject to redemption prior to maturity. The Bonds maturing on October 15, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after October 15, 2030, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine at the redemption price or prices (expressed as a percentage of principal amount of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
October 15, 2030 and thereafter	100%

### NOTICE OF REDEMPTION

Notice of redemption shall be mailed not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the registered owner of such Bonds at the address of such registered owner as it appears on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as a book-entry system is used for the Bonds, the Town will send any notice of redemption only to DTC (or a successor securities depository) or its nominee.

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

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

**AUTHORIZATION AND USE OF PROCEEDS**

Authorization:

The Bonds are issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the Town of Branford, and certain bond resolutions adopted by Representative Town Meetings.

Use of Proceeds: Proceeds of the Bonds will be used as follows:

<b>Projects</b>	<b>Amount of Total Authorization</b>	<b>The Bonds (This Issue)</b>
Fleet Fueling Station Project.....	\$ 1,100,000	\$ 300,000
Police Headquarters Renovation Project...	20,325,000	12,500,000
WIS Field Improvement Project.....	7,650,000	5,200,000
<b>Total.....</b>	<b>\$ 29,075,000</b>	<b>\$ 18,000,000</b>

**RATINGS**

The Bonds have been rated "\_\_\_" by S&P Global Ratings ("S&P"). The rating on the Town's other outstanding bonds is "AAA" by S&P. Such rating reflects only the views of such rating agency and any explanation of the significance of such rating may be obtained from S&P at the following address: S&P Global Ratings: 55 Water Street, New York, New York 10041. The Town furnished certain information and materials to S&P, some of which may not have been included in this Official Statement. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised or withdrawn entirely by the agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the Town's bonds and notes, including the Bonds.

**AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION**

The Town will enter into a continuing disclosure agreement with respect to the Bonds (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events not in excess of 10 business days after the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed in substantially the form attached as Appendix C to this Official Statement. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). Except as provided herein, for the past 5 years, the Town has not failed to meet any of its undertakings in any material respect under such agreements. The Town failed to file the fiscal years ending June 30, 2020, June 30, 2021, June 30, 2022 and June 30, 2023 audited financial information and operating data on a timely basis. The Town filed a failure to file notice on February 26, 2021, February 24, 2022, February 22, 2023 and February 26, 2024, respectively as required. The fiscal years ending June 30, 2020, June 30, 2021, June 30, 2022 and June 30, 2023 audited financial information and operating data were filed on August 23, 2021, December 30, 2022, January 10, 2024 and August 17, 2024, respectively.

The Town currently retains Munistat Services, Inc. as a dissemination agent to assist the Town with filings required under Rule 15c2-12. Such dissemination agent works with the Town to help ensure that proper information is filed to EMMA as required under the Town's disclosure undertakings.

## TAX MATTERS

**Federal Taxes.** In the opinion of Bond Counsel, under existing law, (i) interest on the Bonds 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.

Bond Counsel's opinion with respect to the Bonds 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 (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds irrespective of the date on which such noncompliance occurs. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the Bonds, 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 Bond proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Bonds 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 Bonds.

**Original Issue Discount.** The initial public offering prices of certain maturities of the Bonds may be less than the stated principal amount (the "OID Bonds"). Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the cover page of this Official Statement for such OID Bonds are expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the OID Bonds are sold. Under existing law, original issue discount on the OID Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the OID Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in an OID Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Bond and will be added to the owner's basis. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of owners of OID Bonds purchasing such OID Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

**Original Issue Premium.** The initial public offering prices of certain maturities of the Bonds may be more than their stated principal amounts payable at maturity (the "OIP Bonds"). In general, an owner who purchases an OIP Bond must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner's basis in the OIP Bond for federal income tax purposes. Prospective purchasers of OIP Bonds 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 Bonds should be aware that ownership of the Bonds 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 Bonds should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Bonds 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 Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

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

Accrued original issue discount on an OID Bond is also 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.

Owners of the Bonds 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 Bonds.

**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 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. 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 Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Bonds 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 Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

**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 Bonds. Prospective owners of the Bonds, 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 Bonds.

## **SECURITY AND REMEDIES**

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and the interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenue of the Town. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property, such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Town and, under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation on its power to tax such dwelling houses.

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

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

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

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

## **QUALIFICATION FOR FINANCIAL INSTITUTIONS**

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

## **BOOK-ENTRY-ONLY TRANSFER SYSTEM**

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

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

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

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

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

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

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

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

## **REPLACEMENT BONDS**

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

## **DTC PRACTICES**

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

Neither the Town, the Paying Agent nor the underwriter of the Bonds will have any responsibility or obligation to the Participants of DTC or the persons for whom they act as nominees with respect to (i) the accuracy of any records maintained by DTC or by any Participant of DTC, (ii) payments or the providing of notice to the Direct Participants, the Indirect Participants or the Beneficial Owners, or (iii) any other actions taken by DTC or its partnership nominees as owner of the Bonds.

## **THE COVID-19 OUTBREAK AND FUTURE PANDEMICS**

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

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the "Rescue Plan") that provided various forms of financial assistance and other relief to state and local governments. The Town received \$8.2 million from the Rescue Plan. The Town developed a plan for the use of such funds that will focus on infrastructure improvements and other initiatives that comply with the program eligibility criteria.

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

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

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

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

## **CYBERSECURITY**

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including, but not limited to, hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls, including comprehensive policies and procedures relating to the security of the Town's government networks. Additionally, the Town purchases cybersecurity insurance, so that a claim can be made to the insurance provider in the event of a cyber-attack. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

## CLIMATE CHANGE

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The Town's location in southern Connecticut on the Long Island Sound increases its vulnerability to flooding. In addition to flooding, the Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town cannot predict the timing, extent or severity of climate change and its impact on its operations and finances.

The Town has a long history of planning for the impacts of coastal flooding (Salt Marsh Advancement Zone Assessment, 2014; Coastal Resilience Plan, 2016; Regional Framework for Coastal Resilience, 2017; Economic Analysis of Coastal Protection in Branford CT, 2020; Best Practices for Sustainable and Effective Management of Coastal Retreat, 2021; South Central Region Council of Governments Hazard Mitigation Plan, 2023). The Coastal Resilience Plan, with funding from a Community Development Block Grant Disaster Recovery (CDBG-DR) grant awarded to the Town for coastal resilience planning in Branford, Madison, and Milford, Connecticut., was developed to address current and future social, economic and ecological resilience of the Town's shoreline to the impacts of storm surge, coastal flooding, and erosion. The four basic steps of the Coastal Resilience Plan include: 1) generate awareness of coastal risks; 2) assess coastal risks and opportunities; 3) identify options or choices for addressing priority risks and vulnerabilities; and 4) develop and implement an action plan to put selected options or choices into place. The Coastal Resilience Plan was incorporated into the Town's Plan of Conservation and Development adopted by the Town's Planning and Zoning Commission in 2019.

The Town has collaborated with Yale, Columbia University, and UConn's Connecticut Institute for Resilience and Climate Adaptation (CIRCA) on various resilience studies and conceptual project recommendations to further Branford's understanding of risk, and to continue its proactive approach to becoming more resilient to climate change.

The Town has been implementing projects and recommendations from various plans: sewer pump station equipment is regularly elevated and there is an established generator sinking fund; the Sewer Treatment Plant has installed a whole-plant generator protected from floodwaters; a wet-floodproofed firehouse was constructed to serve the Indian Neck area; the Community House was dry-floodproofed during a recent renovation and addition project; the historic Stony Creek Trolley Trail Bridge is slated for coastal resiliency measures and rehabilitation.

The Town's philosophy is that future exposures and costs associated with climate change represent a long-term liability and the prudent approach, therefore, is to appropriate and invest funds to address this liability. As a result, Branford was instrumental in establishing Public Act No. 19-77: "An Act Authorizing Municipal Climate Change and Coastal Resiliency Reserve Funds". Branford established a Coastal Resiliency Fund in 2019 and makes annual appropriations into the fund. The fund is used as an additional tool to supplement traditional funding streams such as grants and bonding. Branford's approach is also consistent with CIRCA's publication titled "Ten Steps to Municipal Resilience".

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## II. THE ISSUER



### DESCRIPTION OF THE TOWN

Settled in 1644 as part of the New Haven Colony, Branford was named in 1653, and adopted its first charter in 1958, amended most recently in 1991.

The Town's land area is 22 square miles, with more than 20 miles of shoreline along Long Island Sound. Located in the south central part of the state in New Haven County, Branford is approximately 90 miles east of Manhattan and 40 miles south of Hartford, the state capital. It is bound on the north by the Town of North Branford, west by the Town of East Haven, south by Long Island Sound, and east by the Town of Guilford.

Branford is an established, suburban residential community with an extensive commercial, retail and modern industrial base. The U.S. Census Bureau's 2022 American Community Survey reported the Town's per capita income as \$63,476 or approximately 122.0% of the state median and its median family income as \$128,709 or 111.4% of the state median.

The Town supports and encourages a balance of industrial, commercial and residential properties and the Town's Economic Development Commission and Planning and Zoning Commission work together towards that end, and often collaborate with the area chamber of commerce to continuously improve the Town's business climate.

The Town enjoys four direct points of access to Interstate 95. Route 1 (Boston Post Road) as well as State Routes (SR) 139, 142, and 146 (the latter also holding designation as a State Scenic Roadway) all go through Town. The I-95 junction with I-91 is minutes away in New Haven, less than ten miles from the Town green. Branford's stretch of Interstate 95 was improved as part of the federally funded New Haven Harbor Corridor Project, providing wider lanes, new access ramps, and better lighting, making the Branford area safer for everyone on the highway. Commuter bus service is provided by the Greater New Haven Transit District (through the Connecticut Department of Transportation) and DATTCO, a commercial bus serving shoreline communities east of New Haven and R Link service to North Haven and North Branford via Route 139.

For rail transportation, Branford is an easy commute to New Haven on the Shore Line East, which also provides direct connections to Metro North service to Manhattan's Grand Central Station and to Amtrak with its new Acela train providing service along the entire northeast corridor.

Air travel, with non-stop flights to major cities up and down the east coast and Midwest, is just a few minutes away at nearby Tweed-New Haven Regional Airport, or approximately 50 minutes away at Bradley International Airport in Hartford. Additional national and international air service is available through New York's JFK and LaGuardia airports (limo service is available from New Haven), as well as T.F. Green in Providence, Rhode Island.

Branford has a diverse economic base, composed of both traditional and high tech manufacturers, a vibrant bioscience community (the Town is host to more biotech jobs than any other single town in the state) and a broad retail component that ranges from big-box to specialty boutiques. Major corporations include, Blakeslee Arpaia Chapman, Connecticut Hospice, Ark Healthcare, Cintas Corporation, HarcoSemco, and Quantum-Si, many of them leaders in their respective fields of bioscience, medical device development, operating manufacturing and research.

Because of Branford's close proximity to New Haven's Yale-New Haven Medical Center which combined with St. Raphael's Hospital in September 2012, which provides approximately 1,500 licensed beds, the Town has over one hundred fifty area physicians whose efforts are supplemented by the Visiting Nurse Association patient and child care programs. In 1980 Branford became the home of Connecticut Hospice, Inc., the nation's first hospice. The 52 bed inpatient facility treats terminally ill patients and family, as well as providing an 18 town area home care program. Combined the facility employs 156 full time staff. The Town also has a 190 bed skilled nursing facility licensed by the State of Connecticut for Medicaid and Medicare beneficiaries offering in-patient and out-patient rehabilitation services. In addition, there is a 110 unit apartment complex for assisted living licensed by the State of Connecticut, and a 90 apartment congregate living center and retirement home.

Financial institutions in the Town include Capital One Bank, Citizens Bank, Key Bank, Wells Fargo Bank, Bank of America, Webster Bank, M&T Bank, Liberty Bank, Guilford Savings Bank, Crosspoint Credit Union, Connex Credit Union and TD Bank.

## **ECONOMIC AND COMMUNITY DEVELOPMENT**

Branford has a diverse economic base, composed of both traditional and high tech manufacturers, a vibrant bioscience community along with a broad retail component ranging from big-box to specialty boutiques. Each sector contributes to providing the Town with a strong tax base with employment opportunities that keep the town consistently well below the region and state unemployment levels, including the most current level of 3.3% reported by Advance CT. The Town's major industry clusters include biotech R&D, medical and healthcare services, manufacturing, retail, and tourism.

The Town's economic development office works closely with businesses on issues ranging from site selection to expansion to training, and has developed a strong relationship with a variety of industry associations and state and regions organizations to promote Branford with new and expanding businesses. That includes being an active member with REX Development, BioCT, AdvanceCT, Workforce Alliance, ManufactureCT, CT Technology Council, CCIM (CT's association of commercial brokers), the Greater New Haven Chamber of Commerce and the Shoreline Chamber of Commerce,

In biotech, Branford boasts one of the state's strongest R&D communities with Ancera, Celldex, Evotec, Forma Therapeutics, FreeThink Technologies, Azitra, and Viiv among them. Many of these companies continue to grow and expand as they work closely with the Town and by leveraging affiliations with BioCT, the state's biotech association; forging a relationship with UConn TIP – Technology Incubator Program – for start-ups to move to when they have outgrown their TIP space. We offer that “Graduate Space” to many as Branford has long been recognized as an ideal town for the next step when companies grow, yet still wish to be close to Yale and other Universities throughout the state. Partnering with ABCT (Accelerator for Biosciences in Connecticut), a state led competitive program for entrepreneurial research MBAs and MDs creates many new bioscience ventures in the Town's community.

Health care is another industry cluster that continues to grow with Branford Hills Health Care, Connecticut Hospice, Connecticut Orthopedic Center, Hearth at Gardenside, and the Virginia based Artis Memory Care & Senior Living. Meanwhile, Yale University-affiliated Yale Dermatology Associates has established its shoreline operation as a major tenant in a prominent building on Route 1. CPa, a new medical coding service provider, began operation less than ten years ago and is currently planning its second expansion. Connecticut Orthopedic Specialists just completed its second expansion. This 7,500 square foot expansion involved renovating an existing building across Route 1 from its main facility.

Branford's manufacturing sector includes aerospace specialists Howmet Aerospace and HarcoSemco, with Ivy Biomedical Systems, Quantum-Si, and Defibtech leading the medical manufacturing sector. American Polyfilm, Wilson Arms, and Madison Company are further examples of manufacturing enterprises that have expanded, enlarged their physical footprints, and increased their workforce. American Polyfilm's recent expansion into a new 28,000 square foot state-of-the-art manufacturing facility, allowed it to double its workforce. Growing to be one of the largest manufacturers of polyfilm in the U.S. with increased exports, it also decided to keep and expand its former manufacturing facility operating due to product demand. American Polyfilm also purchased a vacant two-acre property and has completed construction of an approximately 25,000 square foot warehouse facility to free up room at its other facilities to further increase its manufacturing capacity. Wilson Arms, a forefront manufacturer of specialty rifle barrels, has purchased a 26,000 square foot building following a recent 20,000 square foot expansion at its nearby headquarters site. Defibtech relocated to Branford in late 2016 and opened a new 24,000 square foot facility, with plans for further expansion underway. Germany based Bausch + Strobel, recently finished construction and moved into their brand new 75,000 square foot facility as their US Headquarters. This will bring existing operations from throughout the area into one, state-of-the-art facility, for the design and manufacture of production equipment fulfilling unique needs of the pharmaceutical industry.

Blakeslee Arpaia Chapman has been in business for 180 years and is the oldest, continuously operating construction firm in the country. Last year, Massey Plate Glass & Aluminum celebrated its fifty years in business. Started in Branford, in a garage, repairing screens and windows for residents in town. Now, year after year, is one of the top ten glaziers in the United States. Reinvesting in Branford with multiple properties and buildings for other businesses.

Thanks in part to its excellent city water and nearly town-wide sewer system, Branford is now home to three large breweries. Each with its own flare, focusing on product manufacturing and distribution, the Branford brewers have already established a footprint up the eastern seaboard and throughout the northeast. In addition to being manufacturers, each is part of the tourism industry with their tasting rooms, creating visitor destinations and providing Branford with its own "beer trail" for visiting beer lovers to enjoy. In the years since it opened Stony Creek Brewery has become a top 10 major destination in the state, drawing people from throughout the northeast and beyond. Additionally, Thimble Island Brewery moved from its original 2,500 square foot start-up site into more than 25,000 square feet, allowing for more production capability, a larger tasting room and an addition of an event room to accommodate parties and meetings. Recently opened, Caius Farm Brewery, is the newest of the three. Combined with more than twenty miles of shoreline with marinas, yachts clubs and the Thimble Islands, Branford is capitalizing on this new industry and a general growth in tourism that concentrates on life-style.

Commercial and industrial investments are often recognized by SCRCOG as a boom to the region. The many new car auto dealers continue to upgrade and enlarge their showrooms to display the latest technology vehicles from Ford, GMC, Honda, Subaru, Kia, Jeep, and Chrysler. The 18,000 square foot showroom of Harley-Davidson motorcycles has been a destination since 1998.

Branford's diverse retail community includes national names such as Walmart and Kohl's, as well as independently owned and nationally recognized specialty shops, such as Zane's Cycles and Marathon Sports.

The "Town Center Revitalization" was completed in the early 1990s with new streets and sidewalks, lighting, public parking lots and streetscape improvements to the Town Center. The revitalization was a cooperative effort between private property owners and the Town in which owners agreed to enlarge and improve building façades and the Town agreed to provide infrastructure improvements to benefit all merchants within the designated area. The program greatly enhanced the area around the Town Green, which has further encouraged retail trade and business in that part of Town. As a result, the Branford Town Center is often used by the Yale's Center for Urban Design and others as a model town center.

The Town has revisited that project and is now working with engineers and consultants to build on the success of that original revitalization project and to continue efforts to improve vehicular and pedestrian traffic flow and parking availability, as well as to upgrade lighting and signage. The Town has been successful in recent years in securing state grants and funding to continue to improve and upgrade the Town Center's infrastructure. Examples are: the re-design, paving, and landscaping of a highly visible and strategically placed parking lot across from the Town Green; extending pedestrian walkways and lighting from Main Street along the side and back of the Town Green; restoration and repairs to The Academy, an early 19<sup>th</sup> century school building and historical landmark that graces the south corner of the Town Green facing Branford's historic Center Cemetery. These efforts have resulted in keeping the Town Center as the commercial, social and civic heart of the Town, all while respecting and maintaining the historic buildings and New England charm.

It has also helped spark proposed private investment. Only a few years after the completion of “Green View Commons”, a 119-unit apartment complex a block from the Town Green, the proposed “Atlantic Wharf” project will offer the same convenience and amenities of living in the Town Center. The proposed re-development of the seven and one-half acre former Atlantic Wire mill complex near the Town Green received unanimous zoning approval and broad community support. With demolition over and site remediation nearly completed, the \$55 million project will transform an obsolete industrial brown-field site into a 21<sup>st</sup> century mixed use commercial / residential complex that is an easy walk to the Town Green, the train station, and the Branford River. The over 200 new apartment units are designed to meet a demonstrated need for housing opportunities for young professionals who want to live with easy access to rail and bus service and close to all the amenities the Town Center offers with its restaurants and entertainment.

Another, approximately 150 unit residential project adjacent to the Town Center and located on an obsolete industrial site, is “Mariner’s Landing.” This development of four apartment buildings is nearly completed and offering residency this fall. Located directly along the shore of the Branford River (an estuary of Long Island Sound with several marinas), this development, adjacent to both the Stony Creek Brewery noted above and the train station, will include a waterfront walkway, café and dock open to the public, and other community facilities. The project was facilitated by recommendations in the Transit Oriented Development (“TOD”) Plan.

The train station has ample parking and, with the addition of the passenger platform on the north side of the tracks and a connecting pedestrian bridge and a curbside “kiss & ride” this station is now convenient for facilitating commuter drop offs. These improvements will benefit the region once expanded rail service commences. Branford to Yale University, Yale New Haven Hospital, and other major employers in New Haven, as well as connecting to Metro North service to New York, Amtrak to Boston, and the newly inaugurated New Haven-Hartford-Springfield rail line provides another option. This project was in addition to the road and bridge improvements on the east end of town designed to increase capacity and improve safety, and better serve the Town’s business and residential communities.

Implementation of the Town’s Comprehensive or Master Plan, entitled in Connecticut the “Plan of Conservation and Development” (“POCD”), intended to serve as a guide for improved utilization of underdeveloped land parcels across Town and to encourage redevelopment in high traffic commercial areas, particularly along the Route 1 corridor, has included the development of a more flexible commercial/industrial hybrid zone, permitting some additional uses that could benefit the townspeople and the region. Implementation efforts have also included a rezoning to decrease off-site parking requirements for retail and restaurants in the Town Center area. A TOD Plan, as noted above, was completed in late fall of 2017 and has also been incorporated into the POCD to serve as the Town’s roadmap for the next ten years. The TOD Plan was a factor in the approval of the Mariner’s Landing Development. A Coastal Resilience Plan, completed in 2016, was also incorporated into the adopted POCD.

## **FORM OF GOVERNMENT**

Branford is administered by a First Selectman, who acts as the Chief Executive Officer, a Board of Selectmen, a Representative Town Meeting (“RTM”), and a six member Board of Finance that constitute the Selectmen/Board of Finance/RTM form of government.

General Town elections are held on the first Tuesday after the first Monday in November of each odd numbered year to elect the Board of Selectmen, Town Treasurer, Tax Collector, Town Clerk, and members of the RTM. Their terms of office are for two years.

The Board of Finance consists of six members who are appointed by the Board of Selectmen. No more than three can be members of the same political party.

The RTM is made up of thirty elected members representing seven voting districts. The members of the RTM choose one of their members to be Moderator of the RTM, who presides over all its meetings.

The legislative power of the Town is vested exclusively in the RTM, except as otherwise provided for by the electors. The RTM has the power to enact, amend, or repeal ordinances not inconsistent with the Charter or the General Statutes of the State. The electors have the power to approve or reject an ordinance by referendum, as provided in the Charter. The Board of Finance prepares the annual budget for recommendation to the RTM and sets the mill rate, as prescribed by Town Charter.

## MUNICIPAL OFFICIALS

	<u>Selection</u>	<u>Term Expires</u>	<u>Years of Service</u>
James B. Cosgrove - First Selectman.....	Elected	November 2025	11.0
Raymond Dunbar, Jr. - Selectman.....	Elected	November 2025	5.0
Angela Higgins. - Selectman.....	Elected	November 2025	3.0
Lisa E. Arpin - Town Clerk.....	Elected	January 2026	10.0
Robert Imperato - Tax Collector.....	Appointed	Indefinite	3.0
Kurt M. Schwanfelder - Town Treasurer.....	Elected	November 2025	5.0
William A. Aniskovich - Town Attorney.....	Appointed	Indefinite	11.0
Joseph Mooney - Board of Finance Chairman.....	Appointed	July 2025	32.0
Paula Jensen - Assessor.....	Appointed	Indefinite	1.0
Christopher J. Tranberg - Superintendent of Schools.....	Appointed	Indefinite	1.0
James P. Finch, Jr. - Finance Director.....	Appointed	Indefinite	26.0

Source: Town of Branford.

### SUMMARY OF MUNICIPAL SERVICES

**Police:** The Branford Connecticut Police Department, organized in 1929, provides police services to the community. Branford has a land area of about 22 square miles and a population of approximately 28,000 residents and is the largest town on the shoreline between New Haven and New London, Connecticut. The Police Department responds to approximately 25,000 calls for service per year.

The Police Department is directed by the Chief and is overseen by a 6-member bipartisan volunteer, civilian Police Commission. The Branford Police Department is staffed by 54 Sworn Officers, 10 Public Safety Tele-Communicators, 2 Community Service Officers and 16 additional civilian support personnel including a Crime Analyst. The Department also maintains a cadre of 5 certified Supernumerary Police Officers.

In addition to its Patrol Division, the Police Department also has a Detective Unit for major investigations, domestic violence counseling services and youth Officers, a Marine Division to provide services to Branford's waterways, and a Police Canine Team. The Branford Police Department is also a member of the South-Central Regional Traffic Unit and South-Central Regional SWAT Team.

The Police Department maintains national accreditation through the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA®). The CALEA Accreditation Process begins with a rigorous self-assessment, requiring a review of policies, practices, and processes, against internationally accepted public safety standards. These standards assist the Chief of Police with a proven management system of written directives, sound training ideas, clearly defined lines of authority and routine reports that support decision making and resource allocation, resulting in greater accountability within the agency. It creates a forum in which law enforcement agencies and citizens work together through integrity, transparency, and accountability, and provides clear direction about community expectations.

The Police Department has established a strong focus on mental health and social service incidents. The Branford Police Social Worker, a member of Branford Counseling & Community Services, works in conjunction with Police Department personnel to address the need for crisis intervention or other social services in the community. This co-response provides a more effective emergency response through the addition of clinical-informed support and an enhanced community resource knowledge base. This also ensures those who outreach for an emergency response receive timely and streamlined connection to resources to address their social service needs.

**Fire:** Organized fire protection began in Branford during the late 1800's with the establishment of several volunteer fire companies. In 1926, the various companies were consolidated to form the Branford Fire Department.

The Branford Fire Department has evolved into an "all-hazards" emergency services provider, responsible for providing, fire suppression, technical rescue, hazardous materials response, paramedic level emergency medical care, ambulance transport, code enforcement, and fire prevention services to the community. The services provided are driven by the needs of the community and are based upon the vulnerabilities identified in the Town's Local Emergency Operations Plan. These are also in line with the United States Fire Administration's Strategic Plan to, "ready the nation's fire service for all hazards". The Fire Department responds to approximately 6,800 incidents annually.

The Fire Department is directed by the Chief and overseen by a civilian Board of Fire Commissioners consisting of six electors of the town appointed by the Board of Selectmen. The Branford Fire Department is staffed by 44 full-time firefighters, 33 part-time emergency medical personnel and 42 volunteer members operating from five strategically located stations. All Fire Companies are dispatched via a central communications center administered jointly by the Police and Fire Departments and accessible through the E911 system. The department operates six pumpers, one ladder truck, one heavy rescue truck, two light rescue trucks, one brush truck, two fireboats, five ambulances and a variety of smaller support vehicles.

The department is guided by its mission statement and core values. “The Branford Fire Department provides the highest level of service to our community by valuing our members, promoting positive leadership, and dedicating ourselves to excellence”.

In fiscal year 2024, a comprehensive staffing and deployment plan was adopted by the Board of Fire Commissioners. The plan is designed to address shortcomings in staffing created by the continued decline in volunteer personnel and to ensure a deployment model that provides for a four-minute emergency response time to approximately 90% of the most populated portions of Town by full-time career firefighters and paramedics. The first half of the plan was approved and funded in fiscal 2025 resulting in the full-time staffing of a second station by career personnel. The adoption of this plan has allowed the department to fill gaps in service resulting in a greater ability to cover all calls for service while simultaneously maintaining a strategic reserve for the next call.

The department bills for ambulance transports, in fiscal 2024 it netted \$2,374,115.00 in ambulance revenue offsetting the cost of the services it provides. The department has a long history of successfully leveraging available grants to enhance service and reduce costs to the taxpayer. Since 2018, the department has received \$1,887,555.00 in grant funding. It will continue to find creative solutions to overcome challenges while providing exceptional value to the taxpayer.

**Public Works and Engineering:** The Public Works Department provides the Town with the professional and technical service oriented activities which are necessary to operate and service the community. The Public Works Department maintains over one hundred miles of roads in Town. Substantial major public improvements of an ongoing nature are provided by the Public Works Department. The Public Works Department is also responsible for a paving and road repair program in which approximately five miles of road are serviced annually through general fund appropriations. The Public Works Department also administers the sidewalk replacement program, maintaining over 25 miles of sidewalks. Snow and ice removal on all public and private roads are the responsibility of the Public Works Department. The Public Works Department also services and maintains the storm water systems throughout the Town. The Tree Warden reports to the Public Works Department and administers all tree planting and maintenance on public land.

**Water Pollution Control Authority:** The Water Pollution Control Authority (the "Authority") oversees sanitary sewer operations in Town including the renovation and installation of sanitary facilities to new and older developments in Town. The Authority has the power to enact user charges and assessment fees to owners benefiting from the system.

The sanitary sewage system, constructed in 1961, consists of a sewage treatment facility, an interceptor line and laterals serving the central business district and surrounding areas. The system serves approximately 90% of the existing commercial and industrial areas of Town and almost 85% of the residences, including all apartments and condominiums. The plant capacity is 4.5 million gallons per day with current flow at approximately 4.1 million gallons per day. The Town also provides service to a portion of North Branford. All areas along Branford's shoreline have sewers with the exception of the Stony Creek - Thimble Island areas, which have strict sanitary sewer requirements approved by the Town and the State Department of Environmental Protection. The Town's new facility was completed in 2002. In 2003, Branford's water treatment plant was one of five such facilities in the country to receive the National Resource Defense Council “Beach Buddy” award in recognition of its efforts and success in improving the quality of the waste water being discharged in to public waterways.

**Parks and Recreation:** The Branford Recreation Department provides and maintains several parks and fields including but not limited to Sliney Field, Hammer Field, Branford Hills Park, Parker Memorial Park, Foote Park, Supply Pond Park, Pisgah Brook, Veterans’s Memorial Park, Bayview Park, Madiera Park and Young's Pond. There are approximately 4,141 acres, or approximately 28% of total Town land, that is dedicated as open space for its residents, consisting of approximately 1,800 acres of Town-owned land, 1,000 acres of water authority land, 870 acres of land trust property, one parcel for wildlife reserve and a 20-mile trail system around the Town. In total, the Town has ten parks, three tennis facilities (18 courts and 16 pickle ball courts), two pools, a splash pad and two public beaches. The Town sponsors special events, provides programs for special interest groups of all ages, assists community groups in planning recreational activities, conducts workshops, clinics, special playgrounds and camps during the summer, provides lifeguards and beach constables for the waterfront facilities, and offers a wide variety of programs such as softball, tennis, aerobics fitness, indoor and outdoor volleyball, basketball, skiing and after-school programs for youngsters. There are four yacht clubs and fifteen marinas in Branford providing moorings for approximately one thousand boats. With the completion of a new regional YMCA facility in Branford, the Town now has two new swimming pools for residents to use.

**Solid Waste:** The Town owns and operates a transfer station and recycling center, which accepts almost any material generated in Branford from residents, haulers, and small businesses, for disposal or recycling at out-of-town facilities. Hazardous wastes and large quantities of construction/demolition materials are not accepted.

Reworld Bristol, Inc., a Connecticut corporation (the “Company”), operates a 650-ton-per-day mass-burn solid waste disposal, electric power generation, and resource recovery facility at 229 Technology Park. The commercial operation date was April of 1988.

The Company is a subsidiary of Reworld Holding Corporation, a Delaware corporation. The Company, formerly Covanta, was created in 1984 for the purpose of owning, designing, constructing, and operating the facility for the processing and disposal of acceptable solid waste from the City of Bristol and the Towns of Berlin, Branford, Burlington, Hartland, Morris, Plainville, Plymouth, Prospect, Seymour, Southington, Warren, Washington, and Wolcott (14 municipalities collectively referred to as the “Contracting Communities”). The Contracting Communities Agreement operating under the Bristol Resource Recovery Facility Operating Committee (“BRRFOC”) expired in 2014 and each municipality has contracted with Reworld through a collective agreement through 2034. Individual municipal tonnage commitments under the prior agreement were eliminated and replaced with an aggregated fourteen community commitment so that no shortfall will occur if the municipalities, in total, reach the required aggregate commitment.

The facility design provides for two furnaces designed to process acceptable waste, each with a rated capacity of 325 tons per day. The Company has guaranteed, pursuant to the service agreement, that the yearly facility capacity will be 197,630 tons per year to the Contracting Communities, which represents an availability factor of 83.3%. The furnaces produce steam that is used to generate electricity for sale, pursuant to an agreement with Eversource. The facility has a net output of 16.2 megawatts. A dry scrubber and baghouse are utilized for the removal of acid gas and particulates from stack flue gas emissions. The facility was designed using technology developed and owned by Martin GmbH of Munich, Germany.

Waste disposal service by the Company is provided through the operation of the facility or by any other alternative disposal method reasonably acceptable to the Contracting Communities, including permitted sanitary landfills. The service fee payable by each Contracting Community for such waste disposal service is its pro-rata share, based on its respective tonnage deliveries of acceptable waste, of the sum for each period of (1) an amount equal to debt service on the bonds issued for the project, (2) the operation and maintenance expenses, and (3) pass-through costs, including certain taxes, insurance and utility costs, less a credit equal to 90% of all energy revenues and with an adjustment with respect to recovered ferrous metals. The Town pays a tipping fee for refuse and is required to deliver up to its minimum commitment of 5,113 tons for the current fiscal year. Beginning in 2019, the Town began paying a tipping fee for recyclables in response to the international decline in demand for U.S. recyclables. The Agreement provides for the Town to deliver a minimum of 5,887 tons of waste in any given contract year, subject to any adjustments stipulated in the Agreement. Currently the tipping fee is \$64.00 per ton.

If the facility is temporarily or permanently shut down and partially or completely unable to receive and process acceptable waste, the Company is obligated to provide waste disposal services by alternative disposal methods. The Company is obligated under the service agreement to seek to mitigate the effect of any shutdown, and the operation and maintenance expenses are to be adjusted to the extent the facility is unable to receive and process acceptable waste, to reflect the Company’s actual direct costs of alternative disposal. Should the facility be shut down for an extended time, the cost of alternative disposal will depend upon transportation costs and tipping fees at the alternative disposal site.

The Contracting Communities are obligated to pay the service fee to the Company, whether or not the Contracting Communities deliver acceptable waste to the facility and whether or not the Company disposes of such acceptable waste through the facility. This obligation is absolute and unconditional, is not subject to any rights of set-off, recoupment or counterclaim which any Contracting Community may have against the Company, the trustee, or any other person, and may not be suspended or discontinued for any purpose. In the event of a payment default under the service agreement by any one or more of the Contracting Communities, the non-defaulting Contracting Communities are jointly and severally liable to pay such defaulted amount. The Contracting Communities have pledged their full faith and credit to pay all amounts due.

The Contracting Communities’ obligation to pay the service fee ceases if the service agreement is terminated. If the service agreement is terminated due to a default by any Contracting Community, the Contracting Communities are obligated to pay amounts sufficient to defease the bonds or pay amounts sufficient to make timely payments of principal and interest on the bonds. If the service agreement is terminated due to a default by the Company, the Company is generally obligated to defease the bonds or to continue to make timely payments of principal and interest on the bonds.

**Library:** The Town has two libraries available for use by its citizens: The Willoughby Wallace Memorial Library, which is fully funded and operated by the Town, and the James Blackstone Memorial Library, which is partially funded by the Town and is governed by a private Board of Trustees, as established by a Special Act of the Connecticut General Assembly. Both facilities are staffed by full and part-time professional staff and include over 100,000 physical volumes for public use. Digital resource use is perpetually increasing: the libraries offer a wide variety of free e-books, audiobooks, magazines and movies via web browser or application on hand-held devices. Patrons are also provided with databases for use at home or within the library buildings, via the internet. Extensive use is made of computer data retrieval technologies, including CD-ROMS and Internet access. Both libraries are members of the LION, a consortium of 35 libraries throughout the state that share physical and digital materials, delivery services, informational technology support, website hosting, and an operating system using a common database for circulation and cataloguing services. In addition, both libraries provide a variety of cultural events and programs for patrons of all ages.

**Human Services:** Branford Counseling Center is the municipal behavioral health department of the Town licensed by the Connecticut Department of Public Health providing individual, group and family therapy to the adults and children of Branford. Clinical treatment is provided by licensed professionals and Board certified psychiatrists. The agency accepts Medicare, Medicaid and private insurance. Branford Counseling Center is the Youth Service Bureau for the Town as well as the Social Service department which addresses such needs as emergency housing, utility shut off assistance, emergency heating fuel assistance and emergency rental assistance.

**Planning and Zoning Commission:** The Town has a combined Planning and Zoning Commission, which processes 50-100 development related zoning and subdivision applications each year. The Planning and Zoning Department, in addition to its core role of providing staff and administrative support to the Planning and Zoning Commission, provides support to the Zoning Board of Appeals and two design review boards. The Department also coordinates with other departments, Boards, Commissions, and advocacy groups to support various planning studies and projects such as the Coastal Resilience Plan, and pedestrian and bicycle improvements such as the Shoreline Greenway Trail. A Small Cities program grant, which has garnered over four million dollars for Branford projects over a period of fifteen years, is administered by the Department.

Planning studies include a grant funded project completed in 2017 to develop a detailed Transit Oriented Development plan for the area extending from the Town Center commercial area including the adjoining historic residential area and older industrial uses near the Branford Shore Line East Train Station and the Branford River (tidal estuary). The goal of the study and its recommended streetscape improvements and zoning changes is to foster redevelopment/investment in the area (particularly on currently underutilized industrial sites). An update of the Town's Master Plan or Plan of Conservation and Development is currently underway which includes new policies and recommendations addressing sea level rise and coastal vulnerability, including potential impact on infrastructure and how to implement possible responses/projects proposed to address expected impacts.

**Water:** The South Central Connecticut Regional Water Authority (the "Authority") provides water services to the Town and the New Haven region. Under the legislation creating the Authority, the Authority is required to pay the Town an annual payment in lieu of taxes ("PILOT") for the Authority's property within the Town boundaries. The assessed value of the Authority's property in Branford is \$17,547,373 on the Grand List of 10/01/23, generating a PILOT payment of \$534,844 for fiscal year 2024-25.

**Electric:** The Town is served by Eversource, a publicly owned utility.

## **EDUCATIONAL SYSTEM**

An elected nine member Board of Education is responsible for the operation of the six Branford Public Schools. The Town of Branford Public School system provides comprehensive educational programs to students in grades pre-kindergarten through grade twelve. It also provides a wide range of adult education courses as part of a regional collaboration to numerous and varied segments of the community.

The grade structure of the public school system is pre-kindergarten; kindergarten through grade 4; grades 5 through 8 (intermediate school); and grades 9 through 12 for high school. A complete program of basic skills is offered to all students. The public schools also offer comprehensive special education services. In addition, there is a wide variety of extracurricular activities including sports.

## EDUCATIONAL FACILITIES

Schools	Grades	Date Occupied	Additions / Renovations	Number of Classrooms	Enrollment 10/01/23	Capacity
Indian Neck.....	EYP (1)	1950		8	78	126
Mary T. Murphy.....	PreK-4 (2)	1960	1991	24	328	540
Mary R. Tisko.....	K-4 (2)	1960	1991	24	319	540
John B. Sliney.....	PreK-4 (2)	1928	1979	19	241	524
Walsh Intermediate.....	5-8	1972	2020	68	795	1,500
Branford High School.....	9-12	1958	1964, 1970, 1982, 1995, 1999	88	807	1,400
<b>Total .....</b>				<u>231</u>	<u>2,568</u>	<u>4,630</u>

(1) Early Years Program (EYP), Family Resource Center, School-Age Child Care Program and ACCESS Transitions Program.

(2) Due to the COVID-19 pandemic, the Town did not operate a PreK program in 2020-21.

Source: Central Administration - Branford Board of Education.

## SCHOOL ENROLLMENT HISTORY AND PROJECTIONS

As of October 1	PreK-4	5 - 8	9 - 12	Total (1)
<b>Actual</b>				
2014	1,195	916	967	3,078
2015	1,179	912	942	3,033
2016	1,164	869	920	2,953
2017	1,125	889	886	2,900
2018	1,111	871	854	2,836
2019	1,091	855	838	2,784
2020	941	825	806	2,572
2021	1,011	787	818	2,616
2022	1,036	767	833	2,636
2023	997	795	807	2,599
<b>Projected</b>				
2024	980	771	779	2,530
2025	994	753	773	2,520
2026	997	761	757	2,515
2027	1,016	734	769	2,519

(1) Includes Pre-kindergarten students and special education; does not include tuition and non-graded students.

Source: Branford Board of Education and State of Connecticut Department of Education.

## MUNICIPAL EMPLOYMENT (1)

Fiscal Year	2025	2024	2023	2022	2021
General Government (1).....	236	236	234	233	231
Board of Education (2).....	531	541	531	539	539
<b>Totals .....</b>	<u>767</u>	<u>777</u>	<u>765</u>	<u>772</u>	<u>770</u>

(1) Budgeted positions.

(2) Board of Education employee figures listed are full time equivalents ("FTEs").

Source: Town Officials

**MUNICIPAL EMPLOYMENT BY CATEGORY**

<u>Department</u>	<u>Employees</u>
<b><u>General Government Employees (1)</u></b>	
General Government .....	37
Public Safety.....	119
Public Works.....	44
Health & Welfare.....	25
Recreation.....	9
Libraries.....	2
Subtotal.....	<u>236</u>
<b><u>Board of Education Employees (2)</u></b>	
Administration and Principals.....	17
Teachers.....	283
Other.....	231
Subtotal.....	<u>531</u>
<b>Total Town Employees.....</b>	<b><u>767</u></b>

(1) Budgeted positions.

(2) Board of Education employee figures listed are full time equivalents (“FTEs”).

Source: Town Officials.

**MUNICIPAL EMPLOYEES BARGAINING ORGANIZATIONS**

<u>Employees</u>	<u>Union Representation</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
<b><u>General Government (1)</u></b>			
Dispatchers.....	Connecticut Organization for Public Safety.....	10	6/30/2021 (2)
Municipal.....	United Public Services Employees Union.....	23	6/30/2026
Police Department.....	United Public Services Employees Union.....	52	6/30/2022 (2)
Fire Department.....	United Public Services Employees Union.....	42	6/30/2026
Recreation & Custodian.....	United Public Services Employees Union.....	10	6/30/2026
Public Works.....	Teamsters #443.....	20	6/30/2027
Treatment Plant.....	United Public Services Employees Union - Local #424, Unit #5.....	13	6/30/2027
Town Employees.....	United Public Services Employees Union.....	23	6/30/2026
Town Supervisors.....	AFSCME 88-60.....	12	6/30/2025
	Total Organized.....	<u>205</u>	
	Non-Unionized.....	31	
	Sub-total General Government.....	<u>236</u>	
<b><u>Board of Education (3)</u></b>			
Support Staff.....	Branford Association of Support Staff.....	31	6/30/2025
Administrators.....	Branford Administrators Organization.....	17	6/30/2025
Certified Teachers.....	Branford Education Association.....	283	6/30/2027
Nurses.....	AFSCME AFL-CIO # 4 Local 1303-365.....	8	6/30/2027
Custodians.....	United Public Services Employees Union.....	34	6/30/2025
Paraprofessionals.....	UE Local 222, CILU/CIPU, CILU #88.....	108	6/30/2026
	Total Organized.....	<u>481</u>	
	Non-Unionized.....	50	
	Sub-total Board of Education.....	<u>531</u>	
	Total Town Employees.....	<u>767</u>	

(1) Budgeted positions.

(2) In negotiations.

(3) Board of Education employee figures listed are full time equivalents (“FTEs”).

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

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### III. ECONOMIC AND DEMOGRAPHIC INFORMATION

#### POPULATION TRENDS

Year	Town of Branford	South Central CT Planning Region (1)	State of Connecticut
1980	23,363	761,337	3,107,564
1990	27,603	804,219	3,287,116
2000	28,683	824,008	3,405,565
2010	28,026	862,447	3,475,097
2022	28,177	571,298	3,611,317

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the South Central Planning Region. Prior to the 2022 Census data, New Haven County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

#### AGE CHARACTERISTICS OF POPULATION

Age	Town of Branford		South Central CT Planning Region (1)		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	803	2.8	28,437	5.0	182,768	5.1
5 - 9.....	1,335	4.7	29,671	5.2	196,600	5.4
10 - 14.....	1,281	4.5	33,928	5.9	222,267	6.2
15 - 19.....	1,260	4.5	41,770	7.3	247,501	6.9
20 - 24.....	1,025	3.6	41,680	7.3	241,391	6.7
25 - 34.....	2,831	10.0	74,893	13.1	449,466	12.4
35 - 44.....	2,529	9.0	68,416	12.0	445,052	12.3
45 - 54.....	4,182	14.8	72,280	12.7	475,109	13.2
55 - 59.....	2,498	8.9	40,348	7.1	266,117	7.4
60 - 64.....	2,887	10.2	39,900	7.0	255,938	7.1
65 - 74.....	4,531	16.1	57,673	10.1	362,365	10.0
75 - 84.....	2,066	7.3	28,042	4.9	178,746	4.9
Over 85.....	949	3.4	14,260	2.5	87,997	2.4
Total.....	28,177	100.0	571,298	100.0	3,611,317	100.0

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the South Central Planning Region. Prior to the 2022 Census data, New Haven County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

#### INCOME DISTRIBUTION

	Town of Branford		South Central CT Planning Region (1)		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000.....	55	0.7	3,609	2.6	21,866	2.4
\$10,000 to \$14,999.....	123	1.6	2,249	1.6	13,844	1.5
\$15,000 to \$24,999.....	199	2.5	5,170	3.7	32,363	3.5
\$25,000 to \$34,999.....	187	2.4	6,429	4.6	38,177	4.2
\$35,000 to \$49,999.....	587	7.5	10,890	7.8	65,393	7.2
\$50,000 to \$74,999.....	667	8.5	18,019	13.0	112,628	12.4
\$75,000 to \$99,999.....	1,206	15.4	17,859	12.8	109,739	12.0
\$100,000 to \$149,999....	1,737	22.1	28,336	20.4	184,504	20.2
\$150,000 to \$199,999....	1,343	17.1	19,305	13.9	125,406	13.8
\$200,000 or more.....	1,740	22.2	27,198	19.6	207,948	22.8
Total.....	7,844	100.0	139,064	100.0	911,868	100.0

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the South Central Planning Region. Prior to the 2022 Census data, New Haven County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

## SELECTED WEALTH AND INCOME INDICATORS

	<b>Median Family Income</b>		<b>Per Capita Income</b>	
	(2000)	(2022)	(2000)	(2022)
Town of Branford.....	\$ 69,510	\$ 128,709	\$ 32,301	\$ 63,476
South Central CT Planning Region (1)....	60,549	108,066	24,439	46,781
Connecticut.....	65,521	115,539	28,766	52,034
United States.....	49,600	92,148	21,690	41,804

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the South Central Planning Region. Prior to the 2022 Census data, New Haven County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

## EDUCATIONAL ATTAINMENT

Years of School Completed, Age 25 & Over

	<b>Town of Branford</b>		<b>South Central CT Planning Region (1)</b>		<b>State of Connecticut</b>	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	214	1.0	15,353	3.9	101820	4.0
9th to 12th grade.....	512	2.3	18,584	4.7	118,256	4.7
High School Graduate.....	5,773	25.7	112,403	28.4	650,788	25.8
Some College.....	3,429	15.3	62,392	15.8	414,533	16.4
Associate Degree.....	1,705	7.6	27,180	6.9	192,167	7.6
Bachelor Degree.....	5,912	26.3	81,523	20.6	573,917	22.8
Graduate or Professional Degree.....	4,928	21.9	78,377	19.8	469,309	18.6
Total.....	<u>22,473</u>	<u>100.0</u>	<u>395,812</u>	<u>100.0</u>	<u>2,520,790</u>	<u>100.0</u>
Total high school graduate or higher (%).....	96.8%		91.4%		91.3%	
Total bachelor degree or higher (%).....	48.2%		40.4%		41.4%	

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the South Central Planning Region. Prior to the 2022 Census data, New Haven County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

## MAJOR EMPLOYERS

<b>Name of Employer</b>	<b>Nature of Entity</b>	<b>Estimated Number of Employees</b>
Town of Branford.....	Municipality.....	767
Blakeslee Prestress.....	Manufacturing.....	249
Wal-Mart.....	Retail Store.....	240
Massey Plate Glass & Aluminum.....	Construction.....	226
Connecticut Hospice.....	Hospice.....	188
Cintas.....	Service.....	178
Stop & Shop.....	Retail Store.....	145
HarcoSemco.....	Aeronautic Engineering.....	137
Kohl's.....	Retail Store.....	132
Seton ID.....	Online Retailer.....	130
Harbor Chase / Hearth at Gardenside....	Health Care.....	120
Big Y.....	Retail Store.....	110
Blakeslee Arpaia Chapman.....	Construction.....	106
Premiere Auto Group.....	Retail / New Car Dealer.....	101

Source: Town of Branford.

## EMPLOYMENT BY INDUSTRY

Employment Sector	Town of Branford		South Central CT Planning Region (1)		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, Hunting & Mining.....	10	0.1	760	0.3	7460	0.4
Construction.....	936	6.2	16,785	5.8	112,421	6.1
Manufacturing.....	1,330	8.8	29,157	10.1	194,805	10.6
Wholesale Trade.....	281	1.9	6,104	2.1	40,518	2.2
Retail Trade.....	1,555	10.2	29,149	10.1	196,267	10.7
Transportation, Warehousing & Utilities.....	667	4.4	12,904	4.5	82,215	4.5
Information.....	407	2.7	5,975	2.1	36,440	2.0
Finance, Insurance & Real Estate.....	1,258	8.3	18,367	6.4	164,811	9.0
Professional, Scientific & Management.....	1,526	10.0	29,258	10.1	217,442	11.9
Educational Services & Health Care.....	4,856	32.0	93,004	32.2	485,013	26.5
Arts, Entertainment, Recreation & Food Services.....	1,094	7.2	24,219	8.4	148,594	8.1
Other Service (including nonprofit).....	624	4.1	12,295	4.3	80,864	4.4
Public Administration.....	643	4.2	10,576	3.7	65,675	3.6
<b>Total.....</b>	<b>15,187</b>	<b>100.0</b>	<b>288,553</b>	<b>100.0</b>	<b>1,832,525</b>	<b>100.0</b>

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the South Central Planning Region. Prior to the 2022 Census data, New Haven County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

## UNEMPLOYMENT RATE STATISTICS

Yearly Average	Percentage Unemployed			
	Town of Branford Percent	New Haven Labor Market Percent	State of Connecticut Percent	United States Percent
2014	5.9	6.7	6.6	6.2
2015	5.2	5.8	5.7	5.3
2016	4.4	5.1	5.1	4.9
2017	3.9	4.4	4.4	4.4
2018	3.4	3.8	3.9	3.9
2019	3.2	3.5	3.6	3.7
2020	6.9	7.4	8.0	8.1
2021	5.4	6.1	6.4	5.4
2022	3.5	3.9	4.1	3.7
2023	3.3	3.5	3.8	3.6
2024 Monthly				
January	4.2	4.7	5.0	4.1
February	4.3	5.0	5.4	4.2
March	3.4	3.9	4.2	3.9
April	3.1	3.3	3.5	3.5
May	3.4	3.9	4.1	3.7
June	2.2	2.7	2.8	4.3
July	2.9	3.3	3.5	4.5

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

**CHARACTERISTICS OF HOUSING UNITS**  
(Owner Occupied)

Value of Owner Occupied Units	Town of Branford		South Central CT Planning Region (1)		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	130	1.5	3,243	2.4	24,707	2.6
\$50,000 to \$99,999.....	265	3.0	2,808	2.0	15,660	1.6
\$100,000 to \$149,999.....	288	3.2	6,591	4.8	35,444	3.7
\$150,000 to \$199,999.....	706	8.0	14,499	10.5	74,994	7.9
\$200,000 to \$299,999.....	1,783	20.1	38,784	28.1	226,313	23.8
\$300,000 to \$499,999.....	3,245	36.6	50,258	36.4	332,554	35.0
\$500,000 to \$999,999.....	1,908	21.5	18,511	13.4	182,537	19.2
\$1,000,000 and over.....	541	6.1	3,273	2.4	57,630	6.1
Total.....	<u>8,866</u>	<u>100.0</u>	<u>137,967</u>	<u>100.0</u>	<u>949,839</u>	<u>100.0</u>
Median Value .....	\$363,400		\$309,600		\$347,200	

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the South Central Planning Region. Prior to the 2022 Census data, New Haven County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

**AGE DISTRIBUTION OF HOUSING**

Year Structure Built	Town of Branford		South Central CT Planning Region (1)		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1939 or earlier.....	2,777	19.5	58,547	23.8	308,693	20.0
1940 to 1949.....	507	3.6	17,260	7.0	88,125	5.7
1950 to 1959.....	1,637	11.5	38,481	15.6	224,890	14.6
1960 to 1969.....	1,627	11.4	31,923	13.0	200,109	13.0
1970 to 1979.....	2,420	17.0	31,330	12.7	203,957	13.2
1980 to 1989.....	2,990	21.0	30,027	12.2	203,053	13.2
1990 to 1999.....	1,307	9.2	18,135	7.4	118,433	7.7
2000 to 2009.....	629	4.4	12,700	5.2	104,479	6.8
2010 to 2019.....	364	2.6	7,617	3.1	76,567	5.0
2020 or later.....	12	0.1	318	0.1	11,986	0.8
Total.....	<u>14,270</u>	<u>100.0</u>	<u>246,338</u>	<u>100.0</u>	<u>1,540,292</u>	<u>100.0</u>

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the South Central Planning Region. Prior to the 2022 Census data, New Haven County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

**NUMBER AND VALUE OF BUILDING PERMITS**

Calendar Year	Single & Two Family		Commercial/Industrial		Other Construction		Total	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
2024 (1)	7	\$ 3,542,770	55	\$ 10,385,675	1,425	\$ 34,947,428	1,487	\$ 48,875,873
2023	29	13,603,666	75	10,533,923	2,147	53,603,583	2,251	77,741,172
2022	41	14,468,059	104	15,020,416	2,242	61,098,232	2,387	90,586,707
2021	41	13,846,873	102	11,726,146	2,496	50,397,769	2,639	75,970,788
2020	30	8,912,300	4	5,102,419	1,795	41,198,566	1,829	55,213,285
2019	23	6,681,240	2	1,881,515	2,108	35,815,190	2,133	44,377,945
2018	23	6,146,778	2	4,176,664	2,538	129,220,750 (2)	2,563	139,544,192
2017	31	8,425,195	2	1,225,641	2,390	31,176,088	2,423	40,826,924

(1) As of August 27, 2024.

(2) Includes building permit figures for the Walsh Intermediate School and Community Center Renovation projects.

Source: Building Department, Town of Branford.

## IV. TAX BASE DATA

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### ASSESSMENT PRACTICES

The Town of Branford last revalued its real property effective October 1, 2019. The Town is scheduled to conduct a statistical revaluation of all real estate effective October 1, 2024. Under Section 12-62 of the Connecticut General Statutes, the Town must revalue all real estate by physical inspection no later than ten years following the preceding physical inspection. The Town must conduct a statistical revaluation no later than five years after the last physical inspection. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor. The Grand List represents the total of assessed value for all taxable and tax exempt real and personal property located within the Town as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last general revaluation.

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

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

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

Section 12-124a of the Connecticut General Statutes permits a municipality, upon approval of its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. The Town has approved the use of this abatement provision. See "Global Health Emergency Risk – The COVID-19 Outbreak – Municipal Tax Relief Program" herein.

### PROPERTY TAX COLLECTION PROCEDURES

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, July 1 and January 1. Payments not received one month after the due date become delinquent, with interest charged at the rate of 1.5% per month. Real estate is liened for delinquent taxes within one year after the tax due date.

The Town makes available to its qualifying residential property owners certain tax deferral and relief programs as authorized by the general statutes. See "Global Health Emergency Risk – The COVID-19 Outbreak – Municipal Tax Relief Program" herein.

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**MOTOR VEHICLE PROPERTY TAX RATE**

Section 12-71e(a) of the Connecticut General Statutes (the “General Statutes”) has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the General Statutes has been amended to state that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 4-661 of the General Statutes diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town’s mill rate for motor vehicles for the assessment year commencing October 1, 2023 (the fiscal year ending June 30, 2025) is 30.48 mills.

**PROPERTY TAX LEVIES AND COLLECTIONS**

FY Ending 6/30	Net Taxable Grand List (1)	Total Tax Rate (In Mills)	Adjusted Tax Levy	% Levy Collected	Uncollected Taxes	
					End of Each Fiscal Year	As of 6/30/2023
2025 (1)	\$ 3,907,467,423	30.48	\$ 116,280,657	N/A	N/A	N/A
2024 (1)	3,895,105,949	29.89	113,413,424	N/A	N/A	N/A
2023	3,828,655,341	29.45	113,568,189	99.0	\$ 1,118,191	\$ 1,118,191
2022	3,712,383,391	29.45	110,397,188	98.5	1,601,087	616,823
2021*	3,685,043,062	28.92	107,327,367	98.2	1,983,236	440,868
2020	3,583,125,596	29.02	105,028,822	98.1	1,953,323	359,392
2019	3,569,991,255	28.64	102,814,929	98.5	1,554,966	202,486
2018	3,537,873,236	28.47	101,116,747	98.3	1,697,731	99,256
2017	3,505,790,076	27.41	96,604,655	98.3	1,632,574	137,968
2016*	3,485,684,401	26.93	94,341,895	98.5	1,452,871	97,661

(1) Fiscal years 2023-24 and 2024-25 adopted budgets.

\* Indicates years of revaluations.

Source: Tax Collector's Office, Town of Branford.

**TAXABLE GRAND LIST**

Grand List Dated	(%)		(%) Land	(%) Motor Vehicles	(%) Personal Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
	(%) Residential Property	Industrial & Commercial Property						
10/01/23	69.4	15.4	0.6	8.4	6.2	\$ 3,950,326,426	\$ 42,859,003	\$ 3,907,467,423
10/01/22	69.3	15.1	0.5	9.1	6.0	3,941,341,380	46,235,431	3,895,105,949
10/01/21	70.1	15.1	0.6	8.9	5.3	3,874,934,214	46,278,873	3,828,655,341
10/01/20	71.9	15.1	0.6	7.3	5.1	3,759,976,426	47,593,035	3,712,383,391
10/01/19*	72.3	15.2	0.6	7.0	4.9	3,732,219,812	47,176,750	3,685,043,062
10/01/18	73.0	14.7	0.6	6.9	4.8	3,629,131,544	46,005,948	3,583,125,596
10/01/17	73.1	14.8	0.6	6.7	4.8	3,603,129,331	33,138,076	3,569,991,255
10/01/16	73.5	14.8	0.6	6.6	4.5	3,566,371,702	28,498,466	3,537,873,236
10/01/15	73.9	14.8	0.6	6.5	4.2	3,534,071,689	28,281,613	3,505,790,076
10/01/14*	74.0	14.7	0.6	6.4	4.2	3,517,174,206	31,489,805	3,485,684,401

\* Indicates years of revaluations.

Source: Assessor's office, Town of Branford.

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**LARGEST TAXPAYERS**

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>Assessment Valuation as of 10/1/2023</u>	<u>Rank</u>	<u>Percent of Total</u>
Eversource.....	Utility.....	\$ 52,153,680	1	1.33%
Vigliotti Alex Etal.....	Residential/Commercial.....	51,157,540	2	1.31%
Southern Gas Company.....	Utility.....	33,348,190	3	0.85%
Rogers Island LLC.....	Residential.....	15,990,600	4	0.41%
Beneroft Branford East LLC.....	Industrial and R&D.....	15,567,000	5	0.40%
Metro 375 LLC.....	Residential & Rental.....	11,573,160	6	0.30%
Kiop Branford LLC.....	Shopping Plaza.....	11,129,300	7	0.28%
Business Park Reality & C. Weber, Jr. Etals....	Commercial & Industrial.....	10,680,180	8	0.27%
Nationwide Health Properties	Assisted Living.....	10,030,170	9	0.26%
Bruce & Johnsons BFD Marina Inc.	Marinas.....	9,805,320	10	0.25%
Total.....		<u>\$ 221,435,140</u>		<u>5.67%</u>

**Note:** South Central Connecticut Regional Water Authority (the "Authority") is required to make annual payments to the Town equivalent to the taxes which would otherwise be due for the property of the Authority in such municipality excluding any improvements to or construction on any such real property by the Authority. The Authority makes payments in lieu of taxes ("PILOT") at the current mill rate for fiscal year 2024-25 on personal and real property assessed at \$17,547,373 amounting to \$534,844. Exempt property acquired after the transfer day is not subject to taxation. Payments to the Town are not treated as taxes for accounting purposes; therefore the Authority is not considered a taxpayer.

Source: Assessor's Office, Town of Branford.

**EQUALIZED NET GRAND LIST**

<u>Grand List of 10/1</u>	<u>Equalized Net Grand List</u>	<u>% Growth</u>
2022	\$8,120,712,118	9.51%
2021	7,415,736,412	15.75%
2020	6,406,841,214	21.65%
2019*	5,266,404,324	-2.91%
2018	5,424,165,983	-0.17%
2017	5,433,604,019	2.52%
2016	5,299,801,671	2.20%
2015	5,185,659,055	4.10%
2014*	4,981,495,540	0.15%
2013	4,973,991,562	-1.13%

\* Indicates years of revaluations.

Source: Town of Branford, Assessor's Office.

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## V. FINANCIAL INFORMATION

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### FISCAL YEAR

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

### ACCOUNTING POLICIES

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

### BASIS OF ACCOUNTING

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

### ANNUAL AUDIT

Pursuant to the provisions as delineated in the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The firm of Clifton Larson Allen LLP, is the auditors, and is required to conduct an examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, who receive a copy of said audit report when completed.

The most recent annual audit covers the fiscal year ended June 30, 2023, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are Independent Auditor's Report, Management's Discussion and Analysis, the Town's Basic Financial Statements and the Notes to the Financial Statements, together with the report of the independent auditor as prepared by CliftonLarsonAllen LLP, Independent Certified Public Accountants. The information contained in "Appendix A" is not the whole audit report. A full report is available from the Finance Director, Town of Branford, upon request.

### BUDGETARY PROCEDURES

The Branford Town Charter defines in Section 5 the Town's budgetary policy. The following is the budgetary sequence and time schedule generally followed by the Town:

- |                                       |  |
|---------------------------------------|--|
| <u>By the last week of February.</u>  | All boards, commissions and department heads (including the Board of Education) submit their revenue and expenditure estimates for the annual budget to the First Selectman. |
| <u>By the second week of March.</u>   | The First Selectman presents budget estimates to the Board of Finance. The Board of Finance holds public and departmental hearings.  |
| <u>By the second week of April.</u>   | The Board of Finance presents its recommended budget to the Representative Town Meeting. The budget is published in book form and in newspaper legal notices.                |
| <u>During the month of April.</u>     | The Representative Town Meeting holds departmental and public hearings.  |
| <u>The second Tuesday of May (1).</u> | The Representative Town Meeting holds the annual budget meeting.   |
| <u>The second Thursday of May.</u>    | The Board of Finance sets the mill rate for the new budget.  |

All unencumbered appropriations lapse at year end, except those for the Capital Projects Fund and certain specific revenue funds. Appropriations for Capital Projects are continued until completion, even when projects extend beyond one or more fiscal years.

The Town's budget process must also anticipate the impact of the State's budget which proceeds simultaneously with the Town's.

**EMPLOYEE PENSION SYSTEMS**

Town full-time employees, with the exception of the Police Department employees, Volunteer Firemen and certified teachers and administrators, participate in the State of Connecticut Municipal Employees Retirement Fund ("MERF"), a multiple-employer public employee retirement system. Certified teachers and administrators are members of the State of Connecticut Teachers Retirement Board. The Police and Volunteer Firemen's Retirement Plans are single-employer, contributory, defined benefit, public employee retirement systems ("PERS") established and administered by the Town. For further details on the Plans, see Appendix A, page 46, "Notes to General Purpose Financial Statements".

The Town has implemented Government Accounting Standards Board's ("GASB") Statement No. 67 effective Fiscal Year 2014. Net position is based on fair market value as of June 30 and the Total Pension Liability is based on the actuarial assumptions in the July 1, 2021 and January 1, 2023, for the Police employee's retirement plan and the volunteer fire department pension plan actuarial valuations, respectively.

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

<b>Police Employees Pension Plan</b>					
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Total pension liability.....	\$ 40,462,596	\$ 39,624,189	\$ 37,281,216	\$ 37,017,523	\$ 36,291,316
Plan fiduciary net postion.....	27,665,079	26,299,899	30,141,970	25,221,496	25,828,370
Net pension liability.....	<u>\$ 12,797,517</u>	<u>\$ 13,324,290</u>	<u>\$ 7,139,246</u>	<u>\$ 11,796,027</u>	<u>\$ 10,462,946</u>
Plan fiduciary net position as a % of total pension liability.....	68.4%	66.4%	80.9%	68.1%	71.2%

  

<b>Volunteer Fire Department Pension Plan</b>					
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Total pension liability.....	\$ 1,700,515	\$ 1,646,220	\$ 1,552,746	\$ 1,539,774	\$ 1,457,734
Plan fiduciary net postion.....	1,518,112	1,361,893	1,494,993	1,160,141	1,111,916
Net pension liability.....	<u>\$ 182,403</u>	<u>\$ 284,327</u>	<u>\$ 57,753</u>	<u>\$ 379,633</u>	<u>\$ 345,818</u>
Plan fiduciary net position as a % of total pension liability.....	89.3%	82.7%	96.3%	75.3%	76.3%

The following represents the net pension liability of the Town, calculated using the discount rate of 6.5% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.5%) or 1 percentage point higher (7.50%) than the current rate:

	<b>1% Decrease 5.50%</b>	<b>Current Discount Rate 6.50%</b>	<b>1% Increase 7.50%</b>
Plan Net Position - Police Employees....	\$ 17,562,155	\$ 12,797,517	\$ 8,811,261

  

	<b>1% Decrease 5.50%</b>	<b>Current Discount Rate 6.50%</b>	<b>1% Increase 7.50%</b>
Plan Net Position - Volunteer Fire.....	\$ 452,133	\$ 182,403	\$ (37,960)

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Based upon a July 1, 2023 and January 1, 2023, for the Police employee’s retirement plan and the volunteer fire department pension plan actuarial valuations, respectively. The actuarial value of assets and actuarial liabilities for the PERS plan were as follows:

**Schedule of Funding Progress – Police Employees**

<b>Actuarial Valuation July 1</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (b-a)</b>	<b>Funded Ratio (a/b)</b>
2015	\$ 22,410,598	\$ 28,755,887	\$ 6,345,289	77.93%
2017	23,628,522	33,549,471	9,920,949	70.43%
2019	26,754,408	35,994,736	9,240,328	74.33%
2021	28,108,243	38,588,327	10,480,084	72.84%
2023	29,415,703	41,725,616	12,309,913	70.50%

**Schedule of Funding Progress – Volunteer Fire**

<b>Actuarial Valuation January 1</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (b-a)</b>	<b>Funded Ratio (a/b)</b>
2015	\$ 540,595	\$ 1,120,645	\$ 580,050	48.24%
2017	954,218	1,256,486	302,268	75.94%
2019	1,129,186	1,420,301	291,115	79.50%
2021	1,365,503	1,509,644	144,141	90.45%
2023	1,627,237	1,656,034	28,797	98.26%

**Schedule of Employer Contributions – Police Employees**

<b>Year Ended June 30</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2021	\$ 1,178,950	\$ 1,560,000	132.3%
2022	1,187,630	1,640,000	138.1%
2023	1,424,960	1,424,960	100.0%
2024	1,434,980	1,719,980	119.9%
2025 (1)	1,706,170	1,706,170	100.0%

(1) Fiscal year 2024-25 adopted budget.

**Schedule of Employer Contributions – Volunteer Fire**

<b>Year Ended June 30</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2021	\$ 65,330	\$ 87,000	133.2%
2022	65,970	87,000	131.9%
2023	50,840	87,000	171.1%
2024	51,430	87,000	169.2%
2025 (1)	38,980	40,000	102.6%

(1) Fiscal year 2024-25 adopted budget.

Defined Benefit Plans – The Town maintains and administers two defined benefit plans for police and volunteer fire fighters. The Police and Volunteer Firemen’s Retirement Plans are single employer, contributory, public employee retirement systems (“PERS”). For further details on the Plans, see Appendix A, pages 46-65, Notes to the Financial Statements.

Municipal Employees’ Retirement System – All Town of Branford full-time employees, except the Police Department employees, elected officials and certified teachers and administrators, participate in the Municipal Employee’s Retirement System (“MERS”). MERS is a cost sharing multiple-employer public employee retirement system established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates, and other plan provisions. MERS is considered to be a part of the Connecticut’s financial reporting entity and is included in the Connecticut’s financial reports as a pension trust fund. Those reports may be obtained at [www.ct.gov](http://www.ct.gov).

*Funding Policy* – Plan members are required by State Statute to contribute 2.25% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Effective July 1, 2019, member contribution rates are set to increase by 0.5% of compensation each year for six years. Each participating municipality is required to contribute at an actuarially determined rate. The Town’s required contribution rate for the year ended June 30, 2023, was 19.59% of annual payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town’s contributions to MERS for the years ended June 30, 2022, 2023 and 2024 were \$4,063,344, \$4,412,546 and \$4,313,779, respectively, equal to the required contributions for each year.

For further details on the plans, see Appendix A, pages 46 -65 "Notes to Financial Statements".

**OTHER POST-EMPLOYMENT BENEFITS**

The Town provides health insurance, life insurance, and lump sum benefits in accordance with union contracts for members and non-union employees. The Town has retained Hooker & Holcombe, Inc. to perform an actuarial valuation of this liability in accordance with Governmental Accounting Standards Board ("GASB") Statements 43 and 45 requirements effective for fiscal year beginning July 1, 2010, which require municipalities and other governmental entities to undertake an actuarial evaluation of their Other Post-Employment Benefits ("OPEB") plans and include information concerning the valuation of such plans in their financial statements. As part of the OPEB valuation, Hooker & Holcombe, Inc. determined a direct and implicit rate subsidy for the Town's and an implicit rate subsidy for the Board of Education's Postretirement Medical Plan. The Town currently finances the cost of these benefits on a pay-as-you-go basis, and has established an OPEB Trust Fund for the accumulation of assets with which to pay such benefits in future years.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability.....	\$ 24,783,945	\$ 28,452,096	\$ 27,172,063	\$ 32,208,476	\$ 30,260,001
Plan fiduciary net position.....	39,006,230	35,675,801	37,497,545	31,913,829	23,488,580
Net OPEB liability.....	<u>\$ (14,222,285)</u>	<u>\$ (7,223,705)</u>	<u>\$ (10,325,482)</u>	<u>\$ 294,647</u>	<u>\$ 6,771,421</u>
Plan fiduciary net position as a % of total OPEB liability.....	157.39%	125.39%	138.00%	99.09%	77.62%

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

	<u>1% Decrease</u> <u>(5.50%)</u>	<u>Current Rate</u> <u>(6.50%)</u>	<u>1% Increase</u> <u>(7.50%)</u>
Net OPEB Liability.....	\$ (10,720,527)	\$ (14,222,285)	\$ (17,088,142)

Based upon a July 1, 2022 actuarial valuation, the actuarial value of assets and actuarial liabilities for the Town and Board of Education employees plan were as follows:

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b) - (a)</b>	<b>Funded Ratio (a) / (b)</b>
7/1/2014	\$ 9,510,785	\$ 22,798,733	\$ 13,287,948	41.7%
7/1/2016	11,934,160	27,035,934	15,101,774	44.1%
7/1/2018	16,106,492	28,287,517	12,181,025	56.9%
7/1/2020	31,913,829	25,885,442	(6,028,387)	123.3%
7/1/2022	38,465,160	23,692,215	(14,772,945)	162.4%

**Schedule of Employer Contributions**

<b>Year Ended June 30</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2021	\$ 2,018,432	\$ 2,346,149	116.2%
2022	298,455	2,589,512	867.6%
2023	326,473	2,290,899	701.7%
2024	7,677	228,343	2974.4%
2025 (1)	9,736	12,000	123.3%

(1) Fiscal year 2024-25 adopted budget.

For further details, see Appendix A, pages 65-78, "Notes to Financial Statements".

**INVESTMENT POLICIES AND PROCEDURES**

Under Connecticut General Statutes Section 7-400, 7-401 and 7-402, the Town may invest in (a) obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal National Mortgage Association, the Federal Government National Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, all federal land banks, the Tennessee Valley Authority, or any other agency of the United States government (b) money market and mutual funds investing in such obligations or repurchase agreements fully collateralized by such obligations and (c) certain state and municipal bonds and notes, and may make deposits with certain "qualified public depositories".

The Town's investment practices have been to invest in certificates of deposit, short-term repurchase agreements, demand accounts and the State of Connecticut Short Term Investment Fund ("STIF"). The Town does not invest in derivative investment products.

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**PROPERTY TAX REVENUES**

<b>Fiscal Year</b>	<b>General Fund Revenues</b>	<b>Property Tax Revenues</b>	<b>Property Tax As a % of General Fund</b>
2025 (Adopted Budget)	\$ 135,311,096	\$ 116,280,657	85.9
2024 (Estimated Actuals)	131,529,538	115,480,430	87.8
2023	139,500,323	114,973,418	82.4
2022	132,571,425	112,434,511	84.8
2021	127,172,332	108,177,390	85.1
2020	124,361,761	104,762,381	84.2
2019	117,781,260	103,143,178	87.6
2018	122,093,385	101,530,521	83.2
2017	117,075,713	96,604,984	82.5
2016	108,909,565	94,484,140	86.8

Source: Annual audited financial statements, adopted budget for fiscal year 2024-25 and estimated actuals for fiscal year 2023-24. Fiscal years 2023-24 and 2024-25 do not include on-behalf payments for state teachers' retirement.

**INTERGOVERNMENTAL REVENUES**

<b>Fiscal Year</b>	<b>General Fund Revenues</b>	<b>Intergovernmental Revenues</b>	<b>Aid As a % of General Fund</b>
2025 (Adopted Budget)	\$ 135,311,096	\$ 4,192,080	3.1
2024 (Estimated Actuals)	131,529,538	4,726,302	3.6
2023	139,500,323	13,367,010	9.6
2022	132,571,425	12,169,561	9.2
2021	127,172,332	11,654,134	9.2
2020	124,361,761	12,289,534	9.9
2019	117,781,260	7,393,145	6.3
2018	122,093,385	14,347,991	11.8
2017	117,075,713	13,980,773	11.9
2016	108,909,565	8,854,178	8.1

Source: Annual audited financial statements, adopted budget for fiscal year 2024-25 and estimated actuals for fiscal year 2023-24. Fiscal years 2023-24 and 2024-25 do not include on-behalf payments for state teachers' retirement.

**EXPENDITURES**

<b>Fiscal Year</b>	<b>Education %</b>	<b>Public Safety %</b>	<b>Pension &amp; Insurance %</b>	<b>Debt Service %</b>	<b>Public Works %</b>	<b>General Government %</b>
2025 (Adopted Budget)	48.4	13.6	11.8	6.4	6.6	5.2
2024 (Estimated Actuals)	50.8	12.9	11.6	7.3	6.8	5.3
2023	55.8	11.8	11.6	7.5	5.1	4.8
2022	55.8	11.9	11.8	7.8	5.0	4.5
2021	56.8	12.0	12.1	6.6	5.1	4.4
2020	56.1	11.9	11.8	8.0	4.8	4.4
2019	55.2	11.9	12.5	7.4	5.3	4.4
2018	58.5	10.6	12.0	7.0	4.5	4.4
2017	58.8	10.8	11.4	7.3	4.5	4.3
2016	56.2	11.0	13.2	7.6	4.7	4.3

Source: Annual audited financial statements, adopted budget for fiscal year 2024-25 and estimated actuals for fiscal year 2023-24. Fiscal years 2023-24 and 2024-25 do not include on-behalf payments for state teachers' retirement.

**MUNICIPAL BUDGET EXPENDITURES CAP**

Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded.

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

	Fiscal Year 2022-23			2023-24 Estimated Actuals	2024-25 Adopted Budget
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)		
<b>REVENUES</b>					
Property taxes.....	\$ 111,413,147	\$ 114,973,418	\$ 3,560,271	\$ 117,467,325	\$ 118,465,496
Intergovernmental revenue.....	3,157,198	4,574,600	1,417,402	4,726,302	4,192,080
Interest income.....	75,000	3,150,130	3,075,130	2,061,667	1,796,917
Licenses, permits and fees.....	3,938,618	5,580,640	1,642,022	7,274,244	4,621,039
Fund balance brought forward.....	-	-	-	-	3,846,000
Other.....	1,542,493	2,500,958	958,465	-	1,603,000
<b>TOTAL REVENUES.....</b>	<b>120,126,456</b>	<b>130,779,746</b>	<b>10,653,290</b>	<b>131,529,538</b>	<b>134,524,532</b>
<b>EXPENDITURES</b>					
Current:					
General government.....	6,570,751	6,048,132	(522,619)	6,565,858	7,008,803
Public safety.....	15,201,410	14,691,687	(509,723)	15,845,695	18,351,026
Public works.....	6,716,374	6,299,058	(417,316)	8,313,766	8,870,744
Recreation.....	1,313,811	1,271,408	(42,403)	1,430,822	1,437,205
Libraries.....	1,913,707	1,905,624	(8,083)	1,966,254	2,022,950
Health and welfare.....	812,316	749,455	(62,861)	1,975,620	2,116,703
Education.....	60,931,374	60,798,502	(132,872)	62,474,644	65,428,110
Pension and insurance.....	15,401,712	14,496,826	(904,886)	14,268,439	15,964,449
Contingency.....	307,439	-	(307,439)	1,200,000	1,207,297
Debt service.....	9,348,436	9,348,433	(3)	8,990,276	8,637,766
<b>TOTAL EXPENDITURES</b>	<b>118,517,330</b>	<b>115,609,125</b>	<b>(2,908,205)</b>	<b>123,031,374</b>	<b>131,045,053</b>
Excess (deficiency) of revenues over expenditures.....	1,609,126	15,170,621	13,561,495	8,498,164	3,479,479
Other financing sources (uses):					
Operating transfers in.....	747,609	854,203	106,594	791,035	786,564
Operating transfers out:					
Animal control fund.....	(212,365)	(212,365)	-	-	-
Special programs fund.....	(200,000)	(200,000)	-	-	-
Sewer utility fund.....	(600,000)	(600,000)	-	-	-
Human services fund.....	(1,155,938)	(1,155,938)	-	-	-
Coastal resiliency fund.....	-	-	-	-	(310,000)
Lease fund.....	-	-	-	(262,000)	(275,000)
Capital projects fund.....	(4,676,232)	(4,676,232)	-	(4,519,357)	(3,681,043)
Total other financing sources (uses).....	(6,096,926)	(5,990,332)	106,594	(3,990,322)	(3,479,479)
Excess of Revenues and other financing sources over expenditures and other financing uses.....	<b>\$ (4,487,800)</b>	<b>\$ 9,180,289</b>	<b>\$ 13,668,089</b>	<b>\$ 4,507,842</b>	<b>\$ -</b>

Source: Annual audited financial statements, fiscal year 2022-23, estimated actuals for fiscal year 2023-24 and adopted budget for fiscal year 2024-25.

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

FISCAL YEAR ENDED:	2019	2020	2021	2022	2023
<b>ASSETS</b>					
Cash and cash equivalents.....	\$ 34,161,369	\$ 51,196,678	\$ 62,549,449	\$ 58,548,291	\$ 82,154,713
Investments.....	8,774,687	1,551,276	-	-	-
Receivables, net.....	6,652,589	8,178,370	8,859,501	7,601,723	5,466,395
Due from other funds.....	36,073	-	-	33,749	13,199
Other assets.....	17,105	17,970	234,221	1,478,987	2,092,416
<b>TOTAL ASSETS.....</b>	<b>\$ 49,641,823</b>	<b>\$ 60,944,294</b>	<b>\$ 71,643,171</b>	<b>\$ 67,662,750</b>	<b>\$ 89,726,723</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts and other payables.....	\$ 3,413,638	\$ 4,720,547	\$ 5,938,758	\$ 6,991,453	\$ 7,754,994
Due to other funds.....	4,150,181	4,809,031	4,791,314	2,929,871	5,626,482
Unearned revenue.....	606,728	753,325	883,440	1,023,240	1,020,281
Other.....	198,576	112,293	81,699	78,699	78,701
Total Liabilities.....	8,369,123	10,395,196	11,695,211	11,023,263	14,480,458
Deferred Inflows of Resources:					
Unavailable revenue:					
Property taxes.....	3,796,530	4,812,011	5,123,990	4,361,895	3,190,696
Interest on property taxes.....	1,734,058	2,134,277	2,523,942	2,019,898	1,249,463
School building grants.....	-	-	-	-	-
Advance property tax collections....	3,142,845	6,350,540	10,635,310	2,738,036	14,195,497
Total deferred inflows of resources.....	8,673,433	13,296,828	18,283,242	9,119,829	18,635,656
Fund Balances:					
Nonspendable.....	17,105	17,970	234,221	1,478,987	2,092,416
Committed.....	279,458	359,748	482,584	423,690	343,140
Assigned.....	3,532,847	7,880,553	4,802,618	4,647,673	4,638,885
Unassigned.....	28,769,857	28,993,999	36,145,295	40,969,308	49,536,168
Total fund balances.....	32,599,267	37,252,270	41,664,718	47,519,658	56,610,609
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	<b>\$ 49,641,823</b>	<b>\$ 60,944,294</b>	<b>\$ 71,643,171</b>	<b>\$ 67,662,750</b>	<b>\$ 89,726,723</b>

Source: Annual audited financial statements.

**ANALYSIS OF GENERAL FUND EQUITY**  
(GAAP BASIS)

	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23
Nonspendable.....	\$ 17,105	\$ 17,970	\$ 234,221	\$ 1,478,987	\$ 2,092,416
Committed.....	279,458	359,748	482,584	423,690	343,140
Assigned.....	3,532,847	7,880,553	4,802,618	4,647,673	4,638,885
Unassigned.....	28,769,857	28,993,999	36,145,295	40,969,308	49,536,168
<b>Total Fund Balance.....</b>	<b>\$ 32,599,267</b>	<b>\$ 37,252,270</b>	<b>\$ 41,664,718</b>	<b>\$ 47,519,658</b>	<b>\$ 56,610,609</b>
Unassigned Fund Balance as % of Total Expenditures & Transfers.....	24.66%	23.87%	29.12%	32.11%	37.63%

Source: Annual audited financial statements.

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

FISCAL YEAR ENDED:	2019	2020	2021	2022	2023
<b>REVENUES</b>					
Property taxes.....	\$ 103,143,178	\$ 104,762,381	\$ 108,177,390	\$ 112,434,511	\$ 114,973,418
Intergovernmental.....	7,393,145	12,289,534	11,654,134	12,169,561	13,367,010
Charges for services.....	4,439,210	4,844,290	5,110,647	5,962,236	5,580,640
Interest on investments.....	1,197,565	943,520	80,884	159,643	3,150,130
Miscellaneous.....	1,608,162	1,522,036	2,149,277	1,845,474	2,429,125
<b>TOTAL REVENUES.....</b>	<b>117,781,260</b>	<b>124,361,761</b>	<b>127,172,332</b>	<b>132,571,425</b>	<b>139,500,323</b>
<b>EXPENDITURES</b>					
General government.....	4,863,758	5,085,899	5,169,712	5,517,858	5,950,671
Public safety.....	13,083,005	13,751,069	13,965,539	14,586,539	14,769,090
Public works and highway.....	5,823,607	5,596,745	5,925,153	6,173,092	6,375,144
Health and human services.....	652,291	631,716	630,322	709,843	749,516
Parks, recreation and libraries.....	2,840,993	2,875,863	2,848,490	3,111,663	3,167,284
Pension and insurance.....	13,778,315	13,708,168	14,163,868	14,455,919	14,496,825
Education.....	60,733,892	65,141,599	66,229,226	68,417,304	69,784,077
Capital outlay.....	-	-	-	-	390,711
Debt service.....	8,174,355	9,233,555	7,690,465	9,585,377	9,348,433
<b>TOTAL EXPENDITURES.....</b>	<b>109,950,216</b>	<b>116,024,614</b>	<b>116,622,775</b>	<b>122,557,595</b>	<b>125,031,751</b>
Excess (deficiency) of revenues over expenditures.....	7,831,044	8,337,147	10,549,557	10,013,830	14,468,572
Other financing sources (uses)					
Operating transfers in.....	684,887	694,225	1,325,079	730,691	854,203
Operating transfers (out).....	(6,703,214)	(5,426,655)	(7,520,768)	(5,033,078)	(6,622,535)
Bond premiums.....	160,832	1,048,286	-	-	-
Refunding bond premiums.....	-	-	558,607	-	-
Issuance of refunding bonds.....	-	-	5,400,000	14,080,000	-
Payment to escrow agent.....	-	-	(5,900,027)	(13,936,503)	-
Lease issuances.....	-	-	-	-	390,711
Total other financing sources (uses)	(5,857,495)	(3,684,144)	(6,137,109)	(4,158,890)	(5,377,621)
Net change in fund balances.....	1,973,549	4,653,003	4,412,448	5,854,940	9,090,951
Fund Balance - July 1.....	30,625,718	32,599,267	37,252,270	41,664,718	47,519,658
Fund Balance - June 30.....	<u>\$ 32,599,267</u>	<u>\$ 37,252,270</u>	<u>\$ 41,664,718</u>	<u>\$ 47,519,658</u>	<u>\$ 56,610,609</u>

Source: Annual audited financial statements.

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**VI. DEBT SUMMARY**

**PRINCIPAL AMOUNT OF INDEBTEDNESS**

As of November 5, 2024 (Pro Forma)

**Long-Term Debt: Bonds**

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding as of 10/30/2024</u>	<u>Fiscal Year of Final Maturity</u>
<i>General Purpose</i>					
09/15/17	General Purpose.....	2.00 - 4.00	\$ 4,975,000	\$ 2,470,000	2033
10/24/19	General Purpose.....	2.00 - 5.00	6,000,000	5,095,000	2040
07/02/20	General Purpose.....	1.00 - 5.00	2,360,000	2,120,000	2038
11/15/21	Refunding - General Purpose....	0.50 - 2.00	4,359,000	3,440,000	2032
11/05/24	General Purpose (This Issue)...	TBD	12,800,000	12,800,000	2043
			<u>\$ 30,494,000</u>	<u>\$ 25,925,000</u>	
<i>Schools</i>					
09/15/17	Schools.....	2.00 - 4.00	\$ 9,125,000	\$ 4,100,000	2033
10/24/19	Schools.....	2.00 - 5.00	39,000,000	33,455,000	2040
07/02/20	Schools.....	1.00 - 5.00	2,925,000	2,625,000	2038
11/15/21	Refunding - Schools.....	0.50 - 2.00	9,721,000	7,670,000	2032
11/05/24	Schools (This Issue).....	TBD	5,200,000	5,200,000	2043
			<u>\$ 65,971,000</u>	<u>\$ 53,050,000</u>	
<i>Sewers</i>					
09/15/17	Sewers.....	2.00 - 4.00	\$ 900,000	\$ 480,000	2033
07/02/20	Sewers.....	1.00 - 5.00	2,420,000	2,180,000	2038
07/02/20	Refunding - Sewers.....	1.00 - 5.00	5,400,000	-	2025
			<u>\$ 8,720,000</u>	<u>\$ 2,660,000</u>	
	<b>Total.....</b>		<u><u>\$ 105,185,000</u></u>	<u><u>\$ 81,635,000</u></u>	

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**COMBINED SCHEDULE OF LONG-TERM DEBT THROUGH MATURITY**

As of November 5, 2024

(Pro Forma)

Fiscal Year	Existing Indebtedness			The Bonds	All Issues
	Principal Payments (1)	Interest Payments	Total Debt Service (1)	Principal Payments	Principal (1)
2025 (1)	\$ 6,390,000	\$ 1,572,765	\$ 7,962,765	\$ -	\$ 6,390,000
2026	5,640,000	1,400,355	7,040,355	1,000,000	6,640,000
2027	5,640,000	1,294,538	6,934,538	1,000,000	6,640,000
2028	5,930,000	1,172,788	7,102,788	1,000,000	6,930,000
2029	5,970,000	1,042,775	7,012,775	1,000,000	6,970,000
2030	5,870,000	912,713	6,782,713	1,000,000	6,870,000
2031	5,870,000	781,856	6,651,856	1,000,000	6,870,000
2032	5,870,000	644,788	6,514,788	1,000,000	6,870,000
2033	3,670,000	527,113	4,197,113	1,000,000	4,670,000
2034	3,315,000	437,288	3,752,288	1,000,000	4,315,000
2035	3,315,000	355,638	3,670,638	1,000,000	4,315,000
2036	3,315,000	275,094	3,590,094	1,000,000	4,315,000
2037	3,215,000	194,019	3,409,019	1,000,000	4,215,000
2038	3,015,000	115,475	3,130,475	1,000,000	4,015,000
2039	1,500,000	58,125	1,558,125	1,000,000	2,500,000
2040	1,500,000	19,688	1,519,688	1,000,000	2,500,000
2041	-	-	-	1,000,000	1,000,000
2042	-	-	-	1,000,000	1,000,000
2043	-	-	-	1,000,000	1,000,000
	<u>\$ 70,025,000</u>	<u>\$ 10,805,018</u>	<u>\$ 80,830,018</u>	<u>\$ 18,000,000</u>	<u>\$ 88,025,000</u>

(1) Does not reflect \$6,390,000 in principal payments made as of November 5, 2024.

Source: Town of Branford.

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

**OVERLAPPING AND UNDERLYING INDEBTEDNESS**

The Town has no overlapping indebtedness. Other political subdivisions with power to issue underlying indebtedness or cause taxes to be levied on taxable property in the Town are numerous tax districts and other associations. There is no outstanding indebtedness of these districts as of November 5, 2024. (See "Computation of Statutory Debt Limit" footnote (1) herein).

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**DEBT STATEMENT**  
As of November 5, 2024  
(Pro Forma)

<b>Long-Term Indebtedness (1)</b>	
The Bonds (This Issue).....	\$ 18,000,000
General Purpose.....	13,125,000
Schools.....	47,850,000
Sewers.....	2,660,000
<b>Total Long-Term Indebtedness.....</b>	<u>81,635,000</u>
<b>Short-Term Indebtedness</b>	
Notes Payable.....	-
<b>Total Direct Indebtedness</b>	<u>81,635,000</u>
<b>Exclusions:</b>	<u>(444,940)</u>
<b>Net Direct Indebtedness.....</b>	<u>\$ 81,190,060</u>

(1) Does not include authorized but unissued debt of \$36,839,129. (See "Authorized but Unissued Debt" herein).

Source: Town Officials.

**CURRENT DEBT RATIOS**  
As of November 5, 2024  
(Pro Forma)

Total Direct Indebtedness.....	\$ 81,635,000
Total Net Direct Indebtedness.....	\$ 81,190,060
Population (1)	28,177
Net Taxable Grand List (10/1/23).....	\$ 3,907,467,423
Estimated Full Value.....	\$ 5,582,096,319
Equalized Net Taxable Grand List (2022) (2).....	\$ 8,120,712,118
Per Capita Income (2022) (1).....	\$ 63,476
<b>Total Direct Indebtedness:</b>	
Per Capita.....	\$ 2,897.22
To Net Taxable Grand List .....	2.09%
To Estimated Full Value .....	1.46%
To Equalized Net Taxable Grand List.....	1.01%
Per Capita to Per Capita Income.....	4.56%
<b>Total Net Direct Indebtedness:</b>	
Per Capita.....	\$ 2,881.43
To Net Taxable Grand List.....	2.08%
To Estimated Full Value.....	1.45%
To Equalized Net Taxable Grand List.....	1.00%
Per Capita to Per Capita Income.....	4.54%

(1) U. S. Census Bureau, American Community Survey, 2018-2022.

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

**LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING**

Under Sections 2, 7 and 11 of the Town Charter, bond authorizations are accomplished through the passage of an appropriation and bonding authorization by the Representative Town Meeting (the "RTM"). An appropriation, introduced by the requesting authority, is first introduced to the Board of Finance. The Board of Finance must approve the authorization and recommend the proposal to the RTM. The RTM, after appropriate public notice, votes to approve or disapprove the proposal and appropriate the required funds and authorize the issuance of bonds or notes to meet the appropriation. Such RTM action is subject to referendum approval if a sufficient petition is filed within 15 days of the RTM's adjournment.

**TEMPORARY FINANCING**

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

Temporary notes may be funded beyond ten years from their initial borrowing if written commitment exists for State and/or Federal grants, for terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

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

**SCHOOL BUILDING GRANT REIMBURSEMENTS**

The State of Connecticut provides proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. Under the current program, the State will make proportional progress payments for eligible construction costs during construction.

<u>Project</u>	<u>Amount of Total Authorization</u>	<u>Estimated Eligible Cost For Reimbursement</u>	<u>Reimbursement Rate (%)</u>	<u>Estimated Grant (1)</u>
Walsh Intermediate School Project.....	\$ 88,200,000	\$ 73,876,558	35.36	\$ 26,122,751

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

**LIMITATION OF INDEBTEDNESS**

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

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

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

Section 7-374 of the Connecticut General Statutes also provides for exclusion from the debt limit calculation debt; (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects, for the construction of subways for cables, wires and pipes, for the construction of underground conduits for cables, wires and pipes, for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from any state or federal grants for which the Town or municipality has received a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, a state agency or another municipality providing for the reimbursement of capital costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in an escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

**STATEMENT OF STATUTORY DEBT LIMITATION**  
As of November 5, 2024  
(Pro Forma)

Total tax collections (including interest and lien fees)(Thousands)	\$ 112,751,000
Coterminous Municipalities (1)	1,942,000
Base for Establishing Debt Limit (Thousands)	\$ 114,693,000

Debt Limitation	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base).....	\$258,059,250					
(4.50 times base).....		\$516,118,500				
(3.75 times base).....			\$430,098,750			
(3.25 times base).....				\$372,752,250		
(3.00 times base).....					\$344,079,000	
(7.00 times base).....						\$ 802,851,000
<b>Indebtedness (Including the Bonds)</b>						
Bonds Payable.....	\$ 13,125,000	\$ 47,850,000	\$ 2,660,000	\$ -	\$ -	\$ 63,635,000
The Bonds (This Issue).....	12,800,000	5,200,000	-	-	-	18,000,000
Authorized but Unissued Debt.....	21,481,301	10,132,930	1,110,000	-	-	32,724,231
Total Indebtedness.....	47,406,301	63,182,930	3,770,000	-	-	114,359,231
Less:						
School grants receivable (2).....	-	(4,799,865)	-	-	-	(4,799,865)
Total Net Indebtedness.....	47,406,301	58,383,065	3,770,000	-	-	109,559,366
Excess of Limit Over Outstanding and Authorized Debt.....	\$210,652,949	\$457,735,435	\$426,328,750	\$372,752,250	\$344,079,000	\$ 693,291,634

- (1) Other political subdivisions with power to cause taxes to be levied on taxable property in the Town are numerous tax districts and other associations (hereafter, "Districts"). There is no outstanding indebtedness of these Districts as of November 5, 2024, of which the Town is aware. Under State Statutes the districts are required to file annual audits and to notify the Town when debt is issued. Information regarding the districts relies upon compliance with the filing requirements.
- (2) It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$26,122,751 during the construction of the project. As of November 5, 2024, the Town has received \$21,322,886 in progress payments. (See "School Building Grants Reimbursements" herein).

Source: Town Officials

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## AUTHORIZED BUT UNISSUED DEBT

Projects	Original Amount Authorized	Revised Amount Authorized	Prior Financings	Paydowns/ Grants	The Bonds (This Issue)	Authorized But Unissued
Main Street Improvements (2020).....	\$ 2,750,000	\$ 8,300,000	\$ 245,000	\$ -	\$ -	\$ 8,055,000 (1)
Linden Avenue Stabilization.....	1,220,000	1,220,000	275,000	-	-	945,000 (2)
Walsh Intermediate School Project.....	88,200,000	88,200,000	59,000,000	21,517,070 (3)	-	7,682,930 (3)
Sewer System Improvements (2019).....	3,975,000	3,975,000	1,865,000	1,000,000	-	1,110,000
East Industrial Road Reconstruction.....	1,750,000	1,750,000	-	-	-	1,750,000
Town Wide Drainage Improvements.....	500,000	500,000	452,327	-	-	47,673
Dan Cosgrove Animal Shelter.....	2,895,000	4,595,000	2,395,000	2,191,372	-	8,628
Supply Pond Bridge Project.....	2,250,000	2,250,000	-	-	-	2,250,000
Fleet Fueling Station Project.....	1,100,000	1,100,000	-	-	300,000	800,000
Police Headquarters Renovation Project...	325,000	20,325,000	200,000	-	12,500,000	7,625,000
WIS Field Improvement Project.....	7,650,000	7,650,000	-	-	5,200,000	2,450,000
<b>Total.....</b>	<b>\$ 112,615,000</b>	<b>\$ 139,865,000</b>	<b>\$ 64,432,327</b>	<b>\$ 24,708,442</b>	<b>\$ 18,000,000</b>	<b>\$ 32,724,231</b>

(1) \$2,500,000 of State grants expected.

(2) \$915,000 of State grants expected.

(3) It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$26,122,751 during the construction of the project. As of November 5, 2024, the Town has received \$21,322,886 in progress payments and \$194,184 in utility rebates. (See "School Building Grants Reimbursements" herein).

## HISTORICAL DEBT STATEMENT

	2023-24 (1)	2022-23	2021-22	2020-21	2019-20
Population (2).....	28,177	28,177	28,177	28,177	28,177
Net taxable grand list.....	\$ 3,907,467,423	\$ 3,828,655,341	\$ 3,712,383,391	\$ 3,685,043,062	\$ 3,583,125,596
Estimated full value.....	\$ 5,582,096,319	\$ 5,469,507,630	\$ 5,303,404,844	\$ 5,264,347,231	\$ 5,118,750,851
Equalized net taxable grand list (3)....	\$ 8,120,712,118	\$ 7,415,736,412	\$ 6,406,841,214	\$ 5,266,404,324	\$ 5,424,165,983
Per capita income (2).....	\$ 63,476	\$ 63,476	\$ 63,476	\$ 63,476	\$ 63,476
Short-term debt.....	\$ -	\$ -	\$ -	\$ -	\$ -
Long-term debt.....	\$ 70,025,000	\$ 77,160,000	\$ 84,370,000	\$ 90,355,000	\$ 88,037,636
Total Direct Indebtedness.....	\$ 70,025,000	\$ 77,160,000	\$ 84,370,000	\$ 90,355,000	\$ 88,037,636
Net Direct Indebtedness.....	\$ 69,580,060	\$ 76,603,077	\$ 83,974,251	\$ 89,856,162	\$ 87,539,027

(1) Unaudited estimates.

(2) U. S. Census Bureau, American Community Survey, 2018-2022.

(3) Office of Policy and Management, State of Connecticut, Grand List Year.

## HISTORICAL DEBT RATIOS

	2023-24 (1)	2022-23	2021-22	2020-21	2019-20
<b>Total Direct Indebtedness:</b>					
Per capita.....	\$2,485.18	\$2,738.40	\$2,994.29	\$3,206.69	\$3,124.45
To net taxable grand list.....	1.79%	2.02%	2.27%	2.45%	2.46%
To estimated full value.....	1.25%	1.41%	1.59%	1.72%	1.72%
To equalized net taxable grand list.....	0.86%	1.04%	1.32%	1.72%	1.62%
Debt per capita to per capita income.....	3.92%	4.31%	4.72%	5.05%	4.92%
<b>Net Direct Indebtedness:</b>					
Per capita.....	\$2,469.39	\$2,718.64	\$2,980.24	\$3,188.99	\$3,106.75
To net taxable grand list.....	1.78%	2.00%	2.26%	2.44%	2.44%
To estimated full value.....	1.25%	1.40%	1.58%	1.71%	1.71%
To equalized net taxable grand list.....	0.86%	1.03%	1.31%	1.71%	1.61%
Debt per capita to per capita income.....	3.89%	4.28%	4.70%	5.02%	4.89%

(1) Unaudited estimates.

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

<b>Fiscal Year Ended 6/30</b>	<b>Annual Debt Service</b>	<b>Total General Fund Expenditures and Transfers out</b>	<b>Ratio of General Fund Debt Service to Total General Fund Expenditures and Transfers Out %</b>
2025 (1)	\$ 8,637,766	\$ 135,311,096	6.38%
2024 (1)	8,990,276	127,812,731	7.03%
2023	9,348,433	131,654,286	7.10%
2022	9,585,377	127,590,673	7.51%
2021	7,690,465	124,143,543	6.19%
2020	9,233,555	121,451,269	7.60%
2019	8,174,355	116,653,430	7.01%
2018	8,086,493	120,134,117	6.73%
2017	8,039,014	114,357,603	7.03%
2016	8,018,795	109,649,340	7.31%

(1) Adopted budget for fiscal year 2024-25 and estimated actuals for fiscal year 2023-24.

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## VII. LEGAL AND OTHER LITIGATION

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### LITIGATION

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

### MUNICIPAL ADVISOR

The Town has retained Munistat Services, Inc. (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Bonds. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy.

### DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Upon delivery of the Bonds, the winning bidder will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them;
2. A certificate on behalf of the Town signed by the First Selectman, Town Treasurer, and the Finance Director, which will be dated the date of delivery, which will certify to the best of said officials' knowledge and belief, that at the time the bids were accepted on the Bonds, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statement therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement;
3. A receipt for the purchase price of the Bonds;
4. The approving opinion of Pullman & Comley, LLC, of Hartford, Connecticut substantially in the form attached to the Official Statement as Appendix B;
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached to the Official Statement as Appendix C;
6. Within seven business days of the bid opening, the Town will furnish the winning bidder of the Bonds a reasonable number of copies of the Official Statement, as prepared by the Town.

The Town has prepared the Preliminary Official Statement for the Bonds dated October 10, 2024. The Town deems this Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

A record of the proceedings taken by the Town in authorizing Bonds will be kept on file at the principal office of U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum St., 27th Floor, Hartford, Connecticut, and will be available for examination upon reasonable request.

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**CONCLUDING STATEMENT**

Additional information may be obtained upon request from the Office of the Finance Director at (203) 315-0663 or from the Municipal Advisor at (203) 421-2087.

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

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

**TOWN OF BRANFORD, CONNECTICUT**

**BY:** \_\_\_\_\_  
**James B. Cosgrove**  
*First Selectman*

**BY:** \_\_\_\_\_  
**Kurt M. Schwanfelder**  
*Town Treasurer*

**BY:** \_\_\_\_\_  
**James P. Finch, Jr.**  
*Finance Director*

**Dated: October 10, 2024**

**APPENDIX A - FINANCIAL STATEMENTS**

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**JUNE 30, 2023**

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**Appendix A - Financial Statements** - is taken from the Annual Financial Report of the Town of Branford for the Fiscal Year ending June 30, 2023 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Finance Director, Town of Branford, Connecticut.



## INDEPENDENT AUDITORS' REPORT

Board of Finance  
Town of Branford, Connecticut

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Branford, Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Branford, 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, each major fund, and the aggregate remaining fund information of the Town of Branford, Connecticut, as of June 30, 2023, 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 Branford, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***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 Branford, 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 the Town of Branford, 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 the Town of Branford, 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 for the year ended June 30, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Branford, Connecticut's basic financial statements. The combining and individual fund financial statements and other schedules for the year ended June 30, 2023 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 for the year ended June 30, 2023 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 fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2023.

We also previously audited, in accordance with GAAS, the basic financial statements of the Town of Branford, Connecticut as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated December 29, 2023, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The General Fund Balance Sheet for the year ended June 30, 2022, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the General Fund Balance Sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Board of Finance  
Town of Branford, Connecticut

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2024, on our consideration of the Town of Branford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Branford, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Branford, Connecticut's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
August 12, 2024

**TOWN OF BRANFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

This discussion and analysis of Branford's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2023. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX. All amounts in this MD&A are expressed in thousands unless otherwise noted.

**FINANCIAL HIGHLIGHTS**

- Net position of our governmental activities increased by \$13,108.
- During the year, the Town had expenses that were \$13,108 less than the \$160,820 generated in tax and other revenues for governmental programs.
- Total cost of all the Town's programs was \$147,712. The General Fund reported a fund balance this year of \$56,611.
- The resources available for appropriation were \$10,760 more than budgeted for the General Fund. Expenditures were \$2,908 less than budgeted.

**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 IX. 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.

In the statement of net position and the statement of activities, the Town reports its activities:

**Governmental Activities**

The Town's basic services are reported here, including education, public safety, public works and highway, parks, recreation and libraries, health and human services, pension and insurance, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.

**TOWN OF BRANFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**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 establishes many other funds to help control and manage financial activities for particular purposes (like the Sewer Assessment Fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State of Connecticut). The Town's funds are divided into three categories: governmental, proprietary, and fiduciary.

**Governmental Funds (Exhibits III and 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, VI, and 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. Internal service funds (a component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities – such as the Town's Workers' Compensation Fund, Heart and Hypertension Fund, and Medical Fund.

**Fiduciary Funds (Exhibits VIII and IX)**

The Town is the trustee, or fiduciary, for its employees' pension plan. 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 BRANFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The Town's combined net position increased from a year ago, increasing from \$205,966 to \$219,074. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

**TABLE 1  
NET POSITION**

	Governmental Activities	
	2023	2022
<b>Assets:</b>		
Current Assets	\$ 174,840	\$ 145,135
Capital Assets, Net of Accumulated Depreciation	210,885	212,068
Total Assets	<u>385,725</u>	<u>357,203</u>
<b>Deferred Outflows of Resources</b>	23,887	18,171
<b>Liabilities:</b>		
Long-Term Debt Outstanding	19,119	16,250
Other Liabilities	143,396	130,872
Total Liabilities	<u>162,515</u>	<u>147,122</u>
<b>Deferred Inflows of Resources</b>	<u>28,023</u>	<u>22,286</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	137,717	138,099
Restricted	46,049	45,933
Unrestricted	35,308	21,934
Total Net Position	<u>\$ 219,074</u>	<u>\$ 205,966</u>

The Town experienced an increase in net position of its governmental activities of 6.4% as compared to the prior year. Unrestricted net position – the part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed from \$21,934 at June 30, 2022 to \$35,308 at the end of this year.

**TOWN OF BRANFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**TABLE 2  
CHANGE IN NET POSITION**

	Governmental Activities	
	2023	2022
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 13,216	\$ 17,900
Operating Grants and Contributions	25,298	16,607
Capital Grants and Contributions	206	1,968
General Revenues:		
Property Taxes	113,032	111,168
Grants and Contributions Not Restricted to Specific Programs	1,338	753
Unrestricted Investment Earnings	4,456	112
Other General Revenues	3,274	134
Total Revenues	160,820	148,642
 <b>Program Expenses:</b>		
General Government	9,843	7,620
Public Safety	26,321	23,738
Public Works and Highway	16,003	14,784
Parks, Recreation and Libraries	5,127	4,899
Health and Human Services	3,292	3,576
Education	85,921	78,473
Interest Debt Service	1,205	1,639
Total Program Expenses	147,712	134,729
 <b>Increase in Net Position</b>	 \$ 13,108	 \$ 13,913

The Town's total revenues were \$160,820 while the cost of all programs and services totaled \$147,712. An analysis, which follows, considers the operations of governmental activities.

**Governmental Activities**

The largest single component of governmental activity is the General Fund. Total revenues were \$10,760 higher than budgeted. Of this amount, \$3,560 resulted from strong current and delinquent property tax collections from prior levies that include interest and penalties. The taxes on the current levy exceeded the budget by \$2,879. The town's conservative estimate on state assistance programs resulted in a positive balance for intergovernmental revenue of \$1,417. In addition, revenues from licenses, permits and fees exceeded the budget by \$1,642 primarily due to police extra duty, town clerk fees, building permits, and ambulance revenues. Other income exceeded the budget by \$958 primarily due to cannabis receipts, proceeds from a settlement agreement, payments in lieu of taxes from the regional water authority.

Expenditures were \$2,908 less than anticipated. Specific functional areas that realized large unexpended balances include education, police and public works. Finally, unsettled union contracts, vacancies in various departments resulted in savings across various functional areas while reducing pension and Social Security requirements.

**TOWN OF BRANFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

Table 3 presents the cost of each of the Town's five largest programs – police, fire, public works, education, and parks and recreation – as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**TABLE 3  
GOVERNMENTAL ACTIVITIES**

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
General Government	\$ 9,843	\$ 7,620	\$ 5,877	\$ 5,792
Public Safety	26,321	23,738	23,002	17,987
Public Works and Highway	16,003	14,784	9,420	9,029
Parks, Recreation and Libraries	5,127	4,899	4,592	3,528
Health and Human Services	3,292	3,576	2,288	2,185
Education	85,921	78,473	62,609	58,094
Interest and Debt Service	1,205	1,639	1,205	1,639
Total	<u>\$ 147,712</u>	<u>\$ 134,729</u>	<u>\$ 108,993</u>	<u>\$ 98,254</u>

**TOWN FUNDS FINANCIAL ANALYSIS**

**Governmental Funds**

As the Town completed the year, its governmental funds (as presented in the balance sheet – Exhibit III) reported a combined fund balance of \$95,078, which is an increase from last year's total of \$86,099. This increase of approximately 10.4% reflects reductions in liabilities associated with bonds payable and other post-employment liabilities (OPEB).

**General Fund Budgetary Highlights**

The Town's General Fund expenditures plus encumbrances totaled \$122,454. Unexpended appropriations in general government, public safety, public works, and pension and insurance coupled with smaller unexpended balances from other areas produced a favorable variance of \$2,908. Revenues were \$10,760 higher, which reflects reduced tax collection assumptions, favorable nontax revenue experience, conservative estimates, and higher than anticipated special education grant revenue.

The Town's General Fund balance of \$56,611 reported on Exhibit IV is comprised of four categories: Nonspendable, Committed, Assigned, and Unassigned. Please refer to Exhibit A-1 for the complete breakdown.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

On June 30, 2023, the Town had \$210,885 invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment – Table 4. This amount represents a net decrease (including additions and deductions) of \$1,183 or (0.6%), less than last year. This decrease primarily reflects a large disposition of equipment belonging to our wastewater operations. Within the asset categories, construction in progress decreased significantly as these amounts were moved to buildings following the completion of renovations at the Walsh Intermediate School and the town's animal control facility. Despite the value of these changes, they were unable to offset the cumulative combined reductions associated with depreciation and asset dispositions.

**TOWN OF BRANFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

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

	Governmental Activities	
	2023	2022
Land	\$ 17,431	\$ 17,131
Intangible Assets	597	597
Land Improvements	5,581	3,738
Buildings	147,990	74,738
Machinery and Equipment	10,021	8,705
Right to Use Equipment	568	589
Construction in Progress	2,196	81,912
Infrastructure	26,501	24,658
Total	\$ 210,885	\$ 212,068

The Town has implemented the provisions of the GASB Statement No. 34, which require the reporting of infrastructure assets acquired prior to July 1, 2002.

Currently, the Town is leasing space for the public works operation while planning an upgrade to the police headquarters while contemplating a new fire station on the eastern end of town as well as upgrades to athletic. Improvements to selected sewer pump stations and improvements to the collection system are ongoing. More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

**Long-Term Debt**

On June 30, 2023, the Town had \$77,160 in bonds and notes outstanding versus \$84,370 last year – a decrease of \$7,210 or approximately (8.6) %. The Town anticipates a reduction of bonded debt through FY 23-24 as the cumulative debt retirements exceed the amount of new debt issued.

The Town's rating from Standard & Poor's remains at AAA. The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this state imposed limit.

Other obligations include net pension liability, risk management claims, capital leases, accrued vacation pay, and sick leave (compensated absences). More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

**TOWN OF BRANFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

As in past years, town officials remained committed to their fundamental budget guidelines as a basis for many of the budgetary decisions: maintain the current level of existing services while refraining from adding new programs; fund current and future liabilities; preserve the unassigned fund balance; continue to invest in new vehicles and equipment to ensure continued service delivery; preserve the Town's investment in its properties and buildings; and to continue to fund many capital items on a pay-as-you-go basis so as to limit the amount of outstanding debt. The town continues to use ARPA funds to enhance and supplement general fund appropriations. The town elected the standard allowance for revenue loss. This election permits the town to use these funds for what is broadly defined as "government services."

As a result of these efforts and adherence to the above guidelines, the Town adopted a General Fund budget of \$130,315,768 for 2023-2024, which represents an increase of 4% as compared to the 2022-2023 amended budget. Increased property taxes of \$3,842,446 coupled with a decrease in appropriations from fund balance of (\$1,331,800) combined with non-tax revenue will fund the increase. The Town also approved ARPA appropriations of \$2.11 million in a separate action.

**CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Branford, P.O. Box 150, and 1019 Main Street, Branford, Connecticut 06405, or visit Branford's website at [www.Branford-ct.gov](http://www.Branford-ct.gov).

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF BRANFORD, CONNECTICUT  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 140,415,862
Investments	2,792,812
Receivables, Net	15,578,243
Inventory	32,752
Prepaid Items	2,192,416
Net OPEB Asset	13,827,769
Capital Assets Not Being Depreciated	20,223,289
Capital Assets Being Depreciated/Amortized, Net	190,662,071
Total Assets	385,725,214
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows - Pensions	19,275,082
Deferred Outflows - OPEB	4,141,370
Deferred Charge on Refunding	469,567
Total Deferred Outflows of Resources	23,886,019
<b>LIABILITIES</b>	
Accounts and Other Payables	11,536,819
Unearned Revenue	7,503,113
Other	78,701
Noncurrent Liabilities:	
Due Within One Year	7,691,469
Due in More Than One Year	135,704,912
Total Liabilities	162,515,014
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows - Pensions	2,461,358
Deferred Inflows - OPEB	11,256,190
Lessor Receivable	109,510
Advance Property Tax Collections	14,195,497
Total Deferred Inflows of Resources	28,022,555
<b>NET POSITION</b>	
Net Investment in Capital Assets	137,717,108
Restricted:	
Capital Projects	30,688,594
Education Purposes	344,713
Housing Loans	292,044
Sewer Assessments	556,923
OPEB Assets	13,827,769
Expendable	238,067
Nonexpendable	100,730
Unrestricted	35,307,716
Total Net Position	\$ 219,073,664

See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>					
General Government	\$ 9,843,262	\$ 1,526,103	\$ 2,440,077	\$ -	\$ (5,877,082)
Public Safety	26,320,657	3,146,026	172,444	-	(23,002,187)
Public Works and Highway	16,003,488	5,382,501	1,200,805	-	(9,420,182)
Parks, Recreation, and Libraries	5,127,069	485,201	50,194	-	(4,591,674)
Health and Human Services	3,292,048	997,349	7,155	-	(2,287,544)
Education	85,920,636	1,678,624	21,427,015	206,310	(62,608,687)
Interest Expense	1,204,527	-	-	-	(1,204,527)
Total	<u>\$ 147,711,687</u>	<u>\$ 13,215,804</u>	<u>\$ 25,297,690</u>	<u>\$ 206,310</u>	(108,991,883)
<b>GENERAL REVENUES</b>					
					113,031,784
					1,337,673
					4,456,423
					3,274,025
					<u>122,099,905</u>
<b>CHANGE IN NET POSITION</b>					
					13,108,022
					205,965,642
<b>NET POSITION - END OF YEAR</b>					
					<u>\$ 219,073,664</u>

See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General	Capital Projects	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 82,154,713	\$ 13,284,861	\$ 6,917,543	\$ 21,014,297	\$ 123,371,414
Investments	-	2,086,065	-	706,747	2,792,812
Receivables, Net	5,466,395	7,535,712	-	2,570,609	15,572,716
Due from Other Funds	13,199	5,348,585	-	84,666	5,446,450
Inventories	-	-	-	32,752	32,752
Other Assets	2,092,416	-	-	-	2,092,416
Total Assets	<u>\$ 89,726,723</u>	<u>\$ 28,255,223</u>	<u>\$ 6,917,543</u>	<u>\$ 24,409,071</u>	<u>\$ 149,308,560</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts and Other Payables	\$ 7,754,994	\$ 1,396,007	\$ 954,068	\$ 799,660	\$ 10,904,729
Due to Other Funds	5,626,482	-	-	1,958,199	7,584,681
Unearned Revenue	1,020,281	-	5,963,475	519,357	7,503,113
Other	78,701	-	-	-	78,701
Total Liabilities	<u>14,480,458</u>	<u>1,396,007</u>	<u>6,917,543</u>	<u>3,277,216</u>	<u>26,071,224</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	3,190,696	-	-	-	3,190,696
Unavailable Revenue - Interest on Property Taxes	1,249,463	-	-	-	1,249,463
Unavailable Revenue - Special Assessments	-	-	-	556,923	556,923
Unavailable Revenue - Grants Receivable	-	7,385,228	-	985,082	8,370,310
Unavailable Revenue - Fees Receivable	-	-	-	194,446	194,446
Unavailable Revenue - Lessor Receivable	-	109,510	-	-	109,510
Unavailable Revenue - Loans Receivable	-	-	-	292,044	292,044
Advance Property Tax Collections	14,195,497	-	-	-	14,195,497
Total Deferred Inflows of Resources	<u>18,635,656</u>	<u>7,494,738</u>	<u>-</u>	<u>2,028,495</u>	<u>28,158,889</u>
<b>FUND BALANCES</b>					
Nonspendable	2,092,416	-	-	133,482	2,225,898
Restricted	-	19,364,478	-	10,353,579	29,718,057
Committed	343,140	-	-	8,862,145	9,205,285
Assigned	4,638,885	-	-	-	4,638,885
Unassigned	49,536,168	-	-	(245,846)	49,290,322
Total Fund Balances	<u>56,610,609</u>	<u>19,364,478</u>	<u>-</u>	<u>19,103,360</u>	<u>95,078,447</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 89,726,723</u>	<u>\$ 28,255,223</u>	<u>\$ 6,917,543</u>	<u>\$ 24,409,071</u>	<u>\$ 149,308,560</u>

See accompanying Notes to Financial Statements.

TOWN OF BRANFORD, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III) \$ 95,078,447

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

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

Governmental Capital Assets	365,689,822
Less: Accumulated Depreciation/Amortization	(154,804,462)
Net Capital Assets	<u>210,885,360</u>

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

Property Tax Receivables Greater Than 60 Days	3,190,696
Interest Receivable on Property Taxes	1,249,463
Assessments Receivable	556,923
Housing Loans Receivable	292,044
School Construction Grant Receivable	8,370,310
Fees Receivable	194,446
Deferred Outflows - Pensions	19,275,082
Deferred Outflows - OPEB	4,141,370

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.

14,691,400

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

Net Pension Liability	(53,880,948)
Net OPEB Asset	13,827,769
Deferred Inflows - Pensions	(2,461,358)
Deferred Inflows - OPEB	(11,256,190)
Bonds and Notes Payable	(77,160,000)
Interest Payable on Bonds and Notes	(596,887)
Compensated Absences	(4,190,085)
Lease Liability	(544,988)
Bond Premium	(2,280,257)
Deferred Charge on Refunding	469,567
Landfill	<u>(778,500)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)

\$ 219,073,664

See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	General	Capital Projects	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes	\$ 114,973,418	\$ -	\$ -	\$ -	\$ 114,973,418
Assessments and Interest	-	-	-	4,349,337	4,349,337
Intergovernmental	13,367,010	122,360	2,183,555	7,536,810	23,209,735
Charges for Services	5,580,640	-	-	3,091,381	8,672,021
Income on Investments	3,150,130	429,218	-	453,561	4,032,909
Miscellaneous	2,429,125	179,873	-	665,027	3,274,025
Total Revenues	<u>139,500,323</u>	<u>731,451</u>	<u>2,183,555</u>	<u>16,096,116</u>	<u>158,511,445</u>
<b>EXPENDITURES</b>					
Current:					
General Government	5,950,671	-	299,840	31,222	6,281,733
Public Safety	14,769,090	-	-	947,378	15,716,468
Public Works and Highway	6,375,144	-	-	3,757,649	10,132,793
Parks, Recreation, and Libraries	3,167,284	53,271	-	652,942	3,873,497
Health and Human Services	749,516	-	-	2,310,838	3,060,354
Education	69,784,077	-	-	8,196,515	77,980,592
Pension and Insurance	14,496,825	-	-	-	14,496,825
Capital Outlay	390,711	6,611,732	1,883,715	145,846	9,032,004
Debt Service	9,348,433	-	-	-	9,348,433
Total Expenditures	<u>125,031,751</u>	<u>6,665,003</u>	<u>2,183,555</u>	<u>16,042,390</u>	<u>149,922,699</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	14,468,572	(5,933,552)	-	53,726	8,588,746
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	854,203	4,948,232	-	2,191,813	7,994,248
Transfers Out	(6,622,535)	(110,104)	-	(1,261,609)	(7,994,248)
Lease Issuances	390,711	-	-	-	390,711
Total Other Financing Sources (Uses)	<u>(5,377,621)</u>	<u>4,838,128</u>	<u>-</u>	<u>930,204</u>	<u>390,711</u>
<b>NET CHANGE IN FUND BALANCES</b>	9,090,951	(1,095,424)	-	983,930	8,979,457
Fund Balances - Beginning of Year	47,519,658	20,459,902	-	18,119,430	86,098,990
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 56,610,609</u>	<u>\$ 19,364,478</u>	<u>\$ -</u>	<u>\$ 19,103,360</u>	<u>\$ 95,078,447</u>

See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 8,979,457

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	6,837,976
Depreciation/Amortization Expense	(6,967,114)

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets. (1,053,849)

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 - Accrual Basis Change	(1,171,199)
Property Tax Interest and Lien Revenue - Accrual Basis Change	(770,435)
Sewer Assessment Receivable - Accrual Basis Change	161,174
Housing Loans Receivable	-
Grant Receivable - Accrual Basis Change	1,054,712
Fees Receivable - Accrual Basis Change	194,446
Change in Deferred Outflows - Pensions	6,338,363
Change in Deferred Outflows - OPEB	(514,305)

Change in pension and OPEB assets and liabilities:

Change in Net OPEB Asset	6,604,064
Change in Net Pension Liability	(20,382,461)

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 position. Also, governmental funds report the effect of 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 and Note Principal Payments	7,210,000
Proceeds From Leases Issued	(390,711)
Lease Liability Payments	412,314

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:

Compensated Absences	(533,149)
Accrued Interest	5,627
Amortization of Deferred Charge on Refunding	(108,503)
Amortization of Bond Premiums	624,468
Change in Deferred Inflows - Pensions	9,645,112
Change in Deferred Inflows - OPEB	(3,961,571)
Landfill Post Closure Care	105,000

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. 788,606

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	\$ 13,108,022
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See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2023**

	Governmental Activities
	Internal Service Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 17,044,448
Accounts Receivable	5,527
Prepaid Expenses	100,000
Due from Other Funds	2,138,231
Total Assets	19,288,206
<b>LIABILITIES</b>	
Accounts and Other Payables	35,203
Risk Management Claims	4,561,603
Total Liabilities	4,596,806
<b>NET POSITION</b>	
Unrestricted	\$ 14,691,400

See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2023**

	<u>Governmental Activities</u> <u>Internal Service Funds</u>
<b>OPERATING REVENUES</b>	
Contributions for Benefits	\$ 12,239,808
Total Contributions	<u>12,239,808</u>
<b>OPERATING EXPENSES</b>	
Benefit Claims	9,940,292
Claims Administration	<u>1,934,424</u>
Total Operating Expenses	<u>11,874,716</u>
<b>OPERATING INCOME</b>	365,092
<b>NONOPERATING REVENUE</b>	
Income on Investments	<u>423,514</u>
<b>CHANGE IN NET POSITION</b>	788,606
Net Position - Beginning of Year	<u>13,902,794</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 14,691,400</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2023**

	<u>Governmental Activities Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Operating Funds	\$ 10,363,801
Cash Payments to Providers of Benefits and Administration	(12,284,669)
Net Cash Provided (Used) by Operating Activities	<u>(1,920,868)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Income on Investments	<u>423,514</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,497,354)
Cash and Cash Equivalents - Beginning of Year	<u>18,541,802</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 17,044,448</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 365,092
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	(1,876,007)
Increase (Decrease) in Accounts Payable	<u>(409,953)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (1,920,868)</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023**

	Pension and Other Employee Benefit Trust Funds	Custodial Fund Shoreline Crimes Fund
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,121,350	\$ 5,498
Investments	66,673,554	-
Total Assets	<u>67,794,904</u>	<u>5,498</u>
<b>LIABILITIES</b>		
Accounts Payable	<u>-</u>	<u>3,250</u>
<b>NET POSITION</b>		
Held in Trust for Pension or Retiree Benefits	67,794,904	-
Held for the Shorelines Technical Crimes Group	<u>-</u>	<u>2,248</u>
Total Net Position	<u><u>\$ 67,794,904</u></u>	<u><u>\$ 2,248</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Pension and Other Employee Benefit Trust Funds	Custodial Fund Shoreline Crimes Fund
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 3,896,359	\$ -
Plan Members	412,730	-
Intergovernmental Revenue	-	12,500
Total Contributions	4,309,089	12,500
Investment Income:		
Interest and Dividends	4,578,853	-
Total Additions	8,887,942	12,500
<b>DEDUCTIONS</b>		
Benefits	4,430,631	-
Administration	-	-
Public Safety	-	18,896
Total Deductions	4,430,631	18,896
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	4,457,311	(6,396)
Net Position - Beginning of Year	63,337,593	8,644
<b>NET POSITION - END OF YEAR</b>	<b>\$ 67,794,904</b>	<b>\$ 2,248</b>

See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Town is incorporated under the provisions of the statutes of the state of Connecticut. The Town operates under a Representative Town Meeting/Board of Selectmen form of Government and provides the following services as authorized by its Charter: Administrative, Public Safety, Public Works, Health and Welfare, Recreation, Libraries, Education, and Public Improvements.

Fiduciary Component Units

The Pension and Other Postemployment (OPEB) plans were established to provide retirement benefits and postretirement health care benefits primarily to employees and their beneficiaries. Included in the Pension and OPEB Trust fund are two pension plans and one OPEB plan.

The financial statements of the fiduciary component units are presented using the accrual basis of accounting and 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. 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.

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 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.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

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

**C. 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 of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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.

The Town reports the following major governmental funds:

**General Fund**

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Capital Projects Fund**

The Capital Projects Fund is used to account for the financial resources for the acquisition and construction of major capital facilities. The major sources of revenue for this fund are capital grants and the issuance of general obligation bonds.

**ARPA Fund**

The ARPA Fund is used to account for the ARPA grant and related activity. The Town of Branford is scheduled to receive \$8,257,021 in funding through the American Rescue Plan Act. The town is designated as a Non-Entitlement Unit (NEU) since Branford's population is under 50,000. Funding for NEU's is distributed through the State of Connecticut's Office of Policy and Management.

The US Treasury has released a series of guidelines which identify five major expenditure categories of uses. 1) Public Health, 2) Negative Economic Impacts, 3) Investments in Water and Sewer, 4) Investments in Broadband, and 5) Revenue Loss.

The town has elected the standard allowance for revenue loss up to the full allocation. The revenue loss allowance can be used to fund what is broadly defined in the regulations as "government services." These services closely align with found in the town's operating budget. The Town has established a separate fund to account for these dollars with an intent to allocate funds in a manner that mirrors the Town's budget process.

Additionally, the Town reports the following fund types:

**Internal Service Fund**

The Internal Service Fund accounts for the self-insured activities of the Town.

**Pension and Other Employee Benefit Trust Funds**

The Pension and Other Employee Benefit Trust Funds account for the activities of the Branford Retirement System, which accumulates resources for pension benefit payments to qualified Town employees and accounts for the retiree health benefits provided by the Town, which accumulates resources for retiree health insurance payments to qualified retirees.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Custodial Fund**

The Custodial Fund accounts for money held on behalf of the Shoreline Crimes Group.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town's functions because the 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 revenues include property taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service funds are charges to customers for benefits. Operating expenses for the internal service fund 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 Town'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.

**D. Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State Statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and certain other investments as described in Note 3.

**TOWN OF BRANFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Deposits and Investments (Continued)**

Investments for the Town are reported at fair value, excluding Certificates of Deposit which are reported at amortized cost.

**E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles. Allowances for uncollectibles are computed based on historical data.

Property taxes are assessed as of October 1 and billed the following July. Property taxes are payable in two installments on July 1 and January 1. Automobile levies and amounts under \$100 are due in one installment. Motor vehicle supplemental bills are payable on January 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of 1-1/2% per month. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of the market value. Unpaid balances at June 30 are lienied.

**F. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**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 columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Capital Assets (Continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

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

Buildings	45 Years
Land Improvements	20 Years
Infrastructure	20 to 60 Years
Vehicles	6 to 12 Years
Office Equipment	7 to 10 Years
Computer Equipment	5 to 7 Years

**H. Leases**

Lessee

The Town is a lessee for noncancellable leases of equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities in the government-wide financial statements.

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Leases (Continued)**

Lessee (Continued)

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

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

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

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

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

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Deferred Outflows/Inflows of Resources (Continued)**

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 advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet, and deferred inflows of resources related to pensions and OPEB in the government wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience differences between actual and projected investment earnings or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), excluding deferred amounts related to the difference between expected and actual investment returns, which is amortized over five years. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, interest on property taxes, special assessments, loans receivable, school construction grants receivable, and advanced tax collections. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

**J. Compensated Absences**

Unused sick leave may be accumulated for certain employees up to a limit ranging from 50 to 225 days, depending upon the contracts in force, for each department in the Town until termination, retirement, or death, at which time payments will be made. The liability is reported in the government-wide statement of net position. Payments at termination are charged to the fund through which the employees payroll charges were expensed.

**K. Long-Term Obligations**

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Long-Term Obligations (Continued)**

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.

**L. Net OPEB Liability (Asset)**

The net OPEB liability (asset) is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability (asset) 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. Net Pension Liability**

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

**N. Fund 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 BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Fund Equity (Continued)**

*Restricted Net Position* – Net position is restricted because of externally imposed restrictions 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 represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

*Restricted Fund Balance* – This 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 represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Board of Finance).

*Assigned Fund Balance* – This represents amounts constrained for the intent to be used for a specific purpose by the First Selectman.

*Unassigned Fund Balance* – This 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.

**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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

A budget for the General Fund and certain Special Revenue Funds are authorized annually by the Town. The Board of Finance recommends, and the Representative Town Meeting (RTM) approves the budget.

The Town adheres to the following procedures in establishing the budgetary data reported in the financial statements for the General Fund and specific Special Revenue Funds (Sewer Assessment, Water Assessment, Open Space Fund, Board of Education Program Fund, and Day Care). As required by Town Charter, the Board of Finance holds a public hearing to review and discuss the proposed annual Town budget no later than two weeks before the Annual Budget Meeting of the RTM. The Board of Finance then recommends and submits a formal annual appropriations budget to the RTM. The RTM must take action on the adoption of the appropriations recommended by the Board of Finance at the Annual Budget Meeting, which must be held no later than the Friday following the second Tuesday of May. Thereafter, but no later than June 1, the Board of Finance shall determine the rate of taxation for the ensuing fiscal year.

The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the line-item level for all budgeted funds. The Board of Finance, upon the request of individual departments, offices or agencies, may approve and must recommend all transfers to the RTM. No recommended transfer by the Board of Finance shall be effective unless approved by the RTM. During the year ended June 30, 2023, the Town approved additional appropriations of \$837,800 from fund balance.

All unencumbered appropriations lapse at year-end, except for those in the Capital Projects Fund. Appropriations for these funds are continued until completion of the applicable projects, which often last more than one fiscal year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balance and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**Fund Deficits**

The LOCIP fund, a nonmajor governmental fund had a deficit of \$245,846 at June 30, 2023, this deficit will be funded in a future year with the receipt of intergovernmental revenue.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**A. Deposits**

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposit 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.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**A. Deposits (Continued)**

Deposit Custodial Credit Risk (Continued)

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$23,655,995 of the Town's bank balance of \$36,520,118 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 10,339,787
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name, and Amounts Held by the Third Party Bank's in the Town's Name	13,316,208
Total Amount Subject to Custodial Credit Risk	\$ 23,655,995

**B. Cash Equivalents**

At June 30, 2023, the Town's cash equivalents amounted to \$88,344,394. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	Standard & Poor's
State Short-Term Investment Fund (STIF)	AAAm

**C. Investments**

As of June 30, 2023, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1-10	Greater Than 10
Interest-Bearing Investments:					
U.S. Government Securities	N/A	\$ 15,419,811	\$ 10,524,937	\$ 4,864,058	\$ 30,816
U.S. Government Agencies	AAA	4,549,492	97,460	1,582,936	2,869,096
Municipal Bonds	A-AAA	1,148,637	-	550,620	598,017
Certificates of Deposit*	N/A	584,424	584,424	-	-
Corporate Bonds	BBB+-AAA	8,153,426	842,687	6,544,672	766,067
Subtotal		29,855,790	\$ 12,049,508	\$ 13,542,286	\$ 4,263,996
Police Pension Fund and Volunteer Firemen Pension:					
Open Ended Mutual Funds and Exchange Traded Funds	N/A	39,610,576			
Total		\$ 69,466,366			

\*Subject to coverage by Federal Depository Insurance and collateralization.  
N/A: Not applicable

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**C. Investments (Continued)**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2023:

	June 30, 2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 15,419,811	\$ -	\$ 15,419,811	\$ -
U.S. Government Agencies	4,549,492	-	4,549,492	-
Corporate Bonds	8,153,426	-	8,153,426	-
Municipal Bonds	1,148,637	-	1,148,637	-
Mutual Funds	39,610,576	39,539,094	71,482	-
Total Investments by Fair Value Level	68,881,942	<u>\$ 39,539,094</u>	<u>\$ 29,342,848</u>	<u>\$ -</u>
Investment Measured at Amortized Cost:				
Certificates of Deposit	584,424			
Total Investments	<u>\$ 69,466,366</u>			

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

**Interest Rate Risk**

The Town does not have a formal investment policy over pension investments that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town's policy over nonpension investments limits the dollar-weighted average portfolio maturity to one year, and it limits individual maturities to five years.

**Credit Risk – Investments**

As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further limit its investment choices.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**C. Investments (Continued)**

Concentration of Credit Risk

The Town's investment policy does not allow for an investment in any one private corporation debt issuer that is in excess of 5% of the Town's total 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, 2023, the Town had no 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 year-end for the Town's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects	Nonmajor and Other Funds	Total
Receivables:				
Interest	\$ 1,249,459	\$ -	\$ -	\$ 1,249,459
Taxes	3,374,680	-	-	3,374,680
Accounts	1,462,871	-	320,384	1,783,255
Special Assessments	-	-	144,091	144,091
Intergovernmental	107,470	7,414,939	2,111,661	9,634,070
Lessor	-	120,773	-	120,773
Gross Receivables	<u>6,194,480</u>	<u>7,535,712</u>	<u>2,576,136</u>	<u>16,306,328</u>
Less: Allowance for Uncollectibles	<u>(728,085)</u>	<u>-</u>	<u>-</u>	<u>(728,085)</u>
Total Receivables, Net	<u>\$ 5,466,395</u>	<u>\$ 7,535,712</u>	<u>\$ 2,576,136</u>	<u>\$ 15,578,243</u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 17,130,864	\$ 300,100	\$ -	\$ -	\$ 17,430,964
Intangible Assets	596,800	-	-	-	596,800
Construction in Progress	81,911,768	1,542,317	(81,258,560)	-	2,195,525
Total Capital Assets Not Being Depreciated	99,639,432	1,842,417	(81,258,560)	-	20,223,289
Capital Assets Being Depreciated:					
Buildings and Improvements	133,010,625	686,501	77,165,811	(6,100,220)	204,762,717
Improvements Other Than Buildings	6,193,886	719,631	1,459,377	(74,338)	8,298,556
Machinery and Equipment	32,739,253	2,177,850	696,516	(1,276,227)	34,337,392
Infrastructure	94,011,756	1,020,866	1,936,856	(226,120)	96,743,358
Total Capital Assets Being Depreciated	265,955,520	4,604,848	81,258,560	(7,676,905)	344,142,023
Less Accumulated Depreciation for:					
Buildings and Improvements	58,271,828	3,686,323	-	(5,186,003)	56,772,148
Improvements Other Than Buildings	2,455,423	334,344	-	(72,625)	2,717,142
Machinery and Equipment	24,034,284	1,475,948	-	(1,193,454)	24,316,778
Infrastructure	69,353,843	1,059,512	-	(170,974)	70,242,381
Total Accumulated Depreciation	154,115,378	6,556,127	-	(6,623,056)	154,048,449
Right-To-Use Lease Assets:					
Equipment	933,799	390,711	-	-	1,324,510
Less Accumulated Amortization:					
Equipment	345,026	410,987	-	-	756,013
Total Capital Assets Being Depreciated/Amortized, Net	112,428,915	(1,971,555)	81,258,560	(1,053,849)	190,662,071
Governmental Activities Capital Assets, Net	<u>\$ 212,068,347</u>	<u>\$ (129,138)</u>	<u>\$ -</u>	<u>\$ (1,053,849)</u>	<u>\$ 210,885,360</u>

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

Governmental Activities:	
General Government	\$ 175,904
Public Safety	1,045,371
Public Works	2,437,294
Parks, Recreation, and Libraries	314,925
Health and Welfare	192,794
Education	2,800,826
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 6,967,114</u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

**Active Capital Projects**

The Town has active projects as of June 30, 2023. The projects include the following:

Project	Appropriation	Cumulative Expenditures	Encumbrances	Available Balance
Tabor Drive Acquisition	\$ 13,875,000	\$ 13,844,478	\$ -	\$ 30,522
Land Acquisition Fund	1,560,276	1,375,902	-	184,374
Pump Station Upgrades	2,500,000	2,496,380	-	3,620
Harbor Street Culvert Repairs	2,200,000	1,939,913	-	260,087
Community Center Improvements	12,115,000	12,101,257	728	13,015
Walsh Intermediate School Renovations	88,200,000	81,411,945	2,477,554	4,310,501
Linden Avenue Shoreline Stabilization	1,200,000	118,606	9,982	1,071,412
Animal Shelter Renovations	4,595,000	4,531,211	12,202	51,587
Energy Performance Contract	6,200,000	6,156,178	8,130	35,692
Indian Neck Firehouse Renovations	1,675,000	1,675,000	-	-
James Blackstone Memorial Library Renovations	5,745,000	5,689,400	490	55,110
Forcemain and Sewer Rehabilitation Projects	3,975,000	1,402,394	-	2,572,606
Main Street Reconstruction	2,750,000	327,731	320,269	2,102,000
Town Wide Drainage Improvements	500,000	50,478	12,964	436,558
Stony Creek Wharf Reconstruction	350,000	333,666	555	15,779
East Industrial Road Reconstruction	1,750,000	-	-	1,750,000
Police Department Headquarters Renovation	325,000	6,800	201,820	116,380

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

Individual fund, interfund receivable, and payable balances at June 30, 2023 are as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 13,199
Capital Projects Fund	General Fund	3,403,585
Capital Projects Fund	Nonmajor Governmental Funds	1,945,000
Internal Service Fund	General Fund	2,138,231
Nonmajor Governmental Funds	General Fund	84,666
Total		<u>\$ 7,584,681</u>

All interfund receivables and payables are the result of regularly recurring transactions and represent temporary balances.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

Interfund Transfers:

	Transfers In			Total Transfers Out
	General Fund	Capital Projects	Nonmajor Governmental	
Transfers Out:				
General Fund	\$ -	\$ 4,434,232	\$ 2,188,303	\$ 6,622,535
Capital Projects	106,594	-	3,510	110,104
Nonmajor Governmental	747,609	514,000	-	1,261,609
Total Transfers In	<u>\$ 854,203</u>	<u>\$ 4,948,232</u>	<u>\$ 2,191,813</u>	<u>\$ 7,994,248</u>

All transfers represent routine transactions that occur annually to move resources from one fund to another.

**NOTE 7 LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General Obligation Bonds	\$ 84,370,000	\$ -	\$ 7,210,000	\$ 77,160,000	\$ 7,135,000
Bond Premiums	2,904,725	-	624,468	2,280,257	-
Total Bonds and Notes Payable	87,274,725	-	7,834,468	79,440,257	7,135,000
Landfill Closure	883,500	-	105,000	778,500	35,000
Net Pension Liability	33,498,487	20,382,461	-	53,880,948	-
Lease Liability	566,591	390,711	412,314	544,988	316,121
Compensated Absences	3,656,936	574,927	41,778	4,190,085	205,348
Risk Management Claims	4,991,654	347,601	777,652	4,561,603	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 130,871,893</u>	<u>\$ 21,695,700</u>	<u>\$ 9,171,212</u>	<u>\$ 143,396,381</u>	<u>\$ 7,691,469</u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**Changes in Long-Term Liabilities (Continued)**

A schedule of bonds and notes outstanding at June 30, 2023 is presented below:

	Balance July 01, 2022	Issued	Retired	Balance June 30, 2023
General Obligation:				
School, 2.0-5.0%, Mature in 2022	\$ 157,000	\$ -	\$ 157,000	\$ -
School, 2.0-5.0%, Mature in 2032	6,040,000	-	720,000	5,320,000
School, 0.5-2.0%, Mature in 2032	9,721,000	-	49,000	9,672,000
School, 2.0-4.0%, Mature in 2038	1,340,000	-	670,000	670,000
School, 1.0-5.0%, Mature in 2038	2,925,000	-	-	2,925,000
School, 2.0-5.0%, Mature in 2039	39,000,000	-	1,585,000	37,415,000
Public Improvement Sewer, 2.0-5.0%, Mature in 2012	1,843,000	-	1,843,000	-
Public Improvement, 2.0-4.0%, Mature in 2032	3,450,000	-	320,000	3,130,000
Public Improvement Sewer, 0.5-2.0%, Mature in 2032	4,359,000	-	21,000	4,338,000
Public Improvement Sewer, 2.0-4.0%, Mature in 2038	560,000	-	280,000	280,000
Public Improvement Sewer, 1.0-5.0%, Mature in 2038	2,360,000	-	-	2,360,000
Public Improvement Sewer, 2.0-5.0%, Mature in 2039	6,000,000	-	265,000	5,735,000
Special Assessment:				
Sewer, 2.0-4.0%, Mature in 2032	660,000	-	60,000	600,000
Sewer, 1.0-5.0%, Mature in 2038	2,420,000	-	1,240,000	1,180,000
Sewer, 5.0%, Mature in 2025	3,535,000	-	-	3,535,000
Total Bonds	<u>\$ 84,370,000</u>	<u>\$ -</u>	<u>\$ 7,210,000</u>	<u>\$ 77,160,000</u>

**General Obligation Refunding Bonds**

On November 15, 2021, the Town advance refunding \$13,250,000 of outstanding 2018 General Obligation Bonds. As of June 30, 2023, the Town has \$13,250,000 of defeased debt outstanding from this refunding and \$13,384,252 is held in escrow to pay for the future debt service on the defeased debt. This amount is removed from the governmental activities column of the statement of net position.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**General Obligation Refunding Bonds (Continued)**

The following is a summary of debt maturities for repayment of bonds:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,135,000	\$ 1,833,645	\$ 8,968,645
2025	6,390,000	1,572,765	7,962,765
2026	5,640,000	1,400,355	7,040,355
2027	5,640,000	1,294,538	6,934,538
2028	5,930,000	1,172,788	7,102,788
2029-2033	27,250,000	3,909,245	31,159,245
2034-2038	16,175,000	1,377,514	17,552,514
2039-2040	3,000,000	77,813	3,077,813
Total	<u>\$ 77,160,000</u>	<u>\$ 12,638,663</u>	<u>\$ 89,798,663</u>

**General Obligation Bonds and Notes**

All bonds and notes are classified as general obligations of the Town.

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>(In Thousands)</u>		
	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 258,059	\$ 21,853	\$ 236,206
Schools	516,119	62,337	453,782
Sewers	430,099	5,580	424,519
Urban Renewal	372,752	-	372,752
Pension Deficit	344,079	-	344,079
Total	<u>\$ 1,921,108</u>	<u>\$ 89,770</u>	<u>\$ 1,831,338</u>

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$802,851.

**NOTE 8 RISK MANAGEMENT**

The Town is exposed to various risks of loss related including torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town generally obtains commercial insurance for these risks but, as of July 1, 2000, has chosen to retain the risks for workers' compensation, heart and hypertension, and medical claims. In FY 2022-23, the Town started transitioning away from self-insurance for medical claims while retaining the risk for dental costs. The Town's claims for risks covered by insurance have not exceeded covered losses during the past three years.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 RISK MANAGEMENT (CONTINUED)**

The Workers' Compensation Internal Service Fund is utilized to report the self-insurance activity. Workers Compensated Trust Services administers the plan, for which the Town pays a fee. The Town's general government and the Board of Education contribute based on estimates using historical data. The Town covers all claims up to \$750,000 per employee per year with a stop-loss policy covering amounts exceeding the limit.

The claims liability of \$3,110,737 reported in the Internal Service Fund at June 30, 2023 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claim's liability were as follows for the last two years:

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2021-2022	\$ 3,192,678	\$ 190,057	\$ 619,599	\$ 2,763,136
2022-2023	2,763,136	1,085,703	738,102	3,110,737

The Heart and Hypertension Fund was established to account for the self-insured activities of the Town related to heart and hypertension claims. The claims liability of \$1,018,566 at June 30, 2023 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claim's liability are as follows:

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2021-2022	\$ 1,110,718	\$ -	\$ 42,200	\$ 1,068,518
2022-2023	1,068,518	-	49,952	1,018,566

The Town created the Medical Self-Insurance Fund at the end of 2006. The fund will be used to pay claims for medical, prescription drug costs, and dental benefits. The claims liability of \$432,300 at June 30, 2023 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claim's liability are as follows:

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2021-2022	\$ 807,830	\$ 12,653,740	\$ 12,301,570	\$ 1,160,000
2022-2023	1,160,000	8,854,589	9,582,289	432,300

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 BULKY WASTE LANDFILL**

The Town Landfill at the intersection of Tabor Drive and Marshall Road stopped accepting bulky waste from the Branford Transfer Station on June 29, 2012. State and federal laws and regulations require the Town of Branford to properly close and continually monitor the landfill, and each year the Town appropriates funds for these activities. Capping of the final acre of the landfill was started in FY 2012. Final cover has been applied to the total area of the landfill. In August 2015, DEEP accepted the Closure Certification Report and postclosure passive recreational use of the landfill.

The Town maintains a special fund for the closure of the landfill. The fund has a balance of \$242 after deducting the closure contract retainage of \$8,584. Associated engineering work including but not limited to the landfill gas investigation, permit compliance, construction assistance, and closure certification report has been completed. The Town is required to monitor and maintain the landfill for 30 years after closure. The estimated annual cost for this post-closure activity is \$35,000. These costs will be funded through the General Fund on an annual basis. Regulatory changes, improvements to storm water quality, landfill gas mitigation, and any other additional requirements to comply with DEEP regulations may require additional appropriations throughout the life of the landfill.

A 77-acre parcel located north of the active landfill was purchased by the Town through eminent domain in 2004. It overlays a portion of, and may be impacted by, the leachate plume originating from the landfill. Since control of the plume and of any off-site gas migration is required, environmental investigations and mitigation have begun on this property. The funds for the project on this adjoining acreage are provided by bond proceeds which are separately addressed, but not totaled in past or future closure costs below. Environmental investigations on this large parcel are not confined to the area presumed to be impacted by the landfill, so only costs directly attributable to mitigation of landfill impacts have been mentioned in past notes. Routine quarterly testing of wells on this parcel are included in the post-closure monitoring costs.

**Summary of Estimated Total Cost of Remaining Closure and Postclosure Care**

Final Cover, Demolition and Grading Cost	\$ 8,500
Postclosure Care Costs (22 Years):	
Inspection and Maintenance of Final Cover (\$8,000 Annually)	176,000
Monitoring Program, Groundwater, Methane, and Stormwater (\$27,000 Annually)	594,000
Total	<u><u>\$ 778,500</u></u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 JOINT VENTURES**

**Bristol Resource Recovery Facility Operating Committee**

The Town is a participant with 13 other cities and towns in a joint venture, the Bristol Resource Recovery Facility Operating Committee (BRRFOC). BRRFOC was created pursuant to an Inter-Community Agreement to exercise certain rights on behalf of contracting municipalities in dealing with the waste-to-energy plant built by Ogden Martin Systems of Bristol, Inc. (now Covanta Bristol, Inc.). The governing board consists of Town officials appointed by each of the participating municipalities and assumes all the management decisions. The Town has an obligation to appropriate funds in amounts necessary to fulfill its obligations created pursuant to the Intercommunity Agreement dated as of August 15, 1985. These obligations deal with guarantees to meet certain tonnage requirements. General Fund balance for fiscal year ended June 30, 2023, as reflected in BRRFOC's financial statements, is \$0.97 million. A complete set of financial statements for BRRFOC can be obtained from the administrative office at 43 Enterprise Drive, Bristol, Connecticut.

Under the Service Agreement, the service fee is an obligation of the Contracting Municipalities to which each has pledged its full faith and credit. Should any Contracting Municipality default in its obligation to pay the service fee, the other Contracting Municipalities shall have an obligation to continue to pay the aggregate service fee. If BRRFOC does not perform its obligations under the service agreement, and Ogden Corporation (now Covanta Bristol, Inc.) fails to perform such obligations pursuant to its guarantee, the Contracting Municipalities have certain rights to terminate the service agreement and, upon termination, would no longer be obligated to pay the service fee.

By special legislation enacted in 2001, Special Act No. 01-10, An Act to Permit the Bristol Resource Recovery Facility Operating Committee to Finance Projects and Refund Previously Issued Bonds, BRRFOC is permitted to finance projects including additions, renovations or improvements to the Facility, recycling facility and similar activities required to provide solid waste and recycling services to the Contracting Municipalities. The total amount of bonds issued by BRRFOC and outstanding at any time cannot exceed \$100,000,000.

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**Pension Trust Funds**

**A. Plan Description**

The Town is the administrator of two single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits for its police officers and to volunteer firefighters. The PERS are considered to be part of the Town's financial reporting entity and are included in the Town's financial reports as Pension Trust Funds.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Pension Trust Funds (Continued)**

**B. Summary of Significant Accounting Policies**

Basis of Accounting

Financial statements are prepared using the accrual basis of accounting for the two defined benefit pension plans. 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 plans.

**C. Method Used to Value Investments**

Investments are reported at fair value. Investment income is recognized as earned.

**D. Benefit Provisions**

Police Employees Retirement Plan

The Town provides police retirement benefits through a single employer, contributory, defined benefit plan. Under the plan all sworn officers of the police department are eligible. Participants are 100% vested after five years of service. All police officers contribute 8.5% of payroll earnings excluding private duty assignments. There are two benefit tiers based on date of hire.

Tier 1 includes all Participants hired prior to August 2011. The benefit is calculated at 2.5% of the highest average salary for each year of service with a maximum benefit of 70% of the final average salary.

Tier 2 includes Participants hired after August 2011. Additionally, Participants hired after July 2005 who made a one-time election to move from Tier 1 to Tier 2 are also included. For Participants in Tier 2, the benefit is calculated at 2% for each year of service. Participants in this tier can retire at age 55 with 10 years of service.

If an employee leaves covered employment before five years of service, accumulated employee contributions and related investment earnings are refunded. Benefits and contributions are governed by the pension agreement which is a collectively bargained contract approved by the Representative Town Meeting. The current agreement will expire in 2031.

Volunteer Fire Department Pension Plan

The Town operates a Length of Service Awards Program for volunteer firefighters from date of membership to retirement date. Firefighters who were members prior to 1991 with at least 10 years of service receive credit for 5 years of service. Members are required to fulfill a variety of requirements drills, calls, classes, etc., to receive a year of credited service. Members receive a life annuity on the first day of the month coinciding with or next following the member's 65th birthday provided the member has a minimum of 10 years of service. The maximum monthly payout is \$350 per month.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Pension Trust Funds (Continued)**

**D. Benefit Provisions (Continued)**

Volunteer Fire Department Pension Plan Continued)

Funding for the plan is based on the Entry Age Normal Cost Method. The unfunded liability is amortized over 30 years beginning in January 1999 and had 10 years remaining as of January 2019.

At July 1, 2021 and January 1, 2023, for the Police employee's retirement plan and the volunteer fire department pension plan (date of latest valuations), plan membership consisted of the following, respectively:

	<u>Police Employees Retirement Plan</u>	<u>Volunteer Fire Department Pension Plan</u>
Retirees, Disabled and Beneficiaries Currently Receiving Benefits	52	16
Terminated Employees Entitled to Benefits But Not Yet Receiving Them	6	-
Active Plan Members	<u>51</u>	<u>228</u>
Total Participants	<u><u>109</u></u>	<u><u>244</u></u>

**E. Investments**

The Board of Finance revised the investment policy in 2013. The goals of the investment policy are to create a framework for a well-diversified asset mix that can be expected to generate long-term returns consistent with the Board's risk tolerance. The asset allocation decisions are derived from an asset liability analysis, which matches six years of projected payouts with fixed income securities.

The balance of the portfolio is allocated among equities, real estate and commodities. The following chart reflects the target allocations as outlined in the policy:

Police Employees Retirement Plan:

<u>Asset Class</u>	<u>Target Allocation</u>
Large Cap Domestic Equity	14.50 %
Mid Cap Domestic Equity	5.50
Small Cap Domestic Equity	5.50
Developed International Equity	12.50
Emerging Markets International Equity	8.50
U.S. Real Estate and MLP's	8.50
U.S. Investment Grade Bonds	35.50
U.S. High Yield Bonds	7.50
Cash	2.00
Total	<u><u>100.00 %</u></u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Pension Trust Funds (Continued)**

**E. Investments (Continued)**

Volunteer Fire Department Pension Plan:

<u>Asset Class</u>	<u>Target Allocation</u>
Large Cap Domestic Equity	14.50 %
Mid /Small Cap Domestic Equity	11.00
Developed International Equity	12.50
Emerging Markets International Equity	8.50
Core Fixed Income	35.00
High Yield Bonds	7.50
Money Market, Short Term Bonds	2.50
Real Estate (Core)	3.25
MLPs	5.25
Total	<u>100.00 %</u>

**Rate of Return**

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, were 7.76% and 7.54% for the Police employee's retirement plan and the volunteer fire department pension plan, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**F. Deferred Retirement Option Program**

The police employee's retirement plan includes a Deferred Retirement Option Plan (DROP). As of June 30, 2023, seven officers have elected the DROP and the DROP balance was \$888,328.

**G. Net Pension Liability of the Town**

The components of the net pension liability of the Town at June 30, 2023, were as follows:

	<u>Police Employees Retirement Plan</u>	<u>Volunteer Fire Department Pension Plan</u>
Total Pension Liability	\$ 40,462,595	\$ 1,700,515
Plan Fiduciary Net Position	27,665,078	1,518,112
Net Pension Liability	<u>\$ 12,797,517</u>	<u>\$ 182,403</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.37 %	89.27 %

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Pension Trust Funds (Continued)**

**G. Net Pension Liability of the Town (Continued)**

Actuarial Assumptions

*Police Employees Retirement Plan*

The total pension liability was determined by an actuarial valuation as of July 1, 2021 rolled forward to the measurement date of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	Scaled from 8.40% down to 2.5% Based on Years of Service
Investment Rate of Return	6.5%, Net of Pension Plan Investment Expense, Including Inflation

Retirement rates were based on a scale from 20% with 25 years of service to 100% with 40 years of service. Post-retirement mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables for Public Safety employees, for nonannuitants and annuitants, projected to the valuation date with Scale MP-2021.

*Volunteer Fire Department Pension Plan*

The total pension liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Investment Rate of Return	6.5%, Net of Pension Plan Investment Expense, Including Inflation

Police Employees Retirement Plan pre-retirement mortality rates were based on the RPH-2014 Mortality Table adjusted to 2006 total dataset, headcount-weighted, projected to the measurement date with Scale MP-2018. Volunteer Fire Department Pension Plan pre-retirement mortality rates were based on the Pub-2010 (B) Public Retirement Plans Headcount Weighted Mortality Tables for Safety employees, for nonannuitants and annuitants, projected to the valuation date with Scale MP-2021.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Pension Trust Funds (Continued)**

**G. Net Pension Liability of the Town (Continued)**

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following tables:

Police Employees Retirement Plan:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Domestic Equity	4.50 %
Mid Cap Domestic Equity	5.00
Small Cap Domestic Equity	5.00
Developed International Equity	5.25
Emerging Markets International Equity	6.25
U.S. Real Estate and MLP's	4.50
U.S. Investment Grade Bonds	2.00
U.S. High Yield Bonds	3.25
Cash	0.25

Volunteer Fire Department Pension Plan:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Domestic Equity	5.00 %
Mid /Small Cap Domestic Equity	5.30
Developed International Equity	6.40
Emerging Markets International Equity	7.70
Core Fixed Income	2.08
High Yield Bonds	4.05
Money Market, Short Term Bonds	0.05
Real Estate (Core)	4.90
MLPs	4.05

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Pension Trust Funds (Continued)**

**G. Net Pension Liability of the Town (Continued)**

Changes in the Net Pension Liability

	Police Employees Retirement Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2022	\$ 39,624,189	\$ 26,299,899	\$ 13,324,290
Changes for the Year:			
Service Cost	818,505	-	818,505
Interest on Total Pension Liability	2,547,907	-	2,547,907
Difference Between Expected and Actual Experience	-	-	-
Changes in Assumptions	-	-	-
Employer Contributions	-	1,424,960	(1,424,960)
Member Contributions	-	412,730	(412,730)
Net Investment Income (Loss)	-	2,055,495	(2,055,495)
Benefit Payments, Including Refund to Employee Contributions	(2,528,006)	(2,528,006)	-
Net Changes	<u>838,406</u>	<u>1,365,179</u>	<u>(526,773)</u>
Balances - June 30, 2023	<u>\$ 40,462,595</u>	<u>\$ 27,665,078</u>	<u>\$ 12,797,517</u>

	Volunteer Fire Department Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2022	\$ 1,646,220	\$ 1,361,893	\$ 284,327
Changes for the Year:			
Service Cost	23,829	-	23,829
Interest on Total Pension Liability	107,347	-	107,347
Differences Between Expected and Actual Experience	(39,182)	-	(39,182)
Changes in Assumptions	-	-	-
Employer Contributions	-	87,000	(87,000)
Member Contributions	-	-	-
Net Investment Income (Loss)	-	106,918	(106,918)
Benefit Payments, Including Refund to Employee Contributions	(37,699)	(37,699)	-
Net Changes	<u>54,295</u>	<u>156,219</u>	<u>(101,924)</u>
Balances - June 30, 2023	<u>\$ 1,700,515</u>	<u>\$ 1,518,112</u>	<u>\$ 182,403</u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Pension Trust Funds (Continued)**

**G. Net Pension Liability of the Town (Continued)**

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

The following presents the net pension liability of the Town, for the Police Employee Retirement Plan 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, and for the Volunteer Fire Department Pension Plan calculated using the 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 (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Police Employees Retirement Plan	\$ 17,562,155	\$ 12,797,517	\$ 8,811,261
	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Volunteer Fire Department Pension Plan	\$ 452,133	\$ 182,403	\$ (37,960)

**H. Funding Status and Progress**

Police officers are required to contribute 8.5% of base pay to the PERS. The Town is required to contribute the amounts necessary to finance the coverage for its employees as determined by its actuaries; the contribution rate for the current year was 6.0% of covered payroll.

The Town is required to contribute amounts to the Volunteer Fire Department pension trust fund necessary to finance the coverage of its members as determined by its actuaries.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Pension Trust Funds (Continued)**

**I. Pension Plan Fiduciary Net Position**

	Pension Trust Funds		
	Police Pension Trust Fund	Volunteer Fire Department Pension Trust Fund	Total Pension Trust Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 77,627	\$ -	\$ 77,627
Investments	27,587,451	1,518,112	29,105,563
Total Assets	<u>27,665,078</u>	<u>1,518,112</u>	<u>29,183,190</u>
<b>LIABILITIES</b>			
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Held in Trust for Pension or Retiree Benefits	<u>\$ 27,665,078</u>	<u>\$ 1,518,112</u>	<u>\$ 29,183,190</u>

**Changes in Pension Net Position**

	Pension Trust Funds		
	Police Pension Trust Fund	Volunteer Fire Department Pension Trust Fund	Total Pension Trust Funds
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 1,424,960	\$ 87,000	\$ 1,511,960
Plan Members	412,730	-	412,730
Total Contributions	<u>1,837,690</u>	<u>87,000</u>	<u>1,924,690</u>
Net Investment Income	2,055,495	106,918	2,162,413
Total Additions	3,893,185	193,918	4,087,103
<b>DEDUCTIONS</b>			
Benefits	<u>2,528,006</u>	<u>37,699</u>	<u>2,565,705</u>
<b>NET INCREASE IN NET POSITION</b>	1,365,179	156,219	1,521,398
Net Position - Beginning of Year	<u>26,299,899</u>	<u>1,361,893</u>	<u>27,661,792</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 27,665,078</u>	<u>\$ 1,518,112</u>	<u>\$ 29,183,190</u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Pension Trust Funds (Continued)**

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

For the year ended June 30, 2023, the Town recognized pension expense of \$2,123,691 for the Police plan and \$68,169 for the Volunteer Fire plan. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Police Employees Retirement Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,730	\$ 303,944
Changes of Assumptions	1,213,323	59,798
Net Difference Between Projected and Actual Earning on Pension Plan Investments	1,750,332	-
Total	\$ 2,967,385	\$ 363,742
	Volunteer Fire Department Pension Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 134,601
Changes of Assumptions	70,508	1,885
Net Difference Between Projected and Actual Earning on Pension Plan Investments	92,432	-
Total	\$ 162,940	\$ 136,486

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

<u>Year Ending June 30,</u>	Police Employees Retirement Plan	Volunteer Fire Department Pension Plan
2024	\$ 791,369	\$ 23,984
2025	460,969	8,693
2026	1,317,935	49,743
2027	33,370	(7,820)
2028	-	(4,458)
Thereafter	-	(43,688)
Total	\$ 2,603,643	\$ 26,454

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Municipal Employees' Retirement System**

**A. Plan Description**

All full-time employees of the Town, except the Police Department employees, elected officials, and certified teachers and administrators, participate in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing multiple-employer public employee retirement system established by the state of Connecticut and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates, and other plan provisions. MERS is considered to be part of the state of Connecticut's financial reporting entity and is included in the state's financial reports as a pension trust fund. Those reports can be obtained at [www.ct.gov](http://www.ct.gov).

**B. Benefit Provisions**

The plan provides retirement, disability, and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous active service, or 15 years of active noncontinuous aggregate service. In addition, compulsory retirement is at age 65 for police and fire members. Employees under the age of 55 are eligible to retire with 25 years of service.

**Normal Retirement**

For members not covered by social security, retirement benefits are calculated as 2% of the average of the three highest paid years of service times the years of service. For members covered by social security, retirement benefits are calculated as 1½% of the average of the three highest paid years of service not in excess of the year's breakpoint plus 2% of average of the three highest paid years of service in excess of the year's breakpoint, times years of service. The year's breakpoint is defined as \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. Maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually.

**Early Retirement**

Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Benefits are deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

If any member covered by social security retires before age 62, the member's benefit until the member reaches age 62, or a social security disability award is received, is computed as if the member is not under social security.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Municipal Employees' Retirement System (Continued)**

**B. Benefit Provisions (Continued)**

Disability Retirement - Service Connected

This applies to employees who are totally and permanently disabled, and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, who began employment prior to July 1, 1996, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.

Disability Retirement – Nonservice Connected

This applies to employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

Pre-Retirement Death Benefit

The plan offers a lump-sum return of contributions with interest or if vested and married, the surviving spouse will receive a lifetime benefit.

**C. Contributions**

Member

Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2¼% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base. Effective July 1, 2019, member contribution rates are set to increase by 0.5% of compensation each year for six years.

Employer

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability, and a prior service amortization payment, which covers the liabilities of CMERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member. The Town's required contribution rate for the year ended June 30, 2023, was 19.59% of annual payroll. Contributions to the pension plan from the Town were \$4,412,546 for the year ended June 30, 2023.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Municipal Employees' Retirement System (Continued)**

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

At June 30, 2023, the Town reports a liability of \$40,901,028 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2022. The actuarial assumptions used in the June 30, 2022 valuation were based on results of an actuarial experience study for the period July 1, 2012 through June 30, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2023, the Town's proportion was 2.97%. The increase in proportion from the prior year was 0.17%.

For the year ended June 30, 2023, the Town recognized pension expense of \$8,752,134. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Town Contributions After the Measurement Date	\$ 4,412,546	\$ -
Change in Proportional Share	1,458,883	562,503
Change in Assumptions	-	-
Differences Between Expected and Actual Experience	4,584,116	1,398,627
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,689,212	-
Total	<u>\$ 16,144,757</u>	<u>\$ 1,961,130</u>

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 1,868,889
2025	2,129,916
2026	1,604,109
2027	4,168,167
Total	<u>\$ 9,771,081</u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Municipal Employees' Retirement System (Continued)**

**D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement period:

Inflation	2.50%
Salary Increase	3.50-10.00%, Including Inflation
Investment Rate of Return	7.00%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on:

- RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees.
- RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.
- For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.
- Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

Long-Term Expected Rate of Return

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Municipal Employees' Retirement System (Continued)**

**D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	37.0 %	6.9 %
Public Credit	2.0	2.9
Core Fixed Income	13.0	0.4
Liquidity Fund	1.0	(0.4)
Risk Mitigation	5.0	0.1
Private Equity	15.0	11.2
Private Credit	10.0	6.2
Real Estate	10.0	6.3
Infrastructure and Natural Resources	7.0	7.7
Total	<u>100.0 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the net pension liability, calculated using the current discount rate, as well as what the Town's proportionate share of the 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:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Town's Proportionate Share of the Net Pension Liability	\$ 56,556,373	\$ 40,901,028	\$ 27,770,844

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**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, multiemployer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov).

**B. Benefit Provisions**

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

**Normal Retirement**

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

**Early Retirement**

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

**Disability Retirement**

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

**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.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**C. Contributions (Continued)**

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, 2023, the amount of "on-behalf" contributions made by the state was \$8,669,538 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.

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

At June 30, 2023, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated With the Town	<u>109,959,851</u>
Total	<u><u>\$ 109,959,851</u></u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. At June 30, 2023, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2023, the Town recognized pension expense and revenue of \$10,627,743 in Exhibit II for on-behalf amounts for the benefits provided by the state.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (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 (Continued)**

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increase	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, 2022 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.

Benefit changes since the prior year are as follows:

- Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.

Cost-of-Living Allowance

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

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

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (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 (Continued)**

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	20.00 %	5.40 %
Developed Market International Stock Fund	11.00	6.40
Emerging Market International Stock Fund	9.00	8.60
Core Fixed Income Fund	13.00	0.80
Private Credit	5.00	6.50
Emerging Market Debt Fund	5.00	3.80
High Yield Bond Fund	3.00	3.40
Real Estate Fund	19.00	5.20
Private Equity	10.00	9.40
Alternative Investments	3.00	3.10
Liquidity Fund	2.00	(0.40)
Total	<u>100.00 %</u>	

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.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (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 (Continued)**

**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.

**E. 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](http://www.ct.gov). Separate financial statements are not prepared for the Police Employees Retirement Plan and the Volunteer Fire Department Pension Plan.

**F. 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.

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS**

**Retiree Health Plan**

**A. Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements of the Retiree Health Plan (RHP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the Town.

Management of the postemployment benefits plan is vested with the Director of Finance. Policy oversight is provided by the Board of Finance, consisting of six electors who hold no other office in the government and are taxpayers in the Town. The Board members are appointed by the Board of Selectman, and no more than three members may be appointed from the same political party.

Investments are reported at fair value. Investment income is recognized as earned.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Retiree Health Plan (Continued)**

**B. Plan Description**

The Town, in accordance with various collective bargaining agreements, is committed to providing health and other benefits to certain eligible retirees and their spouses under a single employer plan. The Retirement Benefit Program covers Town, Board of Education, Police, and Fire employees. Retired program members and beneficiaries currently receiving benefits are required to contribute specified percentages towards the cost of receiving those benefits under the Town's self-insured medical benefits program. The percentage contribution of the employees and retirees for these benefits vary and are detailed within the Town's various bargaining agreements. The Town does not issue a separate stand-alone financial statement for this program.

At July 1, 2022, plan membership consisted of the following:

	Postretirement Medical Program
Retired Members and Spouses	70
Active Plan Members	579
Total Participants	649

**C. Funding Policy**

The Town's funding and payment of postemployment benefits are accounted for in the Retiree Benefits Trust Fund. The Town has established the trust effective July 2009 to irrevocably segregate assets to fund the liability associated with postemployment benefits in accordance with GASB guidelines. The Town has transferred the assets accumulated in a special revenue fund to the trust fund and will gradually increase future contributions to provide for normal cost and the amortization of the accrued liability while maintaining a negative net OPEB liability (asset).

The Town's funding strategy for postemployment obligations are based upon characteristics of benefits for the following groups of employees: Police, Fire, Other Municipal Employees, Board of Education certified and Board of Education noncertified. A summary of the plan provisions is as follows:

- Eligibility for benefits for Police and Fire range from 10 to 25 years of service at time of retirement determined by union contract and date of hire.
- Medical benefits for Police and Fire range from 100% cost of coverage for the retiree and 50% coverage for their spouse until the employee's death, 100% coverage for retiree only depending on date of hire and union contract.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Retiree Health Plan (Continued)**

**C. Funding Policy (Continued)**

- The remaining employee groups are eligible pursuant to their bargaining unit and date of hire to purchase coverage for 100% of the cost set forth for active members within their bargaining unit. Medical benefits for the finance director are 100% cost of coverage for the retiree and 50% coverage for their spouse until the employee's death.
  
- Life insurance benefits are not offered.

**D. Investments**

Investment Policy

OPEB Benefits Plan's investment policy is established by the Town's Board of Finance who serve as trustees of the plan. The policy may also be amended by a majority vote of the Board. It is the policy of the trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The primary objective of the investment policy is growth of principal while liquidity is secondary provided cash flow needs are fulfilled.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 6.77%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Net OPEB Liability (Asset) of the Town**

The Town's net OPEB liability (asset) was measured as of June 30, 2023. The components of the net OPEB liability (asset) of the Town at June 30, 2023 were as follows:

Total OPEB Liability	\$ 24,783,945
Plan Fiduciary Net Position	<u>38,611,714</u>
Net OPEB Liability (Asset)	<u>\$ (13,827,769)</u>
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	 155.79%

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Retiree Health Plan (Continued)**

**E. Net OPEB Liability (Asset) of the Town (Continued)**

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary Increases	3.40%, Average, Including Inflation,
Investment Rate of Return	6.50%, Net of OPEB Plan Investment Expense, Including Inflation
Healthcare Cost Trend Rates	6.50% for 2022, Decreasing 0.2% per Year to an Ultimate Rate of 4.40% for 2033 and Later Years. Prior, 6.50% for 2020, Decreasing 0.2% per Year to an Ultimate Rate of 4.40% for 2031 and Later Years

Mortality rates were based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 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.

Long-Term Expected Rate of Return

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, 2023, are summarized in the following table:

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Retiree Health Plan (Continued)**

**E. Net OPEB Liability (Asset) of the Town (Continued)**

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equity	14.50 %	5.00 %
U.S. Mid/Small Cap Equity	11.00	5.30
Developed International Equity	12.50	6.40
Emerging Markets Equity	8.50	7.70
Intermediate Corp Fixed Income	18.00	2.30
Intermediate Govt Fixed Income	18.00	1.80
High Yield Fixed Income	8.00	4.05
Cash	1.00	0.05
REITs	3.25	4.90
Commodities (MLPs)	5.25	3.30
Total	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. 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 BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Retiree Health Plan (Continued)**

**E. Net OPEB Liability (Asset) of the Town (Continued)**

Changes in the Net OPEB (Asset) Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a)-(b)
Balances - July 1, 2022	\$ 28,452,096	\$ 35,675,801	\$ (7,223,705)
Changes for the Year:			
Service Cost	773,123	-	773,123
Interest on Total OPEB Liability	1,839,983	-	1,839,983
Differences Between Expected and Actual Experience	(5,225,247)	-	(5,225,247)
Changes of Assumption	808,916	-	808,916
Employer Contributions	-	2,290,899	(2,290,899)
Contributions - TRB Subsidy	-	93,500	(93,500)
Net Investment Income (Loss)	-	2,416,440	(2,416,440)
Benefit Payments	(1,864,926)	(1,864,926)	-
Net Changes	<u>(3,668,151)</u>	<u>2,935,913</u>	<u>(6,604,064)</u>
Balances - June 30, 2023	<u>\$ 24,783,945</u>	<u>\$ 38,611,714</u>	<u>\$ (13,827,769)</u>

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the Town, as well as what the Town's net OPEB liability (asset) 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 (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB Liability (Asset)	<u>\$ (10,326,011)</u>	<u>\$ (13,827,769)</u>	<u>\$ (16,693,626)</u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Retiree Health Plan (Continued)**

**E. Net OPEB Liability (Asset) of the Town (Continued)**

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

The following presents the net OPEB liability (asset) of the Town, as well as what the Town's net OPEB liability (asset) 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 (5.50% Decreasing to 3.40%)	Healthcare Cost Trend Rates (6.50% Decreasing to 4.40%)	1% Increase (7.50% Decreasing to 5.40%)
Net OPEB Liability (Asset)	\$ (17,184,256)	\$ (13,827,769)	\$ (9,623,640)

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

For the year ended June 30, 2023, the Town recognized OPEB expense of \$162,711. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 332,356	\$ 8,306,011
Changes of Assumptions	1,238,884	2,950,179
Differences Between Projected and Actual Earnings on OPEB Plan Investments	2,570,130	-
Total	<u>\$ 4,141,370</u>	<u>\$ 11,256,190</u>

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

<u>Year Ending June 30.</u>	<u>Amount</u>
2024	\$ (113,910)
2025	(502,092)
2026	(19,220)
2027	(1,090,024)
2028	(1,073,844)
Thereafter	(4,315,730)
Total	<u>\$ (7,114,820)</u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Retiree Health Plan (Continued)**

**G. Trust Fund Plan Fiduciary Net Position**

	Pension Trust Funds	Retiree Benefits Trust Fund	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 77,627	\$ 1,043,723	\$ 1,121,350
Investments	29,105,563	37,567,991	66,673,554
Total Assets	<u>29,183,190</u>	<u>38,611,714</u>	<u>67,794,904</u>
<b>LIABILITIES</b>			
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Held in Trust for Pension or Retiree Benefits	<u>\$ 29,183,190</u>	<u>\$ 38,611,714</u>	<u>\$ 67,794,904</u>

**Changes in Trust Fund Net Position**

	Pension Trust Funds	Retiree Benefits Trust Fund	Total
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 1,511,960	\$ 2,384,399	\$ 3,896,359
Plan Members	412,730	-	412,730
Total Contributions	<u>1,924,690</u>	<u>2,384,399</u>	<u>4,309,089</u>
Net Investment Income	<u>2,162,413</u>	<u>2,416,440</u>	<u>4,578,853</u>
Total Additions	4,087,103	4,800,839	8,887,942
<b>DEDUCTIONS</b>			
Benefits	<u>2,565,705</u>	<u>1,864,926</u>	<u>4,430,631</u>
<b>CHANGE IN NET POSITION</b>	1,521,398	2,935,913	4,457,311
Net Position - Beginning of Year	<u>27,661,792</u>	<u>35,675,801</u>	<u>63,337,593</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 29,183,190</u>	<u>\$ 38,611,714</u>	<u>\$ 67,794,904</u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**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, multiemployer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

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

**B. Benefit Provisions**

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 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. A subsidy amount of \$440 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 \$440 per month towards coverage under a local school district plan.

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Teachers Retirement Plan (Continued)**

**B. Benefit Provisions (Continued)**

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 \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

**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.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Teachers Retirement Plan (Continued)**

**C. Eligibility (Continued)**

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

**D. Contributions**

State of Connecticut

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

Employer (School Districts)

School District employers are not required to make contributions to the plan. For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the state was \$122,622 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.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Teachers Retirement Plan (Continued)**

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

At June 30, 2023, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related state support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's Proportionate Share of the Net OPEB Liability	\$	-
State's Proportionate Share of the Net OPEB Liability		
Associated with the Town		<u>9,629,961</u>
Total		<u><u>\$ 9,629,961</u></u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2022. At June 30, 2023, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2023, the Town recognized OPEB expense and revenue of \$580,469 in Exhibit II.

**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	2.5%
Healthcare Cost Trend Rate	Known increases until calendar year 2024 then general trend decreasing to an ultimate rate of 4.50% by 2031
Salary Increases	3.00-6.50%, Including Inflation
Investment Rate of Return	3.53%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position Will be Depleted	2027

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.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Teachers Retirement Plan (Continued)**

**F. Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2022 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 2.17% to 3.53%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
- The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated;
- Long-term health care cost trend rates were updated; and
- The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

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

- There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

**Long-Term Expected Rate of Return**

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 (0.98%).

**G. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2022.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Teachers Retirement Plan (Continued)**

**G. Discount Rate (Continued)**

In addition to the actuarial methods and assumptions of the June 30, 2022 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 2027 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 Annual Comprehensive Financial Report at [www.ct.gov](http://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 BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 FUND BALANCES**

The components of fund balance for the governmental funds at June 30, 2023 are as follows:

	Major Special Revenue Funds		Nonmajor Governmental Funds	Total
	General Fund	Capital Projects		
Fund Balances:				
Nonspendable:				
Inventory	\$ -	\$ -	\$ 32,752	\$ 32,752
Prepaid Items	2,092,416	-	-	2,092,416
Permanent Fund Principal	-	-	100,730	100,730
Restricted for:				
Capital Projects	-	19,364,478	3,288,873	22,653,351
Unspent Grant Balances	-	-	6,826,639	6,826,639
Permanent Funds	-	-	238,067	238,067
Committed to:				
Public Works Lease	340,795	-	-	340,795
General Government	-	-	855,927	855,927
Public Safety	-	-	250,067	250,067
Public Works and Highway	-	-	3,032,078	3,032,078
Parks, Recreation, and Libraries	-	-	965,588	965,588
Health and Human Services	-	-	2,402,727	2,402,727
Education	2,345	-	1,355,758	1,358,103
Assigned to:				
Subsequent Year's Budget	3,832,736	-	-	3,832,736
Purchases on Order	806,149	-	-	806,149
Unassigned	49,536,168	-	(245,846)	49,290,322
Total Fund Balances	<u>\$ 56,610,609</u>	<u>\$ 19,364,478</u>	<u>\$ 19,103,360</u>	<u>\$ 95,078,447</u>

Significant encumbrances of \$806,149, \$6,288,189, and \$1,145,627 at June 30, 2023 are contained in the above table in the assigned category of the General Fund, the restricted category of the Capital Projects Funds, and the restricted and committed categories of the Nonmajor Governmental Funds, respectively.

**NOTE 14 LITIGATION**

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF BRANFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023  
(NON-GAAP BUDGETARY BASIS)**

REVENUES	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Taxes:</b>				
Current Taxes	\$ 109,570,978	\$ 109,570,978	\$ 112,449,999	\$ 2,879,021
Delinquent Interest	653,776	653,776	847,693	193,917
Lien Fees	6,100	6,100	29,169	23,069
Suspense Collections	7,100	7,100	52,058	44,958
Delinquent Taxes	1,171,893	1,171,893	1,583,355	411,462
Warrant Fees	300	300	867	567
Returned Check Fees	-	-	40	40
Motor Vehicle Fees	3,000	3,000	10,237	7,237
<b>Total Taxes</b>	<b>111,413,147</b>	<b>111,413,147</b>	<b>114,973,418</b>	<b>3,560,271</b>
<b>Intergovernmental Revenues:</b>				
Education Cost Sharing	2,400,000	2,400,000	3,061,068	661,068
Special Education	475,000	475,000	618,086	143,086
Health and Welfare	-	-	6,905	6,905
Disability Exemption	2,000	2,000	2,490	490
Veterans' Reimbursement - State	-	-	18,184	18,184
Private Property Exemption	105,041	105,041	125,572	20,531
State Property Exemption	12,155	12,155	12,155	-
Municipal Revenue Sharing Grant	-	-	590,859	590,859
Miscellaneous State Grants	10,000	10,000	21,874	11,874
Miscellaneous State Grants (Emergency Management)	14,002	14,002	-	(14,002)
Wild Life Refuge	3,500	3,500	3,979	479
North Branford Probate Fees	5,500	5,500	6,443	943
North Branford Sewer Fees	130,000	130,000	106,985	(23,015)
<b>Total Intergovernmental Revenues</b>	<b>3,157,198</b>	<b>3,157,198</b>	<b>4,574,600</b>	<b>1,417,402</b>

**TOWN OF BRANFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2023  
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>REVENUES (CONTINUED)</b>				
Licenses, Permits, and Fees:				
Building Permits	\$ 600,000	\$ 600,000	\$ 1,024,173	\$ 424,173
Excavation Permits	5,000	5,000	6,210	1,210
Sewer Connection Permits	-	-	154	154
Zoning Board of Appeals	2,000	2,000	3,025	1,025
Planning and Zoning	26,000	26,000	23,734	(2,266)
Planning and Zoning - DEP Costs	500	500	618	118
Map Copies - Building and Engineering	2,000	2,000	2,628	628
Inland Wetlands Applications	18,000	18,000	19,694	1,694
Inland Wetlands - DEP Application Costs	60	60	80	20
Building Dept - Education Fee	600	600	834	234
Transfer Station Escrow	140,558	140,558	349,711	209,153
Trip Passes	1,500	1,500	1,536	36
Sticker Revenue	16,000	16,000	14,954	(1,046)
Electrical Revenue Share	17,000	17,000	18,172	1,172
Permits and Tags - Police	4,500	4,500	3,565	(935)
Special Wages - Police	525,000	525,000	796,260	271,260
Fingerprinting Fees	10,000	10,000	11,583	1,583
False Alarm Fees	4,900	4,900	3,663	(1,237)
Pump Out Services	6,000	6,000	6,775	775
Town Clerk Other Monies	400,000	400,000	260,380	(139,620)
Conveyance Taxes	400,000	400,000	740,987	340,987
Marriage Licenses - Town Portion	4,000	4,000	4,512	512
Dog Licenses	2,000	2,000	7,635	5,635
Ambulance Service Fees	1,725,000	1,725,000	2,262,238	537,238
Miscellaneous Permits and Fees - Fire Services	2,000	2,000	2,970	970
E-Commerce Revenue Share	26,000	26,000	14,549	(11,451)
Total Licenses, Permits, and Fees	<u>3,938,618</u>	<u>3,938,618</u>	<u>5,580,640</u>	<u>1,642,022</u>
Interest Income	75,000	75,000	3,150,130	3,075,130
Other:				
Willoughby - Wallace Library Fees	1,500	1,500	1,210	(290)
Willoughby - Passport Fees	6,000	6,000	4,935	(1,065)
Employee Health Insurance Co-pay	712,493	712,493	701,297	(11,196)
In Lieu of Taxes - Telephone Access	65,000	65,000	70,581	5,581

**TOWN OF BRANFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2023  
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES (CONTINUED)</b>				
Other (Continued):				
In Lieu of Taxes - SCRW	\$ 350,000	\$ 350,000	\$ 495,958	\$ 145,958
Leases	36,000	36,000	5,701	(30,299)
Elderly Services - NGO Revenue	-	-	250	250
Recreation Department - Building Usage	8,000	8,000	12,050	4,050
Recreation Department - Facility Usage	1,000	1,000	400	(600)
Foote Family Charitable Trust	287,500	287,500	339,500	52,000
Insurance Claims and Refunds	15,000	15,000	27,537	12,537
Miscellaneous Refunds	-	-	669	669
Miscellaneous Income	15,000	15,000	122,777	107,777
Sale of Town Property	-	-	82,731	82,731
Commerce Bank Revenue Share	5,000	5,000	8,147	3,147
Returned Check Fees	-	-	80	80
Virtual Net Metering Credits	40,000	40,000	-	(40,000)
Municipal Cannabis Sales Tax Revenue	-	-	135,508	135,508
Settlement Income	-	-	408,470	408,470
Under Liquidated Encumbrances	-	-	83,157	83,157
Total Other	<u>1,542,493</u>	<u>1,542,493</u>	<u>2,500,958</u>	<u>958,465</u>
Total Revenues	120,126,456	120,126,456	130,779,746	10,653,290
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>747,609</u>	<u>747,609</u>	<u>854,203</u>	<u>106,594</u>
Total Revenue and Other Financing Sources	<u>\$ 120,874,065</u>	<u>\$ 120,874,065</u>	<u>131,633,949</u>	<u>\$ 10,759,884</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf pension contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	8,669,538
State of Connecticut on-behalf OPEB contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	122,622
Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes.	(83,157)
The Town does not budget for Lease Fund revenues.	11,574
The Town budgets for bond premiums net against interest expenditures.	-
The Town does not budget for the proceeds from lease issuance	390,711
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit IV)	<u>\$ 140,745,237</u>

**TOWN OF BRANFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023  
(NON-GAAP BUDGETARY BASIS)**

EXPENDITURES	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General Government:				
Legislative	\$ 18,503	\$ 18,503	\$ 14,414	\$ 4,089
Executive	310,104	310,104	299,145	10,959
Finance	100,039	132,539	130,061	2,478
Treasurer	500,706	500,706	493,687	7,019
Assessor	465,544	465,544	386,644	78,900
Review of Assessment	14,360	14,360	11,960	2,400
Tax Collector	836,756	938,808	938,808	-
Town Clerk	275,257	275,257	255,191	20,066
Law	450,000	450,000	367,008	82,992
Labor Relations Negotiations	62,500	115,655	115,655	-
Probate Court	15,900	15,900	13,622	2,278
Elections	253,900	311,512	260,575	50,937
Planning and Zoning	370,766	370,251	339,930	30,321
Zoning Board of Appeals	9,492	10,007	9,629	378
Economic Development Commission	19,150	19,150	1,089	18,061
Inland Wetlands Commission	142,431	142,431	135,594	6,837
General Government Buildings	1,115,381	1,115,381	998,784	116,597
Cable Television	15,100	15,304	15,203	101
Information Technology	969,871	1,009,371	961,420	47,951
Human Resources	339,968	339,968	299,713	40,255
Total General Government	6,285,728	6,570,751	6,048,132	522,619
Public Safety:				
Police Service	7,154,249	7,156,864	6,659,008	497,856
Police Service - Special Detail	525,000	525,000	525,000	-
Department of Emergency Management	30,000	30,000	30,000	-
Fire Protection	7,040,778	7,266,461	7,259,882	6,579
Building Department	218,601	223,085	217,797	5,288
Total Public Safety	14,968,628	15,201,410	14,691,687	509,723
Public Works and Highways:				
Public Works	2,657,325	2,657,325	2,342,663	314,662
Sanitation and Waste	3,593,710	3,593,710	3,516,978	76,732
General Engineering	465,339	465,339	439,417	25,922
Total Public Works and Highways	6,716,374	6,716,374	6,299,058	417,316

**TOWN OF BRANFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2023  
(NON-GAAP BUDGETARY BASIS)**

EXPENDITURES (CONTINUED)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Recreation:				
Branford Recreation Department	\$ 1,246,360	\$ 1,246,360	\$ 1,214,442	\$ 31,918
Docks and Recreational Facilities	20,442	20,442	13,665	6,777
Public Celebration	35,297	35,297	31,774	3,523
Conservation Commission	11,712	11,712	11,527	185
Total Recreation	1,313,811	1,313,811	1,271,408	42,403
Libraries:				
James Blackstone Memorial Library	1,650,816	1,650,816	1,650,816	-
Willoughby-Wallace Library	262,891	262,891	254,808	8,083
Total Libraries	1,913,707	1,913,707	1,905,624	8,083
Health and Welfare:				
Commission for the Elderly	451,843	451,843	388,982	62,861
East Shore District Health	360,473	360,473	360,473	-
Total Health and Welfare	812,316	812,316	749,455	62,861
Board of Education	60,931,374	60,931,374	60,798,502	132,872
Pension and Insurance:				
Pension and Contributions	6,515,795	6,515,795	5,707,203	808,592
Employee Group Insurance	6,429,059	6,429,059	6,429,057	2
Municipal Insurance	2,456,858	2,456,858	2,360,566	96,292
Contingency	995,824	307,439	-	307,439
Total Pension and Insurance	16,397,536	15,709,151	14,496,826	1,212,325
Debt Service:				
Principal Retirement	7,210,000	7,210,000	7,210,000	-
Interest and Fiscal Charges	2,138,436	2,138,436	2,138,433	3
Total Debt Service	9,348,436	9,348,436	9,348,433	3
Total Expenditures	118,687,910	118,517,330	115,609,125	2,908,205

**TOWN OF BRANFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2023  
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>OTHER FINANCING USES</b>				
Transfers to Other Funds:				
Special Revenue Fund:				
Animal Control Fund	\$ 207,785	\$ 212,365	\$ 212,365	\$ -
Special Programs Fund:	-	200,000	200,000	-
Sewer Utility Fund	600,000	600,000	600,000	-
Human Services Fund	1,155,938	1,155,938	1,155,938	-
Capital Projects Fund:				
Open Space Fund	26,800	26,800	26,800	-
Revaluation Fund	75,000	75,000	75,000	-
Ambulance	165,000	165,000	165,000	-
Fire Apparatus	375,000	375,000	375,000	-
Elderly Vehicles	35,000	35,000	35,000	-
Communications Fund	150,000	150,000	150,000	-
DPW Apparatus	225,000	225,000	225,000	-
Coastal Resiliency Fund	306,000	306,000	306,000	-
Ballistic Vest Fund	8,200	8,200	8,200	-
SCBA Gear Fund	85,000	85,000	85,000	-
JBML Capital Fund	35,000	35,000	35,000	-
Solid Waste Equipment Fund	-	100,000	100,000	-
Infrastructure Enhancement Fund	-	97,000	97,000	-
Capital Procurement Fund	2,386,432	2,993,232	2,993,232	-
Total Other Financing Uses	<u>5,836,155</u>	<u>6,844,535</u>	<u>6,844,535</u>	<u>-</u>
Total Budgeted Operations	<u>\$ 124,524,065</u>	<u>\$ 125,361,865</u>	122,453,660	<u>\$ 2,908,205</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf pension payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	8,669,538
State of Connecticut on-behalf OPEB payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	122,622
The Town does not budget for Lease fund expenditures.	934,835
The Town budgets for Lease Fund transfers that are eliminated under GAAP.	(452,000)
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.	<u>(74,369)</u>

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - (Exhibit IV) \$ 131,654,286

**TOWN OF BRANFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**POLICE PENSION TRUST FUND**  
**LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability:										
Service Cost	\$ 579,898	\$ 600,194	\$ 621,201	\$ 586,875	\$ 586,875	\$ 437,672	\$ 615,498	\$ 715,518	\$ 750,275	\$ 818,505
Interest	1,838,139	1,906,563	1,990,048	2,058,756	2,140,743	2,207,541	2,330,759	2,362,619	2,400,021	2,547,907
Changes of Benefit Terms	-	-	-	-	-	844,917	-	-	-	-
Differences Between Expected and Actual Experience	-	-	(680,737)	-	1,920,908	-	13,674	-	(482,736)	-
Changes of Assumptions	-	-	991,581	-	706,596	-	(219,266)	-	1,927,043	-
Benefit Payments, Including Refunds of Member Contributions	(1,519,089)	(1,400,569)	(1,564,499)	(1,644,784)	(1,602,870)	(1,740,559)	(2,014,458)	(2,814,444)	(2,251,630)	(2,528,006)
Net Change In Total Pension Liability	898,948	1,106,188	1,357,594	1,000,847	3,752,252	1,749,571	726,207	263,693	2,342,973	838,406
Total Pension Liability - Beginning	26,425,916	27,324,864	28,431,052	29,788,646	30,789,493	34,541,745	36,291,316	37,017,523	37,281,216	39,624,189
Total Pension Liability - Ending	27,324,864	28,431,052	29,788,646	30,789,493	34,541,745	36,291,316	37,017,523	37,281,216	39,624,189	40,462,595
Plan Fiduciary Net Position:										
Contributions - Employer	920,000	898,000	910,500	914,742	1,911,484	1,489,164	1,095,000	1,560,019	1,640,000	1,424,960
Contributions - Member	282,016	301,069	280,850	258,782	211,005	243,220	399,582	372,327	436,381	412,730
Net Investment Income	2,255,408	40,613	149,903	1,542,864	776,539	1,202,629	(86,998)	5,802,572	(3,666,822)	2,055,495
Benefit Payments, Including Refunds of Member Contributions	(1,519,089)	(1,400,569)	(1,564,499)	(1,644,784)	(1,602,870)	(1,740,559)	(2,014,458)	(2,814,444)	(2,251,630)	(2,528,006)
Administrative Expense	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	886,740	-	-	-	-
Net Change In Plan Fiduciary Net Position	1,938,335	(160,887)	(223,246)	1,071,604	1,296,158	2,081,194	(606,874)	4,920,474	(3,842,071)	1,365,179
Plan Fiduciary Net Position - Beginning	19,825,212	21,763,547	21,602,660	21,379,414	22,451,018	23,747,176	25,828,370	25,221,496	30,141,970	26,299,899
Plan Fiduciary Net Position - Ending	21,763,547	21,602,660	21,379,414	22,451,018	23,747,176	25,828,370	25,221,496	30,141,970	26,299,899	27,665,078
Net Pension Liability - Ending	\$ 5,561,317	\$ 6,828,392	\$ 8,409,232	\$ 8,338,475	\$ 10,794,569	\$ 10,462,946	\$ 11,796,027	\$ 7,139,246	\$ 13,324,290	\$ 12,797,517
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.65%	75.98%	71.77%	72.92%	68.75%	71.17%	68.13%	80.85%	66.37%	68.37%
Covered Payroll	\$ 3,462,045	\$ 3,462,045	\$ 3,576,246	\$ 3,576,246	\$ 2,671,132	\$ 3,806,985	\$ 4,431,836	\$ 4,609,109	\$ 4,606,877	\$ 4,717,442
Net Pension Liability as a Percentage of Covered Payroll	160.64%	197.24%	235.14%	233.16%	404.12%	274.84%	266.17%	154.89%	289.23%	271.28%

**TOWN OF BRANFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**VOLUNTEER FIRE DEPARTMENT PENSION TRUST FUND**  
**LAST NINE FISCAL YEARS\***

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability:									
Service Cost	\$ 13,044	\$ 18,559	\$ 19,116	\$ 20,274	\$ 20,496	\$ 23,451	\$ 23,708	\$ 23,270	\$ 23,829
Interest	77,644	80,186	84,136	86,666	90,917	95,109	100,523	101,442	107,347
Differences Between Expected and Actual Experience	(34,725)	-	(733)	-	(26,189)	-	(74,479)	-	(39,182)
Changes of Assumptions	16,764	-	23,148	-	67,300	-	(2,302)	-	-
Benefit Payments, Including Refunds of Member Contributions	(40,957)	(42,937)	(42,936)	(46,584)	(41,745)	(36,520)	(34,478)	(31,238)	(37,699)
Net Change In Total Pension Liability	31,770	55,808	82,731	60,356	110,779	82,040	12,972	93,474	54,295
Total Pension Liability - Beginning	1,116,290	1,148,060	1,203,868	1,286,599	1,346,955	1,457,734	1,539,774	1,552,746	1,646,220
Total Pension Liability - Ending	1,148,060	1,203,868	1,286,599	1,346,955	1,457,734	1,539,774	1,552,746	1,646,220	1,700,515
Plan Fiduciary Net Position:									
Contributions - Employer	62,000	348,000	86,000	87,000	87,000	87,299	87,000	87,000	87,000
Net Investment Income (Loss)	(192)	2,651	66,884	35,625	54,293	(2,554)	282,330	(188,862)	106,918
Benefit Payments, Including Refunds of Member Contributions	(40,957)	(42,937)	(42,936)	(46,584)	(41,745)	(36,520)	(34,478)	(31,238)	(37,699)
Net Change In Plan Fiduciary Net Position	20,851	307,714	109,948	76,041	99,548	48,225	334,852	(133,100)	156,219
Plan Fiduciary Net Position - Beginning	497,814	518,665	826,379	936,327	1,012,368	1,111,916	1,160,141	1,494,993	1,361,893
Plan Fiduciary Net Position - Ending	518,665	826,379	936,327	1,012,368	1,111,916	1,160,141	1,494,993	1,361,893	1,518,112
Net Pension Liability - Ending	<u>\$ 629,395</u>	<u>\$ 377,489</u>	<u>\$ 350,272</u>	<u>\$ 334,587</u>	<u>\$ 345,818</u>	<u>\$ 379,633</u>	<u>\$ 57,753</u>	<u>\$ 284,327</u>	<u>\$ 182,403</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	45.18%	68.64%	72.78%	75.16%	76.28%	75.34%	96.28%	82.73%	89.27%
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

\*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**TOWN OF BRANFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION TRUST FUND  
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 903,163	\$ 897,106	\$ 897,106	\$ 911,226	\$ 911,226	\$ 1,056,060	\$ 1,056,060	\$ 1,178,950	\$ 1,187,630	\$ 1,424,960
Contributions in Relation to the Actuarially Determined Contribution	920,000	898,000	910,500	914,742	1,911,484	1,489,164	1,095,000	1,560,019	1,640,000	1,424,960
Contribution Deficiency (Excess)	\$ (16,837)	\$ (894)	\$ (13,394)	\$ (3,516)	\$ (1,000,258)	\$ (433,104)	\$ (38,940)	\$ (381,069)	\$ (452,370)	\$ -
Covered Payroll	\$ 3,462,045	\$ 3,462,045	\$ 3,576,246	\$ 3,576,246	\$ 2,671,132	\$ 3,806,985	\$ 4,431,836	\$ 4,609,109	\$ 4,606,877	\$ 4,717,442
Contributions as a Percentage of Covered Payroll	26.57%	25.94%	25.46%	25.58%	71.56%	39.12%	24.71%	33.85%	35.60%	30.21%

Notes to Schedule:

Valuation Date July 1, 2021  
 Measurement Date June 30, 2023  
 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 Salary
- Remaining Amortization Period 16 Years
- Asset Valuation Method Asset Gains and Losses are Recognized Over a Five-Year Period at 20% per Year.
- Inflation 2.40%
- Salary Increases Scaled from 8.40% Down to 2.40% Based on Years of Service.
- Investment Rate of Return 6.50%
- Retirement Age Scaled Based on Age from 25% at age 25 to 100% at age 40
- Mortality Pub-2010 Public Retirement Plans Mortality Tables for Public Safety employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.  
 Prior: RP-2014 adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2019.

**TOWN OF BRANFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
VOLUNTEER FIRE DEPARTMENT PENSION TRUST FUND  
LAST NINE FISCAL YEARS\***

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 66,924	\$ 86,184	\$ 86,184	\$ 86,184	\$ 59,050	\$ 59,640	\$ 65,330	\$ 65,970	\$ 50,840
Contributions in Relation to the Actuarially Determined Contribution	<u>62,000</u>	<u>348,000</u>	<u>86,000</u>	<u>87,000</u>	<u>87,000</u>	<u>87,299</u>	<u>87,000</u>	<u>87,000</u>	<u>87,000</u>
Contribution Deficiency (Excess)	<u>\$ 4,924</u>	<u>\$ (261,816)</u>	<u>\$ 184</u>	<u>\$ (816)</u>	<u>\$ (27,950)</u>	<u>\$ (27,659)</u>	<u>\$ (21,670)</u>	<u>\$ (21,030)</u>	<u>\$ (36,160)</u>
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Valuation Date January 1, 2023  
 Measurement Date June 30, 2023  
 Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal  
 Amortization Method Level Percentage of Salary  
 Remaining Amortization Period 10 Years  
 Asset Valuation Method Asset Gains and Losses are Recognized Over a Five-Year Period at 20% per Year.  
 Inflation 2.40% (Prior: 2.60%)  
 Salary Increases Volunteer Fire Plan, no Salary  
 Investment Rate of Return 6.5%, Net of Investment-Related and Administrative Expenses  
 Retirement Age Scaled Based on age from 50% at age 65 to 100% at age 70  
 Mortality Pub-2010 (B) Public Retirement Plans Headcount Weighted Mortality Tables for Safety employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

\*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**TOWN OF BRANFORD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION TRUST FUND  
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.25%	0.18%	0.66%	7.19%	3.42%	5.07%	-0.32%	23.10%	-12.04%	7.76%

**TOWN OF BRANFORD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
VOLUNTEER FIRE DEPARTMENT PENSION TRUST FUND  
LAST NINE FISCAL YEARS\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	-0.04%	0.44%	7.55%	3.58%	5.06%	-0.22%	23.07%	-12.10%	7.54%

\*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Town's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated With the Town	64,784,314	70,090,168	91,314,924	86,553,802	84,369,802	109,420,810	119,142,154	94,361,596	109,959,851
Total	<u>\$ 64,784,314</u>	<u>\$ 70,090,168</u>	<u>\$ 91,314,924</u>	<u>\$ 86,553,802</u>	<u>\$ 84,369,802</u>	<u>\$ 109,420,810</u>	<u>\$ 119,142,154</u>	<u>\$ 94,361,596</u>	<u>\$ 109,959,851</u>
Town's Covered Payroll	\$ 22,361,702	\$ 25,437,705	\$ 25,585,052	\$ 26,087,583	\$ 25,670,355	\$ 26,997,429	\$ 27,094,747	\$ 27,083,522	\$ 27,688,745
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%	49.24%	60.77%	54.06%

Notes to Schedule:

Changes in Benefit Terms	Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Closed
Single Equivalent Amortization Period	27.8 years
Asset Valuation Method	4-Year Smoothed Market
Inflation	2.50%
Salary Increase	3.00%-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Investment Related Expense

\*Notes:

- This schedule is intended to show information for 10 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 BRANFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 2,224,976	\$ 2,284,715	\$ 2,233,161	\$ 2,254,928	\$ 2,456,032	\$ 2,511,387	\$ 3,091,444	\$ 3,488,893	\$ 3,365,469	\$ 4,412,546
Contributions in Relation to the Actuarially Determined Contribution	<u>2,224,976</u>	<u>2,284,715</u>	<u>2,233,161</u>	<u>2,254,928</u>	<u>2,456,032</u>	<u>2,511,387</u>	<u>3,091,444</u>	<u>3,488,893</u>	<u>3,365,469</u>	<u>4,412,546</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 16,641,556	\$ 16,787,032	\$ 18,444,678	\$ 18,428,703	\$ 19,160,897	\$ 19,552,183	\$ 19,967,045	\$ 19,919,543	\$ 20,529,299	\$ 22,953,381
Contributions as a Percentage of Covered Payroll	13.37%	13.61%	12.11%	12.24%	12.82%	12.84%	15.48%	17.51%	16.39%	19.22%

Notes to Schedule:

Valuation Date June 30, 2022  
 Measurement Date June 30, 2022  
 The actuarially determined contributions are calculated as of June 30, for the fiscal year ending two years after the valuation date.

Methods and Assumptions Used to Determine

Contribution Rates:

- Actuarial Cost Method Entry Age Normal
- Amortization Method Level dollar, closed
- Single Equivalent Amortization Period 20 years
- Asset Valuation Method 5 years smoothed market
- Inflation 2.50%
- Salary Increases 3.50% - 10.00%, including inflation
- Investment Rate of Return 7%, net of investment related expense
- Changes in Assumptions In 2019, the latest experience study for the System updated most of the actuarial assumptions utilized in the June 30, 2020 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement, and salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2017.

**TOWN OF BRANFORD, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**MUNICIPAL EMPLOYEES RETIREMENT SYSTEM**  
**LAST NINE FISCAL YEARS\***

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Town's Proportion of the Net Pension Liability	3.57%	3.29%	3.22%	3.35%	3.07%	2.94%	2.93%	2.80%	2.97%
Town's Proportionate Share of the Net Pension Liability	\$ 3,519,712	\$ 6,345,626	\$ 10,725,931	\$ 8,314,503	\$ 29,349,746	\$ 30,340,054	\$ 32,645,487	\$ 19,889,870	\$ 40,901,028
Town's Covered Payroll	\$ 16,787,032	\$ 18,444,678	\$ 18,428,703	\$ 19,160,897	\$ 19,552,183	\$ 19,967,045	\$ 19,919,543	\$ 20,529,299	\$ 22,953,381
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	20.97%	34.40%	58.20%	43.39%	150.11%	151.95%	163.89%	96.89%	178.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.48%	92.72%	88.29%	91.68%	73.60%	72.69%	71.18%	82.59%	68.71%

## \*Notes:

- This schedule is intended to show information for 10 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 BRANFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS**  
**RETIREE HEALTH PLAN**  
**LAST SEVEN FISCAL YEARS\***

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability:							
Service Cost	\$ 808,381	\$ 838,695	\$ 884,463	\$ 1,011,077	\$ 1,053,546	\$ 740,539	\$ 773,123
Interest	1,849,268	1,963,934	2,066,626	1,997,540	2,119,102	1,763,781	1,839,983
Differences Between Expected and Actual Experience	124,760	29,728	(2,500,899)	36,501	(2,911,119)	355,593	(5,225,247)
Changes of Assumptions	-	-	917,229	-	(3,955,923)	-	808,916
Benefit Payments	<u>(1,035,117)</u>	<u>(1,070,696)</u>	<u>(1,652,303)</u>	<u>(1,096,643)</u>	<u>(1,342,019)</u>	<u>(1,579,882)</u>	<u>(1,864,926)</u>
Net Change in Total OPEB Liability	1,747,292	1,761,661	(284,884)	1,948,475	(5,036,413)	1,280,031	(3,668,151)
Total OPEB Liability - Beginning	<u>27,035,934</u>	<u>28,783,226</u>	<u>30,544,887</u>	<u>30,260,003</u>	<u>32,208,478</u>	<u>27,172,065</u>	<u>28,452,096</u>
Total OPEB Liability - Ending	28,783,226	30,544,887	30,260,003	32,208,478	27,172,065	28,452,096	24,783,945
Plan Fiduciary Net Position:							
Contributions - Employer	2,216,607	2,218,026	8,141,374	9,609,044	2,346,149	2,589,512	2,290,899
Contributions - TRB Subsidy	25,410	64,570	51,480	53,020	56,870	51,370	93,500
Net Investment Income	1,090,779	662,753	841,537	(140,172)	4,522,716	(2,882,744)	2,416,440
Benefit Payments	<u>(1,035,117)</u>	<u>(1,070,696)</u>	<u>(1,652,303)</u>	<u>(1,096,643)</u>	<u>(1,342,019)</u>	<u>(1,579,882)</u>	<u>(1,864,926)</u>
Net Change in Plan Fiduciary Net Position	2,297,679	1,874,653	7,382,088	8,425,249	5,583,716	(1,821,744)	2,935,913
Plan Fiduciary Net Position - Beginning	<u>11,934,160</u>	<u>14,231,839</u>	<u>16,106,492</u>	<u>23,488,580</u>	<u>31,913,829</u>	<u>37,497,545</u>	<u>35,675,801</u>
Plan Fiduciary Net Position - Ending	<u>14,231,839</u>	<u>16,106,492</u>	<u>23,488,580</u>	<u>31,913,829</u>	<u>37,497,545</u>	<u>35,675,801</u>	<u>38,611,714</u>
Net OPEB Liability - Ending	<u>\$ 14,551,387</u>	<u>\$ 14,438,395</u>	<u>\$ 6,771,423</u>	<u>\$ 294,649</u>	<u>\$ (10,325,480)</u>	<u>\$ (7,223,705)</u>	<u>\$ (13,827,769)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	49.44%	52.73%	77.62%	99.09%	138.00%	125.39%	155.79%
Covered-Employee Payroll	\$ 49,561,870	\$ 51,420,440	\$ 44,608,973	\$ 46,214,896	\$ 46,157,107	\$ 47,726,448	\$ 48,874,575
Net OPEB Liability as a Percentage of Covered-Employee Payroll	29.36%	28.08%	15.18%	0.64%	-22.37%	-15.14%	-28.29%

\*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**TOWN OF BRANFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
RETIREE HEALTH PLAN  
LAST TEN FISCAL YEARS\***

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution (1)	\$ 1,790,540	\$ 1,835,900	\$ 1,847,914	\$ 1,907,215	\$ 2,016,067	\$ 2,048,581	\$ 1,970,411	\$ 2,018,432	\$ 298,455	\$ 326,473
Contributions in Relation to the Actuarially Determined Contribution	<u>1,964,000</u>	<u>1,808,700</u>	<u>1,560,200</u>	<u>2,216,607</u>	<u>2,218,026</u>	<u>8,141,374</u>	<u>9,609,044</u>	<u>2,346,149</u>	<u>2,589,512</u>	<u>2,290,899</u>
Contribution Deficiency (Excess)	<u>\$ (173,460)</u>	<u>\$ 27,200</u>	<u>\$ 287,714</u>	<u>\$ (309,392)</u>	<u>\$ (201,959)</u>	<u>\$ (6,092,793)</u>	<u>\$ (7,638,633)</u>	<u>\$ (327,717)</u>	<u>\$ (2,291,057)</u>	<u>\$ (1,964,426)</u>
Covered-Employee Payroll	\$ 48,861,400	\$ 48,861,400	\$ 47,770,477	\$ 49,561,870	\$ 51,420,440	\$ 44,608,973	\$ 46,214,896	\$ 46,157,107	\$ 47,726,448	\$ 48,874,575
Contributions as a Percentage of Covered-Employee Payroll	4.02%	3.70%	3.27%	4.47%	4.31%	18.25%	20.79%	5.08%	5.43%	4.69%

Notes to Schedule:

Valuation Date July 1, 2022  
 Measurement Date June 30, 2023  
 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 Salary, Closed
- Amortization Period 25 Years
- Asset Valuation Method Market Value
- Inflation 2.40%
- Healthcare Cost Trend Rates 6.50% in 2022, Decreasing 0.20% per Year to an Ultimate Rate of 4.40% for 2033 and Later.  
 Prior: (6.50% in 2020, Decreasing 0.20% per Year to an Ultimate Rate of 4.40% for 2031 and Later.)
- Salary Increases 3.40%, Average, Including Inflation
- Investment Rate of Return 6.50%, Net of Pension Plan Investment Expense, Including Inflation
- Retirement Age Expected Retirement Ages of Employees are Based on Union Agreements and Other Expectations
- Mortality Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021

**TOWN OF BRANFORD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
RETIREE HEALTH PLAN  
LAST SEVEN FISCAL YEARS\***

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	8.44%	4.50%	4.72%	-0.57%	14.16%	-7.68%	6.77%

\*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated With the Town	<u>9,629,961</u>	<u>10,280,523</u>	<u>17,770,057</u>	<u>17,064,792</u>	<u>16,866,066</u>	<u>22,277,963</u>
Total	<u>\$ 9,629,961</u>	<u>\$ 10,280,523</u>	<u>\$ 17,770,057</u>	<u>\$ 17,064,792</u>	<u>\$ 16,866,066</u>	<u>\$ 22,277,963</u>
Town's Covered Payroll	\$ 27,688,745	\$ 27,083,522	\$ 27,094,747	\$ 26,997,429	\$ 25,670,355	\$ 26,087,583
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

**Notes to Schedule:**

Changes in Benefit Terms  
Changes of Assumptions

There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440. Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2022 was updated to equal the SEIR of 3.53% as of June 30, 2022; Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience; The assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated; Long-term health care cost trend rates were updated; and The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

Actuarial Cost Method  
Amortization Method  
Remaining Amortization Period  
Asset Valuation Method  
Investment Rate of Return  
Price Inflation

Entry Age  
Level Percent of Payroll Over an Open Period  
30 Years  
Market Value of Assets  
3.00%, Net of Investment Related Expense, Including Price Inflation  
2.50%

**\*Notes:**

- This schedule is intended to show information for 10 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

October \_\_, 2024

Town of Branford  
1019 Main Street  
Branford, Connecticut 06405

We have acted as Bond Counsel in connection with the issuance by the Town of Branford, Connecticut (the “Town”), of its \$ \_\_\_\_\_ General Obligation Bonds, Issue of 2024 (the “Bonds”) dated October \_\_, 2024. In such capacity, we have examined a record of proceedings of the Town authorizing the Bonds, a Tax Regulatory Agreement 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 Bonds are duly certified by U.S. Bank Trust Company, National Association, the Bonds 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 Bonds 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 (the “Code”) establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds 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 Bonds to ensure that interest on the Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

In rendering the below opinions regarding the federal treatment of interest on the Bonds, 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 Bonds 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. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based 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 Bonds.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement, the Official Statement and other offering material relating to the Bonds.

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 Bonds, including the adoption of federal tax legislation, may affect the tax status of interest on the Bonds.

Respectfully,

PULLMAN & COMLEY, LLC

## APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT

*In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Issuer will agree, pursuant to a Continuing Disclosure Agreement for the Bonds to be executed by the Issuer substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure by the Issuer to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for the Bonds.*

### **CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (this “Agreement”) is executed and delivered as of October \_\_, 2024, by the Town of Branford, Connecticut (the “Issuer”), acting by its undersigned officers, duly authorized, in connection with the issuance of \$\_\_\_\_\_ General Obligation Bonds, Issue of 2024, dated October \_\_, 2024 (the “Bonds”) for the benefit of the beneficial owners from time to time of the Bonds.

#### **Section 1. Definitions.**

For purposes of this Agreement, the following capitalized terms shall have the following meanings:

“Final Official Statement” means the official statement of the Issuer, dated October \_\_, 2024, prepared in connection with the Bonds.

“Listed Events” means any of the events listed in Section 3 of this Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” means the MSRB, through the operation of the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 59061 and maintained by the MSRB for purposes of the Rule, or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“Rule” means rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as of the date of this Agreement.

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

#### **Section 2. Annual Financial Information.**

(a) The Issuer agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, and otherwise in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2024) as follows:

(i) Audited financial statements of the Issuer as of and for the year ending on its Fiscal Year End prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer is required to prepare audited financial statements of its various funds and accounts.

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

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer’s taxable valuation thereon;

- (C) the percentage or amount of the annual property tax levy collected and uncollected;
- (D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;
- (E) a calculation of the direct debt, net direct debt and overall net debt (reflecting overlapping and underlying debt);
- (F) the direct debt and overall net debt of the Issuer per capita;
- (G) the ratios of direct debt and overall net debt of the Issuer to the Issuer's equalized net (taxable) grand list;
- (H) a statement of statutory debt limitations and debt margins;
- (I) the funding status of the Issuer's pension benefit obligation.

(b) The financial statements and other financial information and operating data described above will be provided on or before the date eight (8) months after the close of the fiscal year for which such information is being provided. The Issuer's fiscal year currently ends on June 30. The Issuer agrees that if audited information is not available eight (8) months after the close of any fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

(c) Annual financial information or operating data may be provided in whole or in part by specific reference to other documents available to the public on the MSRB's Electronic Municipal Market Access (EMMA) system, the current internet web address of which is [www.emma.msrb.org](http://www.emma.msrb.org), or filed with the SEC. If the document to be cross-referenced is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by cross-reference. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in mandated statutory accounting principles as in effect from time to time, provided that the Issuer agrees that the exercise of any such right will be done in a manner consistent with the Rule.

(e) The Issuer may file information with the Repository, from time to time, in addition to that specifically required by this Agreement (a "Voluntary Filing"). If the Issuer chooses to make a Voluntary Filing, the Issuer shall have no obligation under this Agreement to update information contained in such Voluntary Filing or include such information in any future filing. Notwithstanding the foregoing provisions of this Section 2(e), the Issuer is under no obligation to provide any Voluntary Filing.

### **Section 3. Reporting of Listed Events.**

The Issuer agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of the occurrence of any of the following Listed Events with respect to the Bonds, in a timely manner not later than ten (10) business days after the occurrence of any such Listed Event:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;

- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (l): For the purposes of the event identified in clause (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

Note to clauses (o) and (p): For the purposes of the events identified in clauses (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

#### **Section 4. Notice of Failure to Provide Annual Financial Information.**

The Issuer agrees to provide, or cause to be provided, in a timely manner, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

#### **Section 5. Use of Agents.**

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

**Section 6. Termination.**

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

**Section 7. Enforcement.**

The Issuer acknowledges that the undertakings set forth in Sections 2, 3 and 4 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to undertakings set forth in Section 2 of this Agreement or five (5) business days with respect to undertakings set forth in Sections 3 and 4 of this Agreement) from the time the First Selectman, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. For purposes of this section, notice to the Issuer should be made to the First Selectman, Town of Branford, 1019 Main Street, Branford, Connecticut 06405.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any of the Bonds shall be entitled only to the remedy of specific performance. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

**Section 8. Miscellaneous.**

(a) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Issuer elects to provide any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

(c) Notwithstanding any other provisions of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, (ii) this Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment or waiver is supported by either an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds or an approving vote by the holders of not less than 66 2/3% of the aggregate principal amount of the Bonds then outstanding. A copy of any such amendment or waiver will be filed in a timely manner with the Repository in electronic format. The annual financial information provided on the first date following adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating or financial information provided.

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

TOWN OF BRANFORD, CONNECTICUT

By: \_\_\_\_\_  
JAMES B. COSGROVE  
First Selectman

By: \_\_\_\_\_  
KURT M. SCHWANFELDER  
Town Treasurer

By: \_\_\_\_\_  
JAMES P. FINCH, JR.  
Finance Director

**APPENDIX D – NOTICE OF SALE**

**NOTICE OF SALE**

**TOWN OF BRANFORD, CONNECTICUT  
\$18,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2024  
BOOK-ENTRY-ONLY**

NOTICE IS GIVEN that ELECTRONIC BIDS *solely* via **PARITY**® will be received by the TOWN OF BRANFORD, CONNECTICUT (the “Issuer”), until 11:00 A.M. (E.T.) on TUESDAY,

OCTOBER 22, 2024

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$18,000,000 General Obligation Bonds, Issue of 2024, dated November 5, 2024 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on October 15 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2025	1,000,000	2034	1,000,000
2026	1,000,000	2035	1,000,000
2027	1,000,000	2036	1,000,000
2028	1,000,000	2037	1,000,000
2029	1,000,000	2038	1,000,000
2030	1,000,000	2039	1,000,000
2031	1,000,000	2040	1,000,000
2032	1,000,000	2041	1,000,000
2033	1,000,000	2042	1,000,000

The Bonds will bear interest commencing April 15, 2025 and semiannually thereafter on October 15 and April 15 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

**Optional Redemption**

The Bonds maturing on or before October 15, 2030 are not subject to redemption prior to maturity. The Bonds maturing October 15, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on and after October 15, 2030, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity, as the Issuer may determine, at the respective prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
October 15, 2030 and thereafter	100.0%

**Nature of Obligation**

The Bonds 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 Bonds when due. Unless paid from other sources, the Bonds 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 Bonds 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 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

## **Registration**

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company (“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 Bonds in principal amounts of \$5,000 or any integral multiple 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, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Bonds. 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 Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds 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 Bonds, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

## **Record Date**

The record dates for the Bonds will be the last business day of March and September in each year.

## **Proposals**

Each bid must be for the entire \$18,000,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than two (2) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on *PARITY*® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost (“TIC”) to the Issuer, as described under “Basis of Award” below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

## **Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms**

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest true interest cost (“TIC”) to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. 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 Bonds in accordance with the provisions of this Notice of Sale.

### **CUSIP Numbers**

The deposit of the Bonds 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 Bonds prior to delivery. Neither the failure to print such CUSIP number on any bond, 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 Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds 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.

### **Electronic Proposals Bidding Procedure**

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY®**. Any prospective bidder must be a subscriber of i-Deal's BiDCOMP competitive bidding system. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 – email notice: [parity@i-deal.com](mailto:parity@i-deal.com)). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY®** is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds via **PARITY®**, the bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the Bonds 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 Bonds on the terms described in this Notice. **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.**

**Disclaimer.** Each of **PARITY®** prospective electronic bidders shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. 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 or **PARITY®** shall be responsible for a bidder's failure to make a bid or for the 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 Bonds. 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 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 of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY®** at (212) 849-5021. If any provision of this Notice shall conflict with information provided by **PARITY®**, this Notice shall control.

For the purpose of the electronic bidding process, the time maintained on **PARITY®** shall constitute the official time.

### **Certifying Agent, Registrar, Paying Agent and Transfer Agent**

The Bonds 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 Bonds the purchaser shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel (“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 Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Issuer to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds.

The Bonds 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 November 5, 2024 (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.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

## **Bond Counsel Opinion**

The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will state that the Bonds are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as 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 Bonds deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds awarded to such bidder, as described below under “Establishment of Issue Price”.

## **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 (the “Code”), relating to the exclusion of interest on the Bonds 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 Bonds 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 Bonds, 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 Sandra Dawson, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4348, E-mail: [sdawson@pullcom.com](mailto:sdawson@pullcom.com) and (2) the Municipal Advisor at Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: [Mark.Chapman@munistat.com](mailto:Mark.Chapman@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 Bonds, 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 Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, 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 Bonds, 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 Bonds) will apply to the initial sale of the Bonds (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 who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost (“TIC”), 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. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, 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 Bonds (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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds 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 Bonds, that each Underwriter will neither offer nor sell unsold Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds of that Maturity or all Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds of that Maturity or all Bonds 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 Bonds 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 Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds 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 Bonds 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 Bonds 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 Bonds to the Public).

## **Official Statement**

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated October 10, 2024 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at [www.i-dealprospectus.com](http://www.i-dealprospectus.com) and [www.munistat.com](http://www.munistat.com), and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: [Mark.Chapman@munistat.com](mailto:Mark.Chapman@munistat.com). The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Bonds or by the seventh (7th) business day after the day bids on the Bonds are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Bonds, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

## **Continuing Disclosure Agreement**

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

TOWN OF BRANFORD, CONNECTICUT

JAMES B. COSGROVE  
First Selectman

KURT M. SCHWANFELDER  
Town Treasurer

JAMES P. FINCH, JR.  
Finance Director

October 10, 2024

**ATTACHMENT A**

**ISSUE PRICE CERTIFICATE**

*(If Competitive Sale Rule Met)*

TOWN OF BRANFORD, CONNECTICUT  
\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, ISSUE OF 2024  
Dated November 5, 2024

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. **Due Authorization.** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. **Purchase Price.** The TOWN OF BRANFORD, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about November 5, 2024, the Bonds 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 October 10, 2024 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. **Defined Terms.**

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds 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 Bonds 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 Bonds 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 Bonds 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 OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 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 Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. 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 Bonds, 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 Bonds. 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 October \_\_\_\_, 2024.

**[UNDERWRITER]**

By: \_\_\_\_\_

Name:

Title:

**Schedule A to Issue Price Certificate**

<u>Maturity, October 15</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2025	1,000,000		
2026	1,000,000		
2027	1,000,000		
2028	1,000,000		
2029	1,000,000		
2030	1,000,000		
2031	1,000,000		
2032	1,000,000		
2033	1,000,000		
2034	1,000,000		
2035	1,000,000		
2036	1,000,000		
2037	1,000,000		
2038	1,000,000		
2039	1,000,000		
2040	1,000,000		
2041	1,000,000		
2042	1,000,000		

**Schedule B to Issue Price Certificate**