

**Town of Stratford  
Connecticut**



**Comprehensive  
Annual Financial Report**

Fiscal Year Ended June 30, 2013

# **Comprehensive Annual Financial Report**

of the

## **Town of Stratford Connecticut**

Fiscal Year Ended June 30, 2013

Finance Department  
Susan Collier  
Finance Director

**TOWN OF STRATFORD, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2013**

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# **Introductory Section**

**TOWN OF STRATFORD, CONNECTICUT**

**PRINCIPAL TOWN OFFICIALS**

**John A. Harkins, Mayor**

**TOWN COUNCIL**

Joseph Kubic, Council Chair  
Christian M. Barnaby  
Stephanie D. Philips  
Matthew P. Catalano  
Jason W. Santi  
John M. Dempsey  
Kenneth Poisson  
Craig Budnick  
James J. Connor  
Paul Hoydick

**BOARD OF EDUCATION**

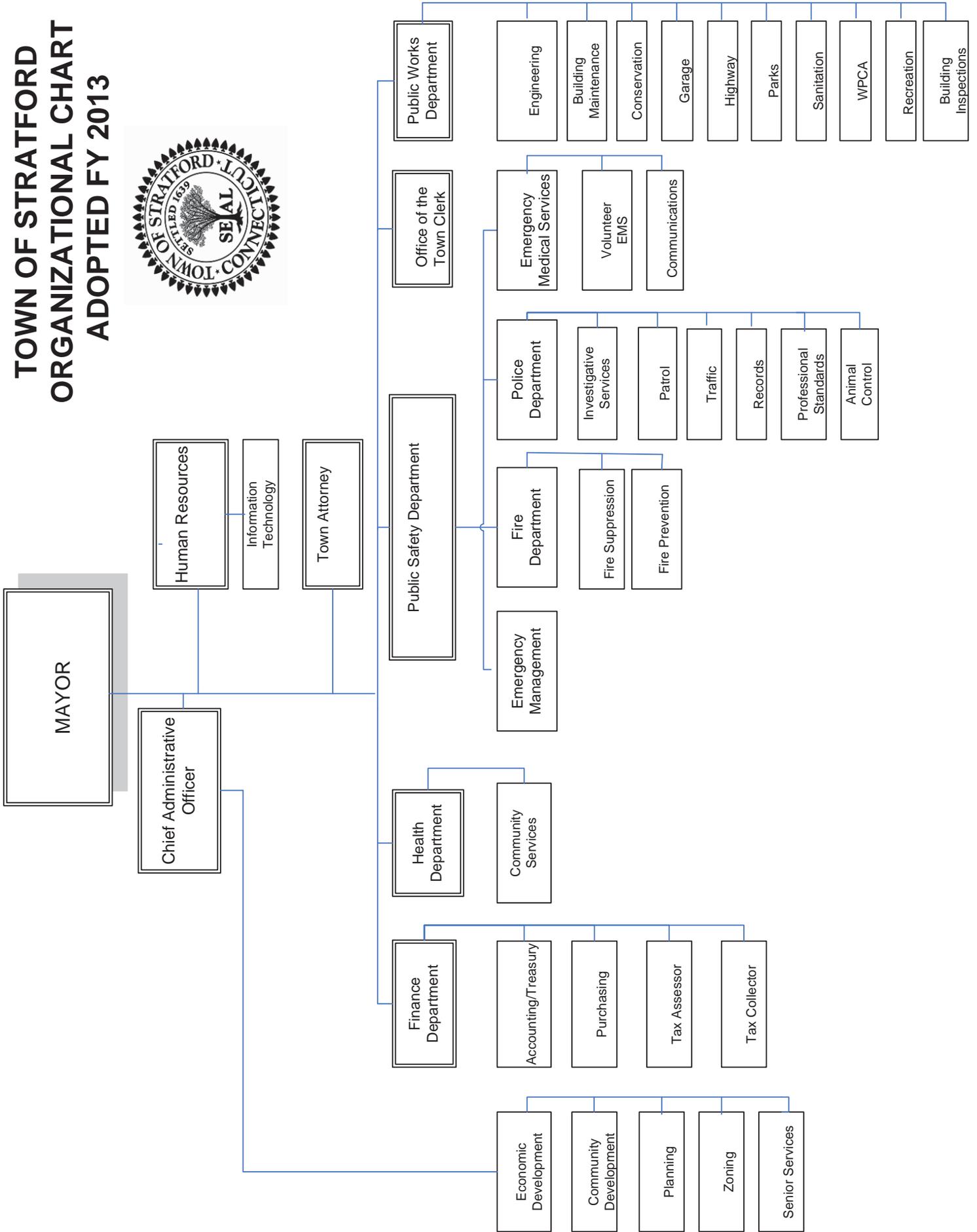
Chairman..... Gavin B. Forrester, III  
Vice-Chairman ..... Charles A. Lindberg  
Secretary .....Andrea Veilleux  
Board Member .....Joseph G. Crudo  
Board Member .....Jancee Pust-Marcone  
Board Member .....Robert Chaloux  
Board Member .....Janice O. Daponte

Margaret M. Lasek,  
Interim Superintendent of Schools

**ADMINISTRATION**

Chief Administrative Officer ..... Stephen Nocera  
Finance Director ..... Susan A. Collier  
Town Clerk ..... Susan Pawluk  
Treasurer..... Marie Craig  
Assessor ..... Melinda Fonda  
Tax Collector .....Deborah Heim  
Town Attorney .....Timothy A. Bishop

# TOWN OF STRATFORD ORGANIZATIONAL CHART ADOPTED FY 2013





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Stratford  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

December 12, 2013

Honorable John A. Harkins, Mayor  
Honorable Town Council Members  
Town of Stratford, Connecticut

Connecticut law requires that all general-purpose local governments annually publish a complete set of audited financial statements. This report fulfills that requirement for the fiscal year ended 2013.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of the internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unqualified ("clean") opinion on the Town of Stratford, Connecticut's financial statements for the year ended 2013. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A is intended to complement this letter of transmittal and should be read in conjunction with it.

### ***Town Profile***

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

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

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

The Town's public school system provides a balanced curriculum for approximately 7,100 students. There are several vocational training facilities, colleges and universities in close proximity to Stratford, which offer a variety of educational programs. The public school system consists of three schools for pupils in grades Pre-K through 6, five schools for pupils in grades K through 6, two schools for pupils in grades 7-8 and two schools for pupils in grades 9-12. The schools are governed by a seven-member elected Board of Education.

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

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

The Town currently operates under and is governed by the laws of the State of Connecticut and its own charter. The Town operated under a Council-Manager form of government from 1921 to 2005. As a result of charter revision, effective December 12, 2005, the Town became a Mayor-Council form of government with the election of Stratford's first Mayor and ten council members.

The Town provides a full range of services including public safety, street maintenance, sanitation, health and human services, public parks and recreation, library, education, culture, public improvement, planning, zoning, sewer and general administrative services.

## ***Town Local Economy***

Economic activity remains stable in the Town of Stratford in spite of state and national economic forces. The Town continues to attract owners of all types of businesses (from medical, personal and household services to office, retail, wholesale and dining establishments) that seek the Town for its geographic advantages, diverse zoning and reputation as an affordable location in Fairfield County.

Sikorsky Aircraft, the town's largest employer, employs approximately 8,400 employees. According to the company, its current workload is stable and the company has expressed an ongoing commitment to the Town.

Since 2012, the Town has seen numerous current businesses expand and many new businesses move into town. Penmar Industries, Cober Electronics, Crunch Fitness, El's Kitchen and Seaboard Industries are some of the new companies that have relocated to Stratford. Aptar, Teavana, Nuovo Pasta, Straton Industries, York Laboratories, and Stratford Land Development are current Stratford businesses that are expanding in size, potentially creating dozens of jobs.

The Stratford Land Development commercial real estate company is building a new 500,000 square foot building off Lordship Blvd, which is expected to create more than 100 jobs. Two Roads Brewery is currently operating at the historic U.S. Baird property. The brewery was partially funded by a \$500,000 grant from the State of Connecticut Department of Economic and Community Development. The brewer was also awarded a \$1,000,000 loan from the Connecticut Development Authority, predecessor of Connecticut Innovations. This destination brewery opened in December 2012 and has been a success, attracting visitors from all over Connecticut and the New England area.

A 128-unit multi-family housing complex will be ready for occupants by fall of 2013. The Town of Stratford helped clear the way for the redevelopment of a long-vacant Brownfield site at the former Keating Ford car dealership. St Vincent's Hospital is also opening a walk-in medical clinic at 3272 Main Street. The Town has already approved the new 20,000 square foot clinic to be built this summer.

The Town's Grand List is expected to grow substantially in the next two fiscal quarters due to ongoing projects that are close to completion. The U.S. General Services Administration and the Army have selected a developer for the 77-acre Stratford Army Engine Plant. A purchase and sale agreement for the parcel is expected to be announced between Point Stratford Renewal and the Army within the next three to four months, creating job opportunities and increasing the value of the Town's taxable grand list.

The State of Connecticut's Small Business Express Program has awarded more than one million dollars in grants and loans to multiple businesses in the Town, including the Blue Sky Diner, State Farm Insurance, Straton Industries and Roberge Associates Inc. Each grant/loan will help each of these businesses expand and create job opportunities in Stratford.

Mayor John Harkins has formed the Stratford Redevelopment Authority (SRA) whose purpose and mission it is to devise and implement a diverse plan to promote industrial, economic and commercial development and growth in Stratford.

The Town and the City of Bridgeport have recently reached a historic agreement regarding improvements at the Sikorsky Memorial Airport, which is owned by the City of Bridgeport but located in Stratford. Mayor John Harkins and Mayor Bill Finch of Bridgeport met in June with the U.S. Secretary of the Department of Transportation Ray LaHood to formalize the agreement which will resolve a decades' long discord between the towns. Under the terms of the agreement, a safety zone will be created at the end of the runway, Main Street will be moved to alleviate flooding issues and several blighted hangers will be restored. The agreement locks in the current lengths of the runways which had previously been a major concern of Town residents.

Finally, Town-wide beautification projects continue to bring significant returns to the appearance and economic vibrancy of the Town. Streetscapes of Barnum Avenue and Main Street are drawing to a close. The addition of a federally funded Greenway for pedestrians, bike riders and runners along the Town's water way and Long Island Sound has added to the image of the Town as a hometown for young professionals and families. Many years of hard work paid off when the federally funded Greenway opened May 19, 2012. The Greenway spans the Towns coastline and attracts pedestrians, bikers and runners.

### ***Recent Town Operations***

The Town, through its elected and administrative officials, continues to take steps to review, redefine and restructure various approaches in policy and management in order to effectively manage critical issues. The following are some of the operational and fiscal control measures implemented in the last several months by the Town.

On April 22, 2013, the Town's Fiscal Year 2013-2014 operating budget was adopted. The administration's goal of holding spending to no more than a 2% year-over-year increase was met with operating expenses increasing less than one half of one percent. During budget meetings, department heads reviewed each program and expenditure and were asked to justify expenditures, overages or shortages to the Chief Administrative Officer, Mayor, Director of Finance and Human Resources Director. On the revenue side of the budget, for Fiscal Year 2014 the tax collection assumption was raised slightly to reflect recent upswing in collection rates. Additionally, Quarterly Business Reviews (QBRs) have been undertaken to review and better manage fiscal operations.

Union contracts with five of six of the Town's collective bargaining units are settled with the remaining unit in arbitration. Rightsizing of work force continues with 13 employees released in December 2010 and 3 employee positions eliminated in the summer of 2011. Additionally, beginning July 1, 2012, the Town removed an additional position from the zoning office through attrition by streamlining the operations of that office. Finally, in Fiscal Year 2013 the work force in the economic development department was increased in order to place further emphasis on grand list growth and diversification.

Honeywell International performed an energy audit for the Town and as a result of such audit, the Town entered into a guaranteed energy performance contract for multiple Town and Board of Education buildings. The Town anticipates savings of approximately \$12,000,000 over the next fifteen years. The Town received financing for energy improvement projects in late December 2011 through the issuance of a combination of approximately \$10,500,000 of bonds and a lease.

The Town has continued with an aggressive tax foreclosure approach that was undertaken in 2010 to collect outstanding tax bills. This new process has yielded immediate returns and reduced the number of outstanding tax bills. This effort is being coordinated between the Tax Collector's Office and Town Attorney's Office.

A new Town-wide virtual network and Police and Public Safety CAD systems have been fully implemented as of March 29, 2013.

The Town commissioned VHB Associates to conduct a parking study throughout the town center. The Town anticipates the implementation of a new parking management plan within the next 12 months, which is expected to generate increased parking revenues for the Town.

For more information regarding recent Town operations refer to the Management Discussion & Analysis section within.

## ***Recent Financial Results***

For Fiscal Year ending June 30, 2013, the Town ended the year with a \$618,000 operating surplus in the General Fund. Total General Fund revenues and transfers were \$4.5 million more than budgeted which will be partially offset by an anticipated negative expenditure variance of \$3.9 million.

The main driver of the estimated revenue surplus was a positive variance of \$3.5 million in Intergovernmental Revenue which was the result of approximately \$2.6 million in non-budgeted FEMA storm recovery reimbursement. That positive revenue variance was partially off-set by a \$0.8 million negative revenue variance in property taxes which was the result of a \$1.7 million shortfall in arrears tax and interest collections due to adjustments from unfavorable tax appeal settlements. However, current tax collections are expected to exceed budget by approximately \$0.9 million. Finally, the Town had a combined net positive revenue variance of approximately \$0.8 million in other revenue accounts (excluding unbudgeted Police Private Duty reimbursements).

The estimated \$3.9 million negative expenditure variance includes a total of \$2.4 million of unanticipated General Fund expenses related to Hurricane Sandy and Winter Storm Nemo that are spread throughout various Town Departments. The Public Works Department exceeded budget by \$2.5 million in total, including \$2.2 million of storm-related expenses. Public Safety exceeded budget by \$0.8 million (excluding unbudgeted Police Private Duty expenditures). Under Public Safety, Fire Department expenditures exceeded budget by approximately \$0.7 million, inclusive of negative expenditure variances of approximately \$0.4 million for overtime and \$0.3 million for regular payroll. Finally, the Town experienced a combined net negative expenditure variance of approximately \$0.6 million in other accounts.

The Town's cost control efforts include continuing to monitor all overtime expenses and bi-weekly expense reviews with department heads as well as Quarterly Business Reviews (QBRs) to review and better manage fiscal operations. Although there are many unknowns heading into Fiscal Year 2013-14, including ongoing union negotiations with three of six Town collective bargaining units, negotiations with three of the six Board of Education bargaining units, binding arbitration with one of six units and ongoing worker's compensation cases, the Town will work to continue to control spending, hit its collection goals and strive to achieve balanced operations.

## ***Town Organization***

From 1921 until 2005, the Town of Stratford operated under a Council-Manager form of government. In November 2003, the electors of the Town approved a referendum authorizing a revision to the Charter requiring a change to a Mayor-Council form of government. The new form of government took effect on December 12, 2005 when the Town's first Mayor was sworn into office. The Mayor is a full time, compensated, elected official with a term of four (4) years. The Mayor is recognized as the head of the Town and appoints all department heads including the Town Attorney, appoints citizens to commissions, prepares the budget, establishes criteria for evaluation of subordinates, and signs or vetoes legislation passed by the Town Council. This power includes the ability to veto a specific line item within proposed operating budgets. The Mayor's attendance at all Council meetings is required, but the Mayor is not able to vote unless to break a tie vote of the Town Council. A Chief Administrative Officer (the "CAO") is appointed by the Mayor, and assists the Mayor with budget preparation, labor negotiations, and any other areas deemed appropriate by the Mayor. A bipartisan Town Council of ten members, who are elected for two-year terms, performs the legislative function. The Town Council approves the annual budget, supplemental appropriations and bond authorizations.

## ***Policies and Practice***

### Debt

In FY13, the Town continued to pay principal and interest payments on its Pension Obligation Bonds directly from the General Fund. The 1998 bonds were issued to offset the Town's unfunded pension liability. The Town previously refunded \$51.750 million of pension obligation bonds in FY11 to take advantage of the declining interest rates.

The Town issued \$21,275,000 in general obligation during August 2012 [FY13] to fund capital improvements and equipment for both FY12 and FY13. In July 2012 the Town Council authorized the issuance of \$13,871,634 in general obligation bonds [FY13] for town facilities and equipment including an emergency management system, public safety and public work vehicles, Fire apparatus, roads and sewers, parks and recreation and school improvement projects.

On September 26, 2013 [FY14], the Town refunded \$16,660,000 of general obligation bonds to refinance previous obligation bonds. The bonds will mature through 2023.

On October 18, 2013 [FY14], the Town issued \$162,690,000 of general obligation bonds to fund the pension account. The bonds will mature through 2038.

## ***Taxes***

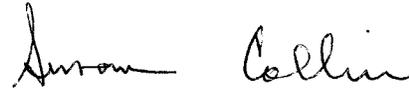
During the fiscal year ended 2013, the Town collected 97.8% of its current tax levy. This represented the sixteenth consecutive year that the Town has exceeded 96.5%. Property taxes increased by \$2.8 million over the prior year. Current tax collections totaled \$152.5 million. Arrears taxes and interest collected was \$1.13 million.

## ***Acknowledgements***

I would like to thank Blum, Shapiro & Company, P.C., our independent auditors, for their professional guidance, assistance, and many helpful comments and suggestions. I would also like to give special thanks to all of the finance department staff that has worked many extra hours to assist with the preparation of this report.

In closing, without the leadership and support of the Town administration and the assistance of various Town departments, preparation of this report would not have been possible.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Susan Collier". The signature is fluid and cursive, with the first name "Susan" and the last name "Collier" clearly distinguishable.

Susan A. Collier  
Finance Director

# **Financial Section**



Accounting | Tax | Business Consulting

## Independent Auditors' Report

To the Members of the Town Council  
Town of Stratford, Connecticut

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stratford, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of Stratford, Connecticut's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stratford, Connecticut, as of June 30, 2013 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.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 and the budgetary comparison information on pages 55 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Stratford, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2013 on our consideration of the Town of Stratford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Stratford, Connecticut's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 12, 2013

**TOWN OF STRATFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

This discussion and analysis of the Town of Stratford, Connecticut's (the Town) financial performance is developed by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2013. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX.

**Financial Highlights**

- The Town's net position increased by \$10.2 million, or 26.1%, as a result of this year's operations. The net position of our business-type activities decreased by (\$.6 million), or (2.1%), and the net position of our governmental activities increased by \$10.8 million, or 84.3%.
- During the year, the Town had expenses that were \$10.2 million less than the \$220 million generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues from charges for services increased to \$2.8 million while operating expenses increased by (\$.9 million) to \$12.3 million or (8.2%) primarily due to the Water Treatment plant and Emergency Medical Services.
- Total cost of all of the Town's programs increased (\$5.8 million) to \$222.1 million with no major new programs added this year. These increases consisted of (\$3.4 million) in physical development, (\$1.0 million) in interest expense, (\$.4 million) in public safety, (\$.5 million) in waste operating expenses and (\$.4 million) in emergency medical services.
- The General Fund reported a fund balance this year of \$11.2 million, which was an increase of \$.1 million from the prior year.
- Revenues in the General Fund totaled \$204,674 thousand while expenditures totaled \$205,502 thousand resulting in a deficit of \$828 thousand on a budgetary basis (excluding other financing sources).

**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 non-financial factors,

however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

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

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

### **Fund Financial Statements**

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

- *Governmental Funds (Exhibits III 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 to VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.
- *Fiduciary Funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Government-Wide Financial Analysis**

The Town's combined net position increased from a year ago from \$39.2 million to \$49.4 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

**Table 1  
NET POSITION  
(In Thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Current and other assets \$	80,899	70,522	7,164	7,112	88,063	77,634
Capital assets, net of depreciation	159,794	145,404	61,691	64,483	221,485	209,887
Total assets	<u>240,693</u>	<u>215,926</u>	<u>68,855</u>	<u>71,595</u>	<u>309,548</u>	<u>287,521</u>
Current liabilities	13,009	10,410	211	196	13,220	10,606
Long-term debt outstanding	204,123	192,733	42,784	44,978	246,907	237,711
Total liabilities	<u>217,132</u>	<u>203,143</u>	<u>42,995</u>	<u>45,174</u>	<u>260,127</u>	<u>248,317</u>
Net Position:						
Net investment in capital assets	58,172	57,747	19,149	19,806	77,321	77,553
Restricted	2,527	2,407			2,527	2,407
Unrestricted	<u>(37,138)</u>	<u>(47,371)</u>	<u>6,710</u>	<u>6,615</u>	<u>(30,428)</u>	<u>(40,756)</u>
Total Net Position	<u>\$ 23,561</u>	<u>\$ 12,783</u>	<u>\$ 25,860</u>	<u>\$ 26,421</u>	<u>\$ 49,421</u>	<u>\$ 39,204</u>

Net position of the Town's governmental activities increased by 84.3% (\$23.6 million compared to \$12.8 million 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 \$(47.4 million) at June 30, 2012 to \$(37.1 million) at the end of this year.

**Table 2**  
**CHANGES IN NET POSITION**  
**(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 10,301	\$ 10,420	\$ 11,998	\$ 9,215	\$ 22,299	\$ 19,635
Operating grants and contributions	41,710	43,581			41,710	43,581
Capital grants and contributions	3,206		348	13	3,554	13
General revenues:						
Property taxes	156,673	152,523			156,673	152,523
Grants and contributions not restricted to specific purposes	6,152	3,948			6,152	3,948
Unrestricted investment earnings	209	1	23	27	232	28
Miscellaneous	1,695	894			1,695	894
Total revenues	<u>219,946</u>	<u>211,367</u>	<u>12,369</u>	<u>9,255</u>	<u>232,315</u>	<u>220,622</u>
Program expenses:						
General government	38,354	38,445			38,354	38,445
Human development	8,852	9,029			8,852	9,029
Physical development	18,900	15,466			18,900	15,466
Public safety	24,111	23,712			24,111	23,712
Education	115,002	114,759			115,002	114,759
Interest expense	4,548	3,484			4,548	3,484
Waste operating			10,106	9,654	10,106	9,654
Short Beach Golf Course			1,682	450	1,682	450
Miniature Golf Course			532	11	532	11
Emergency Medical Services			11	1,284	11	1,284
Total program expenses	<u>209,767</u>	<u>204,895</u>	<u>12,331</u>	<u>11,399</u>	<u>222,098</u>	<u>216,294</u>
Excess before transfers	10,179	6,472	38	(2,144)	10,217	4,328
Transfers	<u>600</u>	<u>600</u>	<u>(600)</u>	<u>(600)</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ 10,779</u>	<u>\$ 7,072</u>	<u>\$ (562)</u>	<u>\$ (2,744)</u>	<u>\$ 10,217</u>	<u>\$ 4,328</u>

The Town's total revenues were \$232.3 million. The total cost of all programs and services was \$222.1 million. Our analysis below separately considers the operations of governmental and business-type activities.

## **Governmental Activities**

Approximately 71.2% of the revenues were derived from property taxes; the remaining 28.8% of revenue is made up of operating and capital grants and investment earnings.

Major revenue factors include:

- Property taxes increased by \$4.2 million over the prior year. Current tax collections totaled \$151.9 million or 97.8% of the levy. Arrears taxes and interest collected was \$2.9 million. Unrestricted investment earnings were \$0.5 million less than the prior year.
- Operating grants for governmental activities decreased by \$1.9 million over the prior year. The State of Connecticut Education Cost Sharing grant and debt service reimbursements totaled \$21.6 million of the Operating grants total.

Governmental expenses increased \$4.9 million to \$209.8 million with no major new programs added this year. These increases consisted of (\$1.1 million) in interest expense and (\$3.4 million) in physical development.

The Town was hit hard by Storm Sandy and Storm Nemo in 2012-2013 and is still working to repair the infrastructure damage caused by the storm. The Town compiled and reported all disaster losses as well as monitored debris reduction. As a result, the Town received partial FEMA reimbursement for eligible storm related expenditures incurred in Fiscal Year 2012-2013.

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

**TABLE 3  
GOVERNMENTAL ACTIVITIES  
(In Thousands)**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
General government	\$ 38,354	\$ 38,445	\$ 36,358	\$ 36,244
Public safety	24,111	23,712	22,598	22,112
Physical development	18,900	15,466	13,959	12,545
Education	115,002	114,759	74,136	74,310
Human development	8,852	9,029	3,034	2,286
All others	4,548	3,484	4,464	3,397
Total	<u>\$ 209,767</u>	<u>\$ 204,895</u>	<u>\$ 154,549</u>	<u>\$ 150,894</u>

## **Business-Type Activities**

Business-type activities decreased the Town's net position by (\$.6 million). The key factors were a smaller than recommended increase in user rate and an increase in operating expenses in the Waste Operating Fund.

## **Town Funds Financial Analysis**

### **Governmental Funds**

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$34.2 million, an increase of \$2.6 million in comparison with the prior year.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the General Fund total fund balance was \$11.2 million. Of this total fund balance, \$1.7 million is assigned for encumbrances.

The fund balance of the Town's General Fund increased by \$.1 million during the current fiscal year. Key factors affecting the General Fund are as follows:

- Collections of the current tax levy were 97.8% and included an aggressive foreclosure proceedings policy that encouraged payment by many taxpayers. The Tax Collector and the Town Attorney worked with the taxpayers and their financial institutions to restructure their debt and save their investments.

The Capital Projects Fund has a fund balance of \$18.3 million at the end of the year, an increase of \$2.7 million from the prior year. The Town has issued \$21,275,000 in general obligation during August 2012 [FY13] to fund capital improvements and equipment for both FY12 and FY13.

Other non-major governmental funds have a total fund balance of \$4.8 million, a slight decrease of \$0.1 million from the prior year.

### **Proprietary Funds**

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

Overall proprietary funds net position totals \$25.9 million at the end of 2013, decreasing by (\$.6 million) from the previous year.

Net position of the Waste Operating Fund at the end of the year is \$23.3 million, 90.0% of total net position of the proprietary funds. EMS and Other non-major activities have net position of \$2.9 million or 11.0% of the total net position. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town's Business-Type Activities.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget for both revenues and expenditures were 2.3% and 2.1%, respectively. During the year, revenues were over budgetary estimates by \$4.5 million and expenditures were over budgetary estimates by \$3.9 million, thus creating an increase to fund balance.

**Capital Asset and Debt Administration**

**Capital Assets**

The Town’s investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2013 amounted to \$159.8 million and \$61.7 million, respectively. This investment in capital assets included land, buildings and system improvements, machinery and equipment, park facilities, roads, highways and bridges. The total increase in the Town’s investment in capital assets for the current fiscal year was \$11.6 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 12,927	\$ 12,917	\$	\$	\$ 12,927	\$ 12,917
Land improvements	8,627	5,753	134	60	8,761	5,813
Buildings and improvements	93,703	82,286	51,092	53,790	144,795	136,076
Infrastructure	23,777	19,593	8,385	8,423	32,162	28,016
Machinery and equipment	12,408	9,109	2,080	2,109	14,488	11,218
Construction in progress	8,352	15,746		101	8,352	15,847
<b>Total</b>	<b>\$ 159,794</b>	<b>\$ 145,404</b>	<b>\$ 61,691</b>	<b>\$ 64,483</b>	<b>\$ 221,485</b>	<b>\$ 209,887</b>

This year’s major additions included (in millions):

- Honeywell Energy Efficiency Project-BOE - \$3.4
- Various school improvements/safety/maintenance - \$3.0
- Road resurfacing/reconstruction - \$2.9
- Purchase of Capital Equipment for Public Works, Police & Fire - \$3.7
- IT Projects/virtualization - \$0.1
- Drainage Improvements - \$0.4
- Parks improvements/playground renovations - \$1.2
- Field restorations - \$2.1
- Municipal Buildings repairs/maintenance - \$0.7
- EMS Facility improvements/equipment - \$0.5
- Vehicle & Equipment Leases for Public Works, Police & Fire - \$2.3
- Shakespeare Theatre consultants/building repairs/maintenance - \$0.2

The Town's fiscal-year 2013-14 capital plans call for spending another \$16.5 million for capital projects, principally for the following (in millions):

- Various school improvements/safety/maintenance - \$3.9
- Honeyspot School new construction - \$2.0
- Road resurfacing/reconstruction - \$3.3
- Drainage Improvements - \$1.3
- Purchase of Capital Equipment for Public Works, Police & Fire - \$3.5
- Municipal Buildings repairs/maintenance - \$2.0
- Parks improvements/playground renovations - \$0.5
- IT Projects/virtualization - \$0.2
- Water Pollution Control capital outlay and facility upgrades - \$0.8
- Field restorations - \$0.4

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

**Long-Term Debt**

At June 30, 2013 the Town had \$179.3 million in bonds and notes outstanding versus \$174.3 million last year, a decrease of (2.9%) as shown in Table 5.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
General obligation bonds	\$ 136,814	\$ 129,614	\$ 2,118	\$ 1,993	\$ 138,932	\$ 131,607
Capital leases	1,841	2,300	82		1,923	2,300
Notes payable			40,342	42,682	40,342	42,682
Totals	<u>\$ 138,655</u>	<u>\$ 131,914</u>	<u>\$ 42,542</u>	<u>\$ 44,675</u>	<u>\$ 181,197</u>	<u>\$ 176,589</u>

The Town did issued \$21,275,000 in general obligation bonds during August 2012 [FY13] to fund capital improvements and equipment for both FY12 and FY13.

The Town and its Water Pollution Control Authority maintain an "AA-" rating from Standard & Poor's and an "Aa2" rating from Moody's for general obligation debt. The Town provides the rating agencies with ongoing disclosure in the form of independent annual financial reports, adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested from time to time.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior years' tax collections. The current debt limitation for the Town amounts to \$1,077.3 million, significantly more than the Town's outstanding general obligation debt.

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

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

- Inflationary trends in the region are comparable to national indices.
- The Town's annual average unemployment rate was 8.7% for calendar year 2013, up from 8.2% in 2012. This rate compares to the State's annual average unemployment rate of 8.1% and the US rate of 7.6%.

All of these factors were considered in preparing the Town's budget for FY2013-2014.

During the current fiscal year, unassigned fund balance in the General Fund increased by \$.7 million to \$9.5 million. In the FY2013-14 budget the Town has not appropriated any of this amount for spending.

## **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 tax and other funding it receives. The report is available on the Town website: [www.townofstratford.com](http://www.townofstratford.com). If you have questions about this report or need additional financial information, contact the Finance Director, Town of Stratford, 2725 Main Street, Stratford, Connecticut 06615.

## TOWN OF STRATFORD, CONNECTICUT

## STATEMENT OF NET POSITION

JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 43,568,547	\$ 5,154,026	\$ 48,722,573
Investments	2,119,228		2,119,228
Receivables, net	20,511,508	1,682,229	22,193,737
Internal balances	(322,561)	322,561	-
Net pension asset	14,552,943		14,552,943
Bond issuance cost	441,801	4,682	446,483
Inventory and deferred charges	27,986		27,986
Capital assets:			
Assets not being depreciated	21,279,192		21,279,192
Assets being depreciated, net	<u>138,514,490</u>	<u>61,691,130</u>	<u>200,205,620</u>
Total assets	<u>240,693,134</u>	<u>68,854,628</u>	<u>309,547,762</u>
Liabilities:			
Accounts and other payables	10,046,093	208,239	10,254,332
Accrued liabilities	829,957		829,957
Unearned revenue	2,133,111	2,275	2,135,386
Noncurrent liabilities:			
Due within one year	19,413,211	2,554,761	21,967,972
Due in more than one year	<u>184,709,378</u>	<u>40,229,524</u>	<u>224,938,902</u>
Total liabilities	<u>217,131,750</u>	<u>42,994,799</u>	<u>260,126,549</u>
Net Position:			
Net investment in capital assets	58,171,856	19,149,382	77,321,238
Restricted for:			
Nonexpendable trust	2,527,607		2,527,607
Unrestricted	<u>(37,138,079)</u>	<u>6,710,447</u>	<u>(30,427,632)</u>
Total Net Position	<u>\$ 23,561,384</u>	<u>\$ 25,859,829</u>	<u>\$ 49,421,213</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF STRATFORD, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 38,354,342	\$ 1,996,572	\$	\$	\$ (36,357,770)	\$	\$ (36,357,770)
Human development	8,852,051	3,811,543	2,006,556		(3,033,952)		(3,033,952)
Physical development	18,899,798	749,023	985,297	3,206,478	(13,959,000)		(13,959,000)
Public safety	24,111,078	1,511,706	1,200		(22,598,172)		(22,598,172)
Education	115,001,403	2,232,360	38,632,808		(74,136,235)		(74,136,235)
Debt service	4,547,958		84,274		(4,463,684)		(4,463,684)
Total governmental activities	<u>209,766,630</u>	<u>10,301,204</u>	<u>41,710,135</u>	<u>3,206,478</u>	<u>(154,548,813)</u>	<u>-</u>	<u>(154,548,813)</u>
Business-type activities:							
Waste Operating	10,106,479	9,950,290		217,329		61,140	61,140
Emergency Medical Services	1,681,753	1,881,456				199,703	199,703
Short Beach Golf Course	531,823	166,186		131,142		(234,495)	(234,495)
Miniature Golf Course	11,068					(11,068)	(11,068)
Total business-type activities	<u>12,331,123</u>	<u>11,997,932</u>	<u>-</u>	<u>348,471</u>	<u>-</u>	<u>15,280</u>	<u>15,280</u>
Total	<u>\$ 222,097,753</u>	<u>\$ 22,299,136</u>	<u>\$ 41,710,135</u>	<u>\$ 3,554,949</u>	<u>(154,548,813)</u>	<u>15,280</u>	<u>(154,533,533)</u>
General revenues:							
Property taxes					156,672,842		156,672,842
Grants and contributions not restricted to specific programs					6,151,569		6,151,569
Unrestricted investment earnings					208,734	23,155	231,889
Miscellaneous					1,694,462		1,694,462
Total general revenues					<u>164,727,607</u>	<u>23,155</u>	<u>164,750,762</u>
Transfers					<u>600,000</u>	<u>(600,000)</u>	<u>-</u>
Total					<u>165,327,607</u>	<u>(576,845)</u>	<u>164,750,762</u>
Change in net position					<u>10,778,794</u>	<u>(561,565)</u>	<u>10,217,229</u>
Net Position - Beginning of Year					<u>12,782,590</u>	<u>26,421,394</u>	<u>39,203,984</u>
Net Position - End of Year					<u>\$ 23,561,384</u>	<u>\$ 25,859,829</u>	<u>\$ 49,421,213</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF STRATFORD, CONNECTICUT

## GOVERNMENTAL FUNDS

## BALANCE SHEET

JUNE 30, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,796,220	\$ 28,549,036	\$ 4,223,291	\$ 43,568,547
Investments			2,119,228	2,119,228
Receivables, net	12,504,484	930,218	1,377,661	14,812,363
Inventories			27,986	27,986
Due from other funds	<u>49,117,690</u>	<u>33,663,898</u>	<u>3,751,137</u>	<u>86,532,725</u>
Total Assets	<u>\$ 72,418,394</u>	<u>\$ 63,143,152</u>	<u>\$ 11,499,303</u>	<u>\$ 147,060,849</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts and other payables	\$ 5,053,364	\$ 1,895,940	\$ 1,350,381	\$ 8,299,685
Accrued liabilities	829,957			829,957
Deferred revenue	7,366,745	930,218	2,196,589	10,493,552
Due to other funds	<u>48,004,793</u>	<u>42,022,603</u>	<u>3,191,343</u>	<u>93,218,739</u>
Total liabilities	<u>61,254,859</u>	<u>44,848,761</u>	<u>6,738,313</u>	<u>112,841,933</u>
Fund balances:				
Nonspendable			27,986	27,986
Restricted			3,010,526	3,010,526
Committed		18,294,391	2,317,199	20,611,590
Assigned	1,666,093			1,666,093
Unassigned	<u>9,497,442</u>		<u>(594,721)</u>	<u>8,902,721</u>
Total fund balances	<u>11,163,535</u>	<u>18,294,391</u>	<u>4,760,990</u>	<u>34,218,916</u>
Total Liabilities and Fund Balances	<u>\$ 72,418,394</u>	<u>\$ 63,143,152</u>	<u>\$ 11,499,303</u>	<u>\$ 147,060,849</u>

(Continued on next page)

## TOWN OF STRATFORD, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2013

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 34,218,916
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	\$ 321,942,286
Less accumulated depreciation	<u>(162,148,604)</u>
Net capital assets	159,793,682
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:	
Net pension asset	14,552,943
Property tax receivables greater than 60 days	5,479,868
Interest receivable on property taxes	5,699,145
Assessments receivable	917,555
Housing loans	239,246
Receivable from the state for school construction projects	1,723,772
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.	(2,299,934)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable	(136,813,978)
Bond premium	(2,050,574)
Bond issuance cost	441,801
Capital lease	(1,840,706)
Interest payable on bonds and notes	(1,700,314)
Compensated absences	(5,763,970)
Landfill closure	(12,000,000)
OPEB obligation	(38,089,500)
Deferred charges on refunding	1,803,432
Claims and judgments	<u>(750,000)</u>
Net Position of Governmental Activities (Exhibit I)	<u>\$ 23,561,384</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF STRATFORD, CONNECTICUT

**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes and assessments	\$ 154,052,416	\$ 195,658	\$	\$ 154,248,074
State and Federal governments	42,309,903	36,855	8,631,327	50,978,085
Department revenue	2,004,540		2,930,565	4,935,105
Licenses and permits	564,713		395,901	960,614
Investment income	41,670	1,373	165,691	208,734
Other	5,701,037		141,361	5,842,398
Total revenues	<u>204,674,279</u>	<u>233,886</u>	<u>12,264,845</u>	<u>217,173,010</u>
Expenditures:				
Current:				
General government:				
Administration	4,115,048			4,115,048
Contingency	2,853,457			2,853,457
Employee benefits	27,030,003			27,030,003
Finance	1,956,164			1,956,164
Human development	5,273,579		2,813,140	8,086,719
Physical development	15,133,934		1,126,031	16,259,965
Public safety	23,518,203		112,029	23,630,232
Education	104,421,589		8,138,279	112,559,868
Debt service:				
Principal retirements	14,275,373			14,275,373
Interest and other charges	4,827,616			4,827,616
Capital outlay	2,097,164	21,027,917	267,391	23,392,472
Total expenditures	<u>205,502,130</u>	<u>21,027,917</u>	<u>12,456,870</u>	<u>238,986,917</u>
Deficiency of Revenues over Expenditures	<u>(827,851)</u>	<u>(20,794,031)</u>	<u>(192,025)</u>	<u>(21,813,907)</u>
Other Financing Sources (Uses):				
Issuance of bonds		21,475,000		21,475,000
Premium on bond issuance		263,224		263,224
Proceeds from capital leases	2,097,164			2,097,164
Transfers in	700,000	1,742,620	137,600	2,580,220
Transfers out	(1,880,220)		(100,000)	(1,980,220)
Total other financing sources (uses)	<u>916,944</u>	<u>23,480,844</u>	<u>37,600</u>	<u>24,435,388</u>
Net Change in Fund Balances	89,093	2,686,813	(154,425)	2,621,481
Fund Balances at Beginning of Year	<u>11,074,442</u>	<u>15,607,578</u>	<u>4,915,415</u>	<u>31,597,435</u>
Fund Balances at End of Year	<u>\$ 11,163,535</u>	<u>\$ 18,294,391</u>	<u>\$ 4,760,990</u>	<u>\$ 34,218,916</u>

(Continued on next page)

## TOWN OF STRATFORD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 2,621,481
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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	20,847,259
Depreciation expense	(6,310,663)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

Thus the change in net position differs from the change in fund balance by the cost of the assets sold.	(146,832)
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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:

School building grant receipts	(479,135)
Property tax receivable	1,835,761
Accrued interest receivable	719,992
Housing loans	(97,656)
Assessments	432,572
Net pension asset	(307,631)

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

Bond principal payments	14,275,373
Proceeds from sale of bonds	(21,475,000)
Bond issuance costs	(72,708)
Proceeds from capital lease	(2,097,164)
Capital lease payments	2,556,313

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	682,203
Accrued interest	517,076
OPEB obligation	(5,082,800)
Amortization of deferred amount on refunding	(346,148)
Amortization of bond premiums	181,438

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.

2,525,063
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Change in Net Positions of Governmental Activities (Exhibit II)	\$ <u>10,778,794</u>
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The accompanying notes are an integral part of the financial statements

## TOWN OF STRATFORD, CONNECTICUT

## PROPRIETARY FUNDS

## STATEMENT OF NET POSITION

JUNE 30, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds				Activities
	Waste Operating Funds	Emergency Medical Services	Other Nonmajor Funds	Total	Internal Service Fund
Assets:					
Current assets:					
Cash and cash equivalents	\$ 28,540	\$ 3,976,699	\$ 1,148,787	\$ 5,154,026	\$
Receivables:					
Accounts and other		503,967		503,967	
Special assessments	1,178,262			1,178,262	
Due from other funds	5,461,996	817	2,434	5,465,247	6,364,270
Other assets		4,682		4,682	
Total current assets	<u>6,668,798</u>	<u>4,486,165</u>	<u>1,151,221</u>	<u>12,306,184</u>	<u>6,364,270</u>
Capital assets:					
Assets not being depreciated				-	
Assets being depreciated, net	<u>58,954,992</u>	<u>2,499,569</u>	<u>236,569</u>	<u>61,691,130</u>	
Total capital assets	<u>58,954,992</u>	<u>2,499,569</u>	<u>236,569</u>	<u>61,691,130</u>	<u>-</u>
Total assets	<u>65,623,790</u>	<u>6,985,734</u>	<u>1,387,790</u>	<u>73,997,314</u>	<u>6,364,270</u>
Liabilities:					
Current:					
Accounts payable	150,591	45,915	11,733	208,239	46,094
Accrued wages and benefits				-	
Unearned revenue			2,275	2,275	
Due to other funds	1,224,839	2,320,049	1,597,798	5,142,686	817
Risk management claims				-	1,363,850
Bonds payable		94,247		94,247	
Serial and notes payable	2,358,866			2,358,866	
Capital lease	24,231	4,656		28,887	
Compensated absences	26,624	34,732	11,405	72,761	
Total current liabilities	<u>3,785,151</u>	<u>2,499,599</u>	<u>1,623,211</u>	<u>7,907,961</u>	<u>1,410,761</u>
Noncurrent liabilities:					
Bonds payable	489,487	1,535,937		2,025,424	
Serial notes payable	37,982,975			37,982,975	
Capital lease	34,642	16,707		51,349	
Risk management claims				-	7,253,443
Compensated absences	62,123	81,041	26,612	169,776	
Total noncurrent liabilities	<u>38,569,227</u>	<u>1,633,685</u>	<u>26,612</u>	<u>40,229,524</u>	<u>7,253,443</u>
Total liabilities	<u>42,354,378</u>	<u>4,133,284</u>	<u>1,649,823</u>	<u>48,137,485</u>	<u>8,664,204</u>
Net Position:					
Net investment in capital assets	18,064,791	848,022	236,569	19,149,382	
Unrestricted	<u>5,204,621</u>	<u>2,004,428</u>	<u>(498,602)</u>	<u>6,710,447</u>	<u>(2,299,934)</u>
Total Net Position	<u>\$ 23,269,412</u>	<u>\$ 2,852,450</u>	<u>\$ (262,033)</u>	<u>\$ 25,859,829</u>	<u>\$ (2,299,934)</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF STRATFORD, CONNECTICUT

## PROPRIETARY FUNDS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	Major Fund				Activities
	Waste Operating Funds	Emergency Medical Services	Other Nonmajor Funds	Total	Internal Service Fund
Operating Revenues:					
Charges for services	\$ 9,950,290	\$ 1,881,456	\$ 166,186	\$ 11,997,932	\$ 10,325,400
Operating Expenses:					
Operating and maintenance	5,598,554	1,462,198	421,931	7,482,683	7,800,337
Depreciation	3,648,657	147,939	120,960	3,917,556	
Total operating expenses	9,247,211	1,610,137	542,891	11,400,239	7,800,337
Operating Income (Loss)	703,079	271,319	(376,705)	597,693	2,525,063
Nonoperating Revenues (Expenses):					
Interest income	15,610	7,498	47	23,155	
Interest expense	(859,268)	(71,616)		(930,884)	
Total nonoperating revenues (expenses)	(843,658)	(64,118)	47	(907,729)	-
Income (Loss) Before Contributions and Transfers	(140,579)	207,201	(376,658)	(310,036)	2,525,063
Capital Contributions	217,329		131,142	348,471	
Transfers Out	(300,000)	(300,000)		(600,000)	
Change in Net Position	(223,250)	(92,799)	(245,516)	(561,565)	2,525,063
Net Position - Beginning of Year	23,492,662	2,945,249	(16,517)	26,421,394	(4,824,997)
Net Position - End of Year	\$ 23,269,412	\$ 2,852,450	\$ (262,033)	\$ 25,859,829	\$ (2,299,934)

The accompanying notes are an integral part of the financial statements

## TOWN OF STRATFORD, CONNECTICUT

## PROPRIETARY FUNDS

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	Major Fund				Activities
	Waste Operating Funds	Emergency Medical Services	Other Nonmajor Funds	Total	Internal Service Fund
Cash Flows from Operating Activities:					
Cash received from customers and users	\$ 9,576,349	\$ 1,838,889	\$ 179,486	\$ 11,594,724	\$ 10,325,400
Cash payments to suppliers	(3,072,288)	(471,351)	(148,729)	(3,692,368)	(7,733,416)
Cash payments to employees	(2,589,423)	(972,341)	(272,940)	(3,834,704)	
Payments for interfund services	(9,373,732)	(1,890,071)	375,232	(10,888,571)	(2,591,984)
Net cash provided by (used in) operating activities	(5,459,094)	(1,494,874)	133,049	(6,820,919)	-
Cash Flows from Noncapital Financing Activities:					
Transfers to other funds	(300,000)	(300,000)		(600,000)	-
Cash Flows from Capital and Related Financing Activities:					
Proceeds from bonds	489,487			489,487	
Proceeds from capital lease	137,084	25,162		162,246	
Principal payments on debt	(2,340,393)	(94,114)		(2,434,507)	
Principal payments on capital lease	(78,211)	(3,799)		(82,010)	
Interest paid on debt	(867,072)	(71,342)		(938,414)	
Purchase of capital assets	(880,535)	(158,598)		(1,039,133)	
Net cash used in capital and related financing activities	(3,539,640)	(302,691)	-	(3,842,331)	-
Cash Flows from Investing Activities:					
Interest revenues	15,610	7,498	47	23,155	-
Net Increase (Decrease) in Cash and Cash Equivalents	(9,283,124)	(2,090,067)	133,096	(11,240,095)	-
Cash and Cash Equivalents at Beginning of Year	9,311,664	6,066,766	1,015,691	16,394,121	-
Cash and Cash Equivalents at End of Year	\$ 28,540	\$ 3,976,699	\$ 1,148,787	\$ 5,154,026	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ 703,079	\$ 271,319	\$ (376,705)	\$ 597,693	\$ 2,525,063
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	3,648,657	147,939	120,960	3,917,556	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable and deferred charges	(373,941)	(42,567)	13,275	(403,233)	
(Increase) decrease in due from other funds	(5,257,483)	2,400,915		(2,856,568)	(2,592,801)
Increase (decrease) in accounts payable and accrued expenses	(63,157)	18,506	262	(44,389)	(16,475)
Increase (decrease) in risk management claim liability			25	25	83,396
Increase (decrease) in due to other funds	(4,116,249)	(4,290,986)	375,232	(8,032,003)	817
Net Cash Provided by Operating Activities	\$ (5,459,094)	\$ (1,494,874)	\$ 133,049	\$ (6,820,919)	\$ -
Noncash Investing and Capital Financing Activities:					
Contributions of Capital Assets from Town	\$ -	\$ -	\$ 131,142	\$ 131,142	

The accompanying notes are an integral part of the financial statements

## TOWN OF STRATFORD, CONNECTICUT

## FIDUCIARY FUNDS

## STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

JUNE 30, 2013

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Student Activity Agency Fund</u>
Assets:			
Cash and cash equivalents	\$ 797,388	\$ 15	\$ 368,104
Investments:			
Common stocks	40,345,324		
Mutual funds - open end	48,962,216	2,122,342	
Accounts receivable		<u>700,000</u>	
 Total assets	 <u>90,104,928</u>	 <u>2,822,357</u>	 <u>\$ 368,104</u>
Liabilities:			
Due to students and others			<u>\$ 368,104</u>
Net Position:			
Held in Trust for Pension Benefits	90,104,928		
Held in Trust for OPEB Benefits		<u>2,822,357</u>	
 Total net position	 <u>\$ 90,104,928</u>	 <u>\$ 2,822,357</u>	

The accompanying notes are an integral part of the financial statements

## TOWN OF STRATFORD, CONNECTICUT

## FIDUCIARY FUNDS

## STATEMENT OF CHANGES IN PLAN NET POSITION - FIDUCIARY FUNDS

## PENSION TRUST FUND AND OPEB TRUST FUND

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>
Additions:		
Contributions:		
Plan members	\$ 1,784,460	\$
Employer	<u>9,778,500</u>	<u>7,012,000</u>
Total contributions	<u>11,562,960</u>	<u>7,012,000</u>
Investment income:		
Net appreciation in fair market value of investments	10,425,315	29,457
Interest and dividends	<u>945,471</u>	<u>21,311</u>
Total investment income	11,370,786	50,768
Investment fee	<u>(283,568)</u>	<u></u>
Net investment income	<u>11,087,218</u>	<u>50,768</u>
Total additions	<u>22,650,178</u>	<u>7,062,768</u>
Deductions:		
Benefits	19,507,078	6,312,000
Other	<u>222,145</u>	<u></u>
Total deductions	<u>19,729,223</u>	<u>6,312,000</u>
Net Increase	2,920,955	750,768
Net Position - Beginning of Year	<u>87,183,973</u>	<u>2,071,589</u>
Net Position - End of Year	<u>\$ 90,104,928</u>	<u>\$ 2,822,357</u>

The accompanying notes are an integral part of the financial statements

# TOWN OF STRATFORD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Accounting principles generally accepted in the United States of America require that the reporting entity include 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by the Codification, Section 2100, have been considered, and, as a result, there are no agencies or entities that should be but are not included in the financial statements of the Town.

#### B. 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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise 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. However, agency funds, unlike other fiduciary funds, report only assets and liabilities, do not have a measurement focus and follow the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as 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, expenditures related to compensated absences and claims and judgments, as well as landfill closure and postclosure costs, 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:

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

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

The Town reports the following major proprietary funds:

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

The Emergency Medical Services Fund accounts for the operation of ambulance services.

Additionally, the Town reports the following fund types:

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

The Pension Trust Funds account for the activities of the Town's defined benefit and defined contribution pension plans, which accumulate resources for pension benefit payments to qualified employees.

The OPEB Trust Fund accounts for the activities of the Stratford nonpension postemployment benefits for certain retirees and their beneficiaries.

The Agency Fund is used to account for assets held by the Town in an agent capacity for individuals, private organizations or other governments. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town 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 proprietary funds are charges to customers for sales and services. Operating expenses for the funds include the cost of operations and maintenance, 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.

Investments for the Town are reported at fair value.

#### **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.

Property taxes are assessed as of October 1 and are levied for and due on the following July 1. Taxes are due in two installments on July 1 and January 1. Supplemental motor vehicle taxes are due in full January 1. Liens are recorded during the month of April.

## 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 or business-type activities columns in the government-wide financial statements and proprietary fund 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend 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 of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

Capital assets are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

## H. Compensated Absences

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

## **I. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Claims and judgments are normally liquidated from the General Fund.

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

## **J. 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.

Restricted - Net position is restricted because restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component consists of net position that do 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 (Town of Stratford Town Council). A commitment of fund balance and any subsequent modification or rescission requires a resolution of the Stratford Town Council.

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as restricted, committed or nonspendable. For the General Fund, includes amounts constrained for the intent to be used for a specific purpose by the Town of Stratford Town Council.

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.

## **K. Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

#### **General Fund**

The Town's general budget policies are as follows:

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

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

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

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

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

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

Budgeted amounts reported are as originally adopted, or as amended by the Town Council during the course of the year. No supplemental appropriations were approved for year ended June 30, 2013.

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year. If an appropriation is not encumbered, it lapses at year-end and may not be used by the department.

**B. Deficit Fund Equity**

The Town has the following fund deficits at June 30, 2013:

	<u>Amount</u>
School Lunch Program *	\$ 355,307
Miscellaneous Grants *	206,302
Recreation*	5,126
Short Beach Golf Course**	271,164
Internal Service **	2,299,934

\* Deficit will be eliminated through future departmental revenues

\*\* Deficit will be eliminated through future appropriations

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) 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.

## Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$48,169,122 of the Town's bank balance of \$50,079,442 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 43,161,178
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>5,007,944</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 48,169,122</u>

## Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2013, the Town's cash equivalents amounted to \$2,923,340. 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.

	<u>Standard &amp; Poor's</u>
Cutwater Asset Management - Connecticut Cooperative Liquid Assets Securities System (CLASS) Plus	AAAm
Wells Fargo*	
*Not rated	

## Investments

As of June 30, 2013, the Town had the following investments:

Other Investments:	
Common stock	\$ 41,486,643
Mutual funds	<u>52,062,467</u>
 Total Investments	 <u>\$ 93,549,110</u>

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

*Credit Risk - Investments* - 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.

*Concentration of Credit Risk* - The Town's investment policy does not allow for an investment in any one issuer that is in excess of 5% of the Town's 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, 2013, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

## 4. RECEIVABLES

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

	<u>General</u>	<u>Capital Projects</u>	<u>Waste Operating</u>	<u>Emergency Medical Services</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 6,884,611	\$	\$	\$	\$	\$ 6,884,611
Accounts and other	368,539			639,715	942,797	1,951,051
Special assessments		930,218	1,178,262			2,108,480
Intergovernmental	<u>5,901,334</u>				<u>1,134,864</u>	<u>7,036,198</u>
Gross receivables	13,154,484	930,218	1,178,262	639,715	2,077,661	17,980,340
Less allowance for uncollectibles	<u>650,000</u>			<u>135,748</u>		<u>785,748</u>
Net Total Receivables	<u>\$ 12,504,484</u>	<u>\$ 930,218</u>	<u>\$ 1,178,262</u>	<u>\$ 503,967</u>	<u>\$ 2,077,661</u>	<u>\$ 17,194,592</u>

Note: Does not include accrued interest on property taxes of \$5,699,145.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 5,479,868	\$
Special assessments not yet due	917,555	
School building grants	1,723,772	
Housing loans	239,246	
Grant drawdowns and other revenues received prior to meeting all eligibility requirements		1,162,094
Other		971,017
	<hr/>	<hr/>
Total Deferred/Unearned Revenue for Governmental Funds	\$ <u>8,360,441</u>	\$ <u>2,133,111</u>

## 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 12,917,075	\$ 10,268	\$	\$ 12,927,343
Construction in progress	15,745,618	17,686,509	25,080,278	8,351,849
Total capital assets not being depreciated	<u>28,662,693</u>	<u>17,696,777</u>	<u>25,080,278</u>	<u>21,279,192</u>
Capital assets being depreciated:				
Land improvements	10,264,058	3,266,165	201,130	13,329,093
Buildings and improvements	137,496,869	14,668,385	130,495	152,034,759
Machinery and equipment	35,564,180	4,846,179	3,658,221	36,752,138
Infrastructure	93,097,073	5,450,031		98,547,104
Total capital assets being depreciated	<u>276,422,180</u>	<u>28,230,760</u>	<u>3,989,846</u>	<u>300,663,094</u>
Less accumulated depreciation for:				
Land improvements	4,510,887	391,257	200,338	4,701,806
Buildings and improvements	55,210,942	3,129,549	8,546	58,331,945
Machinery and equipment	26,455,322	1,522,830	3,634,130	24,344,022
Infrastructure	73,503,804	1,267,027		74,770,831
Total accumulated depreciation	<u>159,680,955</u>	<u>6,310,663</u>	<u>3,843,014</u>	<u>162,148,604</u>
Total capital assets being depreciated, net	<u>116,741,225</u>	<u>21,920,097</u>	<u>146,832</u>	<u>138,514,490</u>
Governmental Activities Capital Assets, Net	<u>\$ 145,403,918</u>	<u>\$ 39,616,874</u>	<u>\$ 25,227,110</u>	<u>\$ 159,793,682</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 101,117	\$	\$ 101,117	\$ -
Capital assets being depreciated:				
Land improvements	2,286,909	131,143	13,275	2,404,777
Buildings and improvements	70,952,706	600,341		71,553,047
Machinery and equipment	13,767,358	269,641	64,463	13,972,536
Infrastructure	21,277,231	270,268		21,547,499
Total capital assets being depreciated	<u>108,284,204</u>	<u>1,271,393</u>	<u>77,738</u>	<u>109,477,859</u>
Less accumulated depreciation for:				
Land improvements	2,227,250	43,337		2,270,587
Buildings and improvements	17,162,098	3,298,767		20,460,865
Machinery and equipment	11,658,706	266,838	32,870	11,892,674
Infrastructure	12,853,989	308,614		13,162,603
Total accumulated depreciation	<u>43,902,043</u>	<u>3,917,556</u>	<u>32,870</u>	<u>47,786,729</u>
Total capital assets being depreciated, net	<u>64,382,161</u>	<u>(2,646,163)</u>	<u>44,868</u>	<u>61,691,130</u>
Business-Type Activities Capital Assets, Net	<u>\$ 64,483,278</u>	<u>\$ (2,646,163)</u>	<u>\$ 145,985</u>	<u>\$ 61,691,130</u>

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

Governmental activities:	
General government	\$ 270,973
Human development	285,894
Physical development	2,136,341
Public safety	1,012,697
Education	<u>2,604,758</u>
Total Depreciation Expense - Governmental Activities	\$ <u><u>6,310,663</u></u>
Business-type activities:	
Waste operating	\$ 3,648,657
Short Beach Golf Course	109,892
Miniature Golf Course	11,068
Emergency medical services	<u>147,939</u>
Total Depreciation Expense - Business-Type Activities	\$ <u><u>3,917,556</u></u>

## 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of June 30, 2013, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 49,117,690	\$ 48,004,793
Nonmajor Governmental Funds:		
Community Development	62,256	128,815
Education Federal and State Programs	24,357	15,441
Shellfish and Oysters		2,082
Railroad Property	828,475	
Miscellaneous Grants	840,038	705,930
Recreation	13,575	2,227,079
Department of Children and Family Services	253,529	109,182
Counseling Center	24,654	14,508
Harbor Management		13,284
Recycling	13,117	
Gas Pipeline	478,476	
Town Aid Road	437,142	485,392
Senior Citizens	75,909	
Redevelopment Agency	414,730	
Reserve Fund	795,249	
Capital Projects Funds	33,663,898	42,022,603
Enterprise Funds:		
Waste Operating	5,461,996	1,224,839
Emergency Medical Services	817	2,320,049
Short Beach Golf Course	2,434	1,578,959
Miniature Golf		18,839
Internal Service Fund	6,364,270	817
Interfund eliminations	<u>(622,541)</u>	<u>(622,541)</u>
Total	<u>\$ 98,250,071</u>	<u>\$ 98,250,071</u>

All balances resulted from the time lag between the dates payments occur between funds for various activities.

Interfund transfers:

	<b>Transfers In</b>			
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Transfers out:				
General Fund	\$	\$ 1,742,620	\$ 137,600	\$ 1,880,220
Waste Operating Fund	300,000			300,000
EMS Fund	300,000			300,000
Nonmajor governmental funds	<u>100,000</u>			<u>100,000</u>
<b>Total</b>	<b><u>\$ 700,000</u></b>	<b><u>\$ 1,742,620</u></b>	<b><u>\$ 137,600</u></b>	<b><u>\$ 2,580,220</u></b>

All transfers are for regularly recurring operational transfers.

## 7. LONG-TERM DEBT

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds and notes	\$ 129,614,351	\$ 21,475,000	\$ 14,275,373	\$ 136,813,978	\$ 15,655,886
Premium on general obligation bonds	2,232,012		181,438	2,050,574	181,438
Deferred amount on refunding	(2,149,580)		(346,148)	(1,803,432)	(346,148)
Capital leases	2,299,855	2,097,164	2,556,313	1,840,706	828,994
Claims and judgments	750,000			750,000	
Compensated absences	6,446,173	1,251,649	1,933,852	5,763,970	1,729,191
Landfill monitoring closure and postclosure costs	12,000,000			12,000,000	
OPEB liability	33,006,700	5,082,800		38,089,500	
Risk management	<u>8,533,897</u>	<u>1,465,293</u>	<u>1,381,897</u>	<u>8,617,293</u>	<u>1,363,850</u>
<b>Governmental Activities Long-Term Liabilities</b>	<b><u>\$ 192,733,408</u></b>	<b><u>\$ 31,371,906</u></b>	<b><u>\$ 19,982,725</u></b>	<b><u>\$ 204,122,589</u></b>	<b><u>\$ 19,413,211</u></b>
Business-type activities:					
General obligation bonds payable	\$ 1,992,764	\$ 489,487	\$ 364,114	\$ 2,118,137	\$ 94,114
Premium on general obligation bonds	44,940		3,595	41,345	3,595
Deferred amount on refunding	(43,273)		(3,462)	(39,811)	(3,462)
Notes payable	42,682,234		2,340,393	40,341,841	2,358,866
Capital leases		162,246	82,010	80,236	28,887
Compensated absences	<u>301,150</u>	<u>55,622</u>	<u>114,235</u>	<u>242,537</u>	<u>72,761</u>
<b>Business-Type Activities Long-Term Liabilities</b>	<b><u>\$ 44,977,815</u></b>	<b><u>\$ 707,355</u></b>	<b><u>\$ 2,900,885</u></b>	<b><u>\$ 42,784,285</u></b>	<b><u>\$ 2,554,761</u></b>

For the governmental activities, compensated absences and OPEB obligations are generally liquidated by the General Fund.

As of June 30, 2013, the outstanding general obligation bonded indebtedness of the Town recorded in the governmental activities was as follows:

School bonds with interest rates ranging from 2.0% to 5.125% and varying expiration dates ranging from August 2013 to December 2033	\$ 31,746,943
General obligation pension bonds with interest rates ranging from .6% to 3.1% and varying expiration dates to June 2018	37,280,000
General obligation bonds with interest rates ranging from 2.0% - 5.125% and expiration dates from April 2013 to December 2033	<u>67,787,035</u>
Total	<u>\$ 136,813,978</u>

The annual debt service requirements of the Town's bonded indebtedness recorded in governmental activities described above are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 15,655,886	\$ 4,486,617	\$ 20,142,503
2015	15,355,239	3,824,508	19,179,747
2016	15,471,239	3,400,545	18,871,784
2017	15,612,239	2,934,937	18,547,176
2018	15,817,239	2,407,944	18,225,183
2019-2023	30,704,195	7,669,174	38,373,369
2024-2028	18,998,659	3,238,233	22,236,892
2029-2033	<u>9,199,282</u>	<u>642,570</u>	<u>9,841,852</u>
Total	<u>\$ 136,813,978</u>	<u>\$ 28,604,528</u>	<u>\$ 165,418,506</u>

The State of Connecticut reimburses the Town for eligible principal and interest costs of the portion of the capital improvement bond issues used for school construction. The amount of such reimbursement for the year ended June 30, 2013 was approximately \$479,135. Additional payments for bond principal aggregating approximately \$1.7 million are expected to be received through the bonds' maturity dates.

### **Prior Year Refunding**

In prior years, the Town had defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2013, \$5,280,000 of bonds outstanding is considered defeased.

### **Compensated Absences**

Included in long-term liabilities is the estimated obligation for employee compensated absences that has not become due, aggregating \$6,006,507 as of June 30, 2013.

The liability for compensated absences will be funded from the General Fund and the Enterprise Funds.

**Bond Authorizations**

Bonds authorized but unissued at June 30, 2013 are as follows:

General purpose	\$ 5,885,821
Schools	73,104,349
Sewers	<u>1,327,141</u>
 Total	 \$ <u><u>80,317,311</u></u>

**Business-Type Activities Obligations**

At June 30, 2013, long-term debt in the Enterprise Funds consists of the following:

Energy bonds with interest rates rate of 3.24% and expiring on June 30, 2030	\$ 489,487
Emergency Management Facility bonds with interest rates ranging from 2.0% to 5.125% and varying expiration dates ranging from August 2022 to December 2027	1,628,650
Clean Water Fund notes, due in varying installments, plus interest at 2%, through 2030	<u>40,341,841</u>
 Total	 \$ <u><u>42,459,978</u></u>

The annual debt service requirements of the business-type activities are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,452,980	\$ 844,967	\$ 3,297,947
2015	2,416,424	795,012	3,211,436
2016	2,325,852	747,510	3,073,362
2017	2,369,091	700,167	3,069,258
2018	2,414,223	651,430	3,065,653
2019-2023	12,812,623	2,484,561	15,297,184
2024-2028	13,952,563	1,097,993	15,050,556
2029-2030	<u>3,716,222</u>	<u>51,902</u>	<u>3,768,124</u>
 Total	 \$ <u><u>42,459,978</u></u>	 \$ <u><u>7,373,542</u></u>	 \$ <u><u>49,833,520</u></u>

## Debt Limitation

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 346,259	\$ 75,302	\$ 270,957
Schools	692,519	103,187	589,332
Sewers	577,099	42,158	534,941
Urban renewal	500,152		500,152
Pension deficit	461,679	37,280	424,399

The total overall statutory debt limit for the Town does not exceed the legal debt limitation that is equal to seven times annual receipts from taxation (\$1,077.3 million).

## Capital Leases

### Governmental Activities

The Town has entered into multi-year capital leases for the purchase of various capital items including energy efficiency improvements.

The assets acquired through capital leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2014	\$ 861,487
2015	166,360
2016	122,021
2017	132,384
2018	120,343
Thereafter	<u>565,379</u>
Total minimum lease payments	1,967,974
Less amount representing interest	<u>(127,268)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,840,706</u>

The net book value approximates the capital lease principal balance payable at June 30, 2013.

During 2013 the town made principal payments of \$2,556,313. The following is a summary of capital lease commitments as of June 30, 2013.

Asset Class:	
Building and Improvements	\$ 1,333,978
Machinery and Equipment	2,189,635
Less accumulated depreciation	<u>(676,532)</u>
Net Book Value	\$ <u><u>2,847,081</u></u>

### Business-Type Activities

The WPCA and EMS has entered into multi-year capital leases for the purchase of various capital items including energy efficiency improvements.

The assets acquired through capital leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2014	\$ 31,043
2015	6,464
2016	6,464
2017	7,498
2018	4,441
Thereafter	<u>32,216</u>
Total minimum lease payments	88,126
Less amount representing interest	<u>(7,890)</u>
Present Value of Minimum Lease Payments	\$ <u><u>80,236</u></u>

The net book value approximates the capital lease principal balance payable at June 30, 2013.

During 2013 the WPCA and EMS fund made principal payments of \$82,010. The following is a summary of capital lease commitments as of June 30, 2013.

Asset Class:	
Building and Improvements	\$ 104,051
Machinery and Equipment	25,162
Less accumulated depreciation	<u>(3,055)</u>
Net Book Value	\$ <u><u>126,158</u></u>

## 8. FUND BALANCES

The components of fund balance for the governmental funds at June 30, 2013 are as follows:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 27,986	\$ 27,986
Restricted for:				
Grants			80,539	80,539
Education			2,929,987	2,929,987
Committed to:				
Human development			1,440,490	1,440,490
Physical development			612,554	612,554
Public safety			264,155	264,155
Capital projects		18,294,391		18,294,391
Assigned to:				
General government-encumbrances	228,500			228,500
Physical development -encumbrances	21,391			21,391
Education-encumbrances	1,338,964			1,338,964
Dog Fund	77,238			77,238
Unassigned	9,497,442		(594,721)	8,902,721
<b>Total Fund Balances</b>	<b>\$ <u>11,163,535</u></b>	<b>\$ <u>18,294,391</u></b>	<b>\$ <u>4,760,990</u></b>	<b>\$ <u>34,218,916</u></b>

Significant encumbrances at June 30, 2013 are contained in the above table in both the assigned and committed categories

## 9. RISK MANAGEMENT

The Town is self-insured for workers' compensation and heart and hypertension benefits. The Town recognizes a liability for workers' compensation claims payable and for claims incurred but not reported based on actuarial analysis of claim history and for other self-insured claims that are probable of loss based on a case-by-case review.

Changes in the liabilities for self-insured risks are as follows:

<u>Fiscal Year</u>	<u>Claims Payable, July 1</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Payment Of Claims</u>	<u>Claims Payable, June 30</u>
2012	\$ 8,014,817	\$ 14,748,353	\$ 14,229,273	\$ 8,533,897
2013	8,533,897	7,816,812	7,733,416	8,617,293

## **10. COMMITMENTS AND CONTINGENCIES**

### **Lawsuits**

There are several personal injury, negligence and personnel related lawsuits pending against the Town. The outcome and eventual liability of the Town, if any, in these cases is not known at this time. Based upon consultation with legal counsel, the Town's management estimates that potential claims against the Town not covered by insurance resulting from such litigation would not materially affect the financial position of the Town. The Town has recorded in the government-wide financial statements \$750,000 to cover claims not covered by insurance. At this time, the Town has determined that none of the claims outstanding are due within the next 12 months.

### **Municipal Solid Waste Service Agreement**

The Town has entered into a municipal solid waste agreement, as amended (the Service Agreement) with the Connecticut Resources Recovery Authority (the Authority) pursuant to which it participates with 11 other Connecticut municipalities (the 12 constituting the Contracting Municipalities), in the Greater Bridgeport Resources Recovery System (the System). This agreement took effect on January 1, 2009 and expires on June 30, 2014.

The key terms of this Service Agreement include: The Town of Stratford is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries up to its minimum commitment of 27,144 tons per year. The aggregate minimum commitment of all of the Contracting Municipalities is 265,000 tons per year.

The 2013 tipping fee is \$64.31 per ton and is adjusted annually based on 75% of the increase in the consumer price index (CPI). Tipping fees adjustments will be applied as changes occur to the cost of diesel fuel, as environmental costs increase and as additional taxes are imposed. The 2013 CRRRA (Authority) fee is \$2.15 per ton and will be adjusted annually based on the CPI.

Towns not delivering their guaranteed minimum tonnage shall share, as agreed to among the municipalities or proportionately, any lost tip fees resulting from the failure to deliver 90% of the aggregate guaranteed tonnage in any contract year. Towns delivering in excess of their guaranteed minimum shall share the cost of any excess waste disposal charges imposed upon delivery of more than 110% of the aggregate guaranteed tonnage in any one year. Adjustments to aggregate guaranteed tonnage may occur if reductions are realized through new recycling ventures.

## 11. OTHER POSTEMPLOYMENT BENEFITS

### Post Employment Benefits

#### A. Plan Description and Membership

The Town, in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The single-employer plan covers Town, Board of Education, Police and Fire employees as further defined in collective bargaining agreements and other written materials. Eligibility and premium sharing information is detailed in the various collective bargaining agreements. The Town does not issue separate stand alone financial statements for the plan. At July 1, 2010, plan membership consisted of the following:

Active members	1,095
Retired members	797
Spouses of retired members	<u>353</u>
Total Participants	<u><u>2,245</u></u>

#### B. Funding Policy

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

##### Town Hall

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

##### **Medical Benefits:**

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

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

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

##### **Life Insurance:**

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

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

##### Police

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

##### **Medical Benefits:**

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

**Life Insurance:**

\$5,000 until age 65.

**Firefighters**

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

**Medical Benefits:**

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

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

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

**Public Works**

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

**Medical Benefits:**

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

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

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

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

**Life Insurance:**

\$5,000 until age 65.

**Supervisors**

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

**Medical Benefits:**

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

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

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

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

**Life Insurance:**

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

### **BOE Custodians**

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

#### **Medical and Dental Benefits:**

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

#### **Life Insurance:**

\$15,000.

### **BOE Nurses**

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

#### **Medical and Dental Benefits:**

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

### **BOE Administrators**

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

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

#### **Medical and Dental Benefits:**

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

### **BOE Paraprofessional/Cafeteria Workers**

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

#### **Medical and Dental Benefits:**

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

#### **Life Insurance:**

\$7,000.

### **BOE Secretaries**

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

#### **Medical and Dental Benefits:**

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

#### **Life Insurance:**

\$15,000.

## **BOE Teachers**

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

### **Medical and Dental Benefits:**

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

### **C. Description of Actuarial Assumptions and Methods**

The following is a summary of certain significant actuarial assumptions and other PERS information:

	<u>Town</u>	<u>Board of Education</u>
Actuarial valuation date	July 1, 2010	July 1, 2010
Actuarial cost method	Projected Unit Credit Cost	Projected Unit Credit Cost
Amortization method	Level dollar	Level dollar
Remaining amortization period	28 years - closed	28 years - closed
Actuarial assumptions:		
Investment rate of return	7.75%/annum	7.75%/annum
Medical inflation rate	4.0%/annum	4.0%/annum

### **D. Annual OPEB Cost and Net OPEB Obligations**

The Town of Stratford's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation (asset):

	<u>Town</u>	<u>Board of Education</u>
Annual required contribution (ARC)	\$ 6,965,000	\$ 4,678,400
Interest on OPEB obligation	1,482,100	1,076,000
Adjustment to annual required contribution	<u>(1,220,600)</u>	<u>(886,100)</u>
Annual OPEB cost	7,226,500	4,868,300
Contributions made	<u>3,927,300</u>	<u>3,084,700</u>
Increase in net OPEB obligation	3,299,200	1,783,600
Net OPEB obligation, Beginning of Year	<u>19,123,300</u>	<u>13,883,400</u>
Net OPEB Obligation, End of Year	<u>\$ 22,422,500</u>	<u>\$ 15,667,000</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2013 is presented below.

**Town**

<b><u>Fiscal Year Ended</u></b>	<b><u>Annual OPEB Cost (AOC)</u></b>	<b><u>Actual Contribution</u></b>	<b><u>Percentage of AOC Contributed</u></b>	<b><u>Net OPEB Obligation (Asset)</u></b>
6/30/2011	\$ 9,186,500	\$ 3,265,600	35.5	\$ 15,887,000
6/30/2012	6,752,700	3,516,400	52.1	19,123,300
6/30/2013	7,226,500	3,927,300	54.4	22,422,500

**Board of Education**

<b><u>Fiscal Year Ended</u></b>	<b><u>Annual OPEB Cost (AOC)</u></b>	<b><u>Actual Contribution</u></b>	<b><u>Percentage of AOC Contributed</u></b>	<b><u>Net OPEB Obligation (Asset)</u></b>
6/30/2011	\$ 5,761,900	\$ 2,074,200	36.0	\$ 12,308,400
6/30/2012	4,577,000	3,002,000	65.6	13,883,400
6/30/2013	4,868,300	3,084,700	63.7	15,667,000

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The following schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## Schedule of Funding Progress

### Town

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Funded (Unfunded) AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
7/1/2007	\$ -	\$ 55,487,000	\$ 55,487,000	0.0	\$ N/A	N/A
7/1/2008	-	58,760,000	58,760,000	0.0	N/A	N/A
7/1/2010	-	67,290,000	67,290,000	0.0	N/A	N/A

### Board of Education

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Funded (Unfunded) AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
7/1/2007	\$ -	\$ 42,562,000	\$ 42,562,000	0.0	\$ N/A	N/A
7/1/2008	-	63,155,000	63,155,000	0.0	N/A	N/A
7/1/2010	-	44,046,000	44,046,000	0.0	N/A	N/A

## Schedule of Employer Contribution

### Town

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2008	\$ 4,811,100	56.0
6/30/2009	5,164,000	55.7
6/30/2010	8,617,400	36.1
6/30/2011	9,171,800	35.6
6/30/2012	6,511,300	54.0
6/30/2013	6,965,000	56.4

## **Board of Education**

<b><u>Fiscal Year Ended</u></b>	<b><u>Annual Required Contribution</u></b>	<b><u>Percentage Contributed</u></b>
6/30/2008	\$ 3,971,900	49.4
6/30/2009	5,083,500	37.0
6/30/2010	5,404,400	37.4
6/30/2011	5,749,200	36.1
6/30/2012	4,390,000	68.4
6/30/2013	4,678,400	65.9

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit cost between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

## **12. LANDFILL CLOSURE AND POSTCLOSURE MONITORING**

State and federal laws and regulations require that the Town place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The estimated total current cost of the landfill closure and postclosure care, aggregating approximately \$12.0 million, is based on the amount estimated to be paid for all equipment, facilities and services required to close, monitor and maintain the landfills as of June 30, 2013. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through the issuance of general obligation bonds and state and federal grants. The Town is currently in discussions with the Department of Environmental Protection to develop and implement a superfund site plan, which needs to occur prior to the capping process. Therefore, there is no current portion of the liability reflected in the financial statements. Once an agreement is established the current portion will be reported.

## **13. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

### **Employee Defined Benefit Pension Plan**

#### **A. Plan Description**

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

As of July 1, 2011, the date of the most recent actuarial valuation, membership consisted of the following:

Retirees and beneficiaries:	
Currently receiving benefits	613
Vested, benefits deferred	19
Current employees:	
Vested	239
Nonvested	91
Suspended	17
	<hr/>
Total	<u>979</u>

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

### **B. Summary of Significant Accounting Policies and Plan Asset Matters**

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

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

### **C. Funding Policy**

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

Under the Town's defined benefit plan, all employees hired and working 20 hours or more per week are eligible. Employees are 100% vested after 10 years of service. The retirement benefit is calculated at 2.4% of average compensation during the 24 months immediately prior to retirement multiplied by up to 25 years of service. The calculation for service over 25 years varies by union contract. Employees are required to contribute 8% of their salaries to the defined benefit plan except for Police hired after October 17, 1996 who contribute 7%. If an employee leaves covered employment or dies before 10 years of service, accumulated employee contributions and related investment earnings are refunded. The Town is required to contribute the remaining amounts necessary to finance the coverage for its employees. Benefits and contributions are established by the Town and may be amended only by the Town Council and Union negotiations.

**D. Annual Pension Cost and Net Pension Obligation**

The Town’s annual pension cost and net pension obligation to the plan for the year ended June 30, 2013 were as follows:

Annual required contribution	\$ 10,264,676
Interest on net pension obligation	(1,151,694)
Adjustment to annual required contribution	<u>973,149</u>
Annual pension cost	10,086,131
Contributions made	<u>9,778,500</u>
Decrease in net pension asset	307,631
Net Pension Asset, July 1, 2012	<u>(14,860,574)</u>
Net Pension Asset, June 30, 2013	\$ <u>(14,552,943)</u>

The following is a summary of certain significant actuarial assumptions and other plan information:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Closed
Remaining amortization period	24 years
Asset valuation method	5 Year Smoothed Market Value
Investment rate of return	7.75% per annum
Retirement:	
Police	25 years of continuous service
Fire	25 years of continuous service
Board of Education and Supervisors	23 years of continuous service and, if hired after 4/1/85, age 50, or 5 years of service and age 55.
Para-Professionals	23 years of continuous service and, if hired after 4/1/85, age 50, or 5 years of service and age 55.
Public Works	23 years of continuous service and, if hired after 7/1/85, age 50, or 5 years of service and age 55.
Town Hall and Nurses	23 years of continuous service and, if hired after 7/1/77, age 50, or 5 years of service and age 55.
Mortality table	1994 Group Annuity Mortality Table
Salary increases	3-6% per annum
Inflation rate	2.5% per annum
Post-retirement benefit increases	0.0% per annum

## E. Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
6/30/2011	\$ 8,413,247	101.3	\$ (14,663,325)
6/30/2012	8,296,525	102.4	(14,860,574)
6/30/2013	10,086,131	96.9	(14,552,943)

## Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2008	\$ 5,646,579	100.4
6/30/2009	5,622,712	93.2
6/30/2010	7,233,412	100.0
6/30/2011	8,526,398	100.0
6/30/2012	8,521,128	99.7
6/30/2013	10,264,676	95.3

## F. Pension Plan Required Supplementary Information

### Schedule of Funding Progress (In Thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Funded (Unfunded) AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
7/1/2006	\$ 11,053	\$ 204,337	\$ 193,284	5.4	\$ 24,882	537
7/1/2007	136,090	208,935	72,845	65.1	24,495	297.4
7/1/2008	132,753	225,549	92,796	58.9	24,002	386.6
7/1/2009	123,652	232,659	92,796	53.1	24,238	449.7
7/1/2010	116,886	238,530	121,644	49.0	23,992	507
7/1/2011	114,143	259,719	145,576	43.9	23,552	618.1

## **Defined Contribution Pension Plan**

The Town administers a defined contribution pension plan that was opened to new members and contributions beginning in 1999. In a defined contribution plan, benefits depend solely on the amounts contributed to the plan plus investment earnings. Employees are vested after five years of service with the Town and contribute between 6-8% annually, depending on the union. Plan investments are reported at fair value. Benefits and contributions are established by the Town and may be amended by the Town Council and union negotiations. The Town's contribution for the fiscal years ended June 30, 2013 and 2012, were \$910,802 and \$725,649, respectively.

## **Connecticut State Teachers' Retirement System**

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut or has attained any age and has accumulated 35 years of credited service, at least 25 of which are service in the public schools of Connecticut. The financial statements of the plan are available from the Connecticut State Teachers' Retirement Board, 21 Grand Street, Hartford, Connecticut 06105.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not, and is not legally responsible to, contribute to the plan.

The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual city/town basis.

In addition, the Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were \$9,904,464 for the year ended June 30, 2013.

**Required Supplementary  
Information**

## TOWN OF STRATFORD, CONNECTICUT

## GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Property taxes:				
Current levy	\$ 151,595,511	\$ 151,595,511	\$ 152,458,004	\$ 862,493
Arrears	1,950,000	1,950,000	184,330	(1,765,670)
Interest and lien fees	1,088,000	1,088,000	1,126,102	38,102
Payments in lieu of taxes	261,000	261,000	283,980	22,980
Total property taxes	<u>154,894,511</u>	<u>154,894,511</u>	<u>154,052,416</u>	<u>(842,095)</u>
Intergovernmental revenues:				
State:				
Education equalization grant	21,061,602	21,061,602	21,069,642	8,040
School bond principal	477,682	477,682	477,682	-
School bond interest	84,274	84,274	84,274	-
Special education	1,520,536	1,520,536	1,520,536	-
Veterans' additional relief	166,278	166,278	162,980	(3,298)
In lieu of State property tax	376,294	376,294	385,100	8,806
Health and welfare	83,530	83,530	87,911	4,381
State disability exemption	9,867	9,867	9,128	(739)
Elderly exemption and circuit breaker	560,000	560,000	550,673	(9,327)
Elderly freeze	10,000	10,000	10,000	-
State transportation	250,350	250,350	280,873	30,523
State nonpublic transportation	57,000	57,000	88,831	31,831
State telephone 86-178	119,600	119,600	139,234	19,634
Municipal revenue sharing	2,838,621	2,838,621	3,821,338	982,717
Airplane registration	50,000	50,000	54,355	4,355
Mashantucket grant	159,014	159,014	217,465	58,451
Energy rebates	1,098,671	1,098,671	801,296	(297,375)
Total state	<u>28,923,319</u>	<u>28,923,319</u>	<u>29,761,318</u>	<u>837,999</u>
Federal:				
Civil preparedness	13,000	13,000	1,200	(11,800)
Federal grants			2,642,921	2,642,921
Total federal	<u>13,000</u>	<u>13,000</u>	<u>2,644,121</u>	<u>2,631,121</u>
Total intergovernmental revenues	<u>28,936,319</u>	<u>28,936,319</u>	<u>32,405,439</u>	<u>3,469,120</u>

(Continued on next page)

## TOWN OF STRATFORD, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Departmental revenues:				
Town Clerk	\$ 710,200	\$ 710,200	\$ 701,062	\$ (9,138)
Police Department	68,500	68,500	68,151	(349)
Planning and Zoning	68,050	68,050	94,445	26,395
Health Department	191,650	191,650	218,334	26,684
Education	39,000	39,000	140,666	101,666
Public Works	12,750	12,750	13,005	255
Finance	100,000	100,000	320,931	220,931
Recreation	290,750	290,750	242,998	(47,752)
Sanitation	205,000	205,000	178,368	(26,632)
Inland Wetlands	22,500	22,500	15,989	(6,511)
Baldwin Center	7,500	7,500	10,591	3,091
Total departmental revenues	<u>1,715,900</u>	<u>1,715,900</u>	<u>2,004,540</u>	<u>288,640</u>
Licenses and permits:				
Building permits	310,000	310,000	471,120	161,120
Boothe Memorial Park income	36,000	36,000	22,502	(13,498)
Building education training fee	1,400	1,400	308	(1,092)
Public Works licenses	1,300	1,300	1,500	200
Street and sewer permits	20,000	20,000	20,400	400
Total licenses and permits	<u>368,700</u>	<u>368,700</u>	<u>515,830</u>	<u>147,130</u>
Investment income	<u>60,000</u>	<u>60,000</u>	<u>41,670</u>	<u>(18,330)</u>
Other:				
Miscellaneous rental:				
Cell tower rentals	112,000	112,000	116,545	4,545
Other Baldwin rental	2,000	2,000	2,875	875
Land use rent	650,000	650,000	650,000	
Medicare reimbursement	60,000	60,000	146,029	86,029
Health reimbursements	1,880,000	1,880,000	2,156,202	276,202
Social Security reimbursements	335,000	335,000	293,028	(41,972)
Fire and liability reimbursements	208,946	208,946	208,946	-
Fire administration miscellaneous revenue	20,000	20,000	31,812	11,812
Medical examination reimbursements	15,000	15,000	12,690	(2,310)
Workers' compensation reimbursement	224,515	224,515	224,515	-
Workers' compensation recovery	50,000	50,000	50,000	-

(Continued on next page)

## TOWN OF STRATFORD, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other (continued):				
Insurance recovery	\$ 25,000	\$ 25,000	\$ 25,423	\$ 423
Historic Commission fees	200	200	245	45
Capital improvement earnings	30,000	30,000	21,774	(8,226)
Donation			2,550	2,550
Plan forfeits	100	100	-	(100)
Police special duty - administration	73,000	73,000	119,206	46,206
Police special duty - reimbursement			1,083,591	1,083,591
Miscellaneous	14,450	14,450	35,870	21,420
WPCA Contractual Services	450,000	450,000	484,587	34,587
Boothe Estates	36,000	36,000	35,149	(851)
Total other	<u>4,186,211</u>	<u>4,186,211</u>	<u>5,701,037</u>	<u>1,514,826</u>
Total revenues	190,161,641	190,161,641	194,720,932	4,559,291
Other financing sources:				
Transfers in	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>-</u>
Total	<u>\$ 190,861,641</u>	<u>\$ 190,861,641</u>	195,420,932	<u>\$ 4,559,291</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted	9,904,464
The Town does not budget for capital leases issuances in the general fund.	
These amounts are recorded as revenues and expenditures for GAAP financial statement purposes	2,097,164
Dog Fund revenue not budgeted in the General Fund	<u>48,883</u>

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

\$ 207,471,443

## TOWN OF STRATFORD, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Administration:				
Council Clerk	\$ 69,724	\$ 69,724	\$ 65,145	\$ 4,579
Office of the Mayor	251,790	251,790	267,350	(15,560)
Human resources	593,743	593,743	699,912	(106,169)
Town Attorney	1,552,000	1,552,000	1,403,720	148,280
Chief Administrative Officer	210,975	210,975	206,552	4,423
Department of Planning	270,071	270,071	271,105	(1,034)
Registrar of Voters	217,028	217,028	215,665	1,363
Town Clerk	360,648	360,648	334,015	26,633
Town buildings	542,600	542,600	520,905	21,695
Agencies	142,335	142,335	130,679	11,656
Total	<u>4,210,914</u>	<u>4,210,914</u>	<u>4,115,048</u>	<u>95,866</u>
Contingency	<u>2,959,767</u>	<u>2,959,767</u>	<u>2,853,457</u>	<u>106,310</u>
Employee benefits	<u>27,196,768</u>	<u>27,196,768</u>	<u>27,030,002</u>	<u>166,766</u>
Finance:				
Administration	156,965	156,965	169,451	(12,486)
Accounting	452,055	452,055	400,775	51,280
Data processing	540,190	540,190	434,461	105,729
Purchasing	150,342	150,342	152,543	(2,201)
Tax Assessor	400,333	400,333	383,980	16,353
Tax Collector	427,232	427,232	414,954	12,278
Total	<u>2,127,117</u>	<u>2,127,117</u>	<u>1,956,164</u>	<u>170,953</u>
Human development:				
Community services	239,718	239,718	245,295	(5,577)
Economic Community Development	215,700	215,700	165,196	50,504
Health Department	518,449	518,449	547,670	(29,221)
Recreation Department	636,517	636,517	642,344	(5,827)
Senior Services	523,629	523,629	480,222	43,407
Sterling House	128,142	128,142	128,142	-
Stratford Library Association	2,826,714	2,826,714	2,827,423	(709)
Visiting Nurses Association	53,500	53,500	53,500	-
Short Beach	163,740	163,740	160,071	3,669
Total	<u>5,306,109</u>	<u>5,306,109</u>	<u>5,249,863</u>	<u>56,246</u>

(Continued on next page)

## TOWN OF STRATFORD, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Physical development:				
Public works:				
Administration	\$ 1,139,140	\$ 1,139,140	\$ 3,308,313	\$ (2,169,173)
Building inspection	217,622	217,622	225,391	(7,769)
Building maintenance	1,499,262	1,499,262	1,565,294	(66,032)
Engineering	538,034	538,034	542,461	(4,427)
Parks	2,028,434	2,028,434	2,055,854	(27,420)
Highways	2,515,706	2,515,706	2,664,708	(149,002)
Town garage	656,874	656,874	722,908	(66,034)
Sanitation/refuse	4,006,760	4,006,760	4,049,005	(42,245)
Total	<u>12,601,832</u>	<u>12,601,832</u>	<u>15,133,934</u>	<u>(2,532,102)</u>
Public safety:				
Fire Department:				
Administration	707,301	708,301	662,839	45,462
Firefighting	9,773,296	9,772,296	10,561,057	(788,761)
Fire prevention	296,737	296,737	276,806	19,931
Police Department:				
Administration	1,123,317	1,123,317	1,051,397	71,920
Investigation	1,621,703	1,621,703	1,778,191	(156,488)
Patrol	5,347,262	5,347,262	6,594,523	(1,247,261)
Records	362,174	362,174	295,346	66,828
Traffic	722,306	722,306	649,745	72,561
Professional Standards	535,455	535,455	408,604	126,851
Communications center	853,206	853,206	945,353	(92,147)
Total	<u>21,342,757</u>	<u>21,342,757</u>	<u>23,223,861</u>	<u>(1,881,104)</u>
Board of Education	<u>93,992,529</u>	<u>93,992,529</u>	<u>93,980,808</u>	<u>11,721</u>
Debt service:				
Bonds payable:				
Principal retirement	15,321,004	15,321,004	15,962,432	(641,428)
Interest	3,292,247	3,292,247	3,140,558	151,689
Total	<u>18,613,251</u>	<u>18,613,251</u>	<u>19,102,990</u>	<u>(489,739)</u>
Total expenditures	<u>188,351,044</u>	<u>188,351,044</u>	<u>192,646,127</u>	<u>(4,295,083)</u>

(Continued on next page)

## TOWN OF STRATFORD, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing uses:				
Transfers out	\$ 2,268,445	\$ 2,268,445	\$ 1,880,220	\$ 388,225
Total	\$ 190,619,489	\$ 190,619,489	194,526,347	\$ (3,906,858)

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers'

Retirement System for Town teachers are not budgeted

9,904,464

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

560,033

The Town does not budget for capital leases issuances in the general fund.

These amounts are recorded as revenues and expenditures for GAAP  
financial statement purposes

2,097,164

Dog Fund expenditures not budgeted in the general fund

294,342Total Expenditures and Other Financing Uses as Reported on the Statement of  
Revenues, Expenditures and Changes in Fund Balances - Governmental Funds -  
Exhibit IV\$ 207,382,350

# **Combining and Individual Fund Statements and Schedules**

**General Fund**

## **GENERAL FUND**

The General Fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund.

## TOWN OF STRATFORD, CONNECTICUT

## GENERAL FUND

## BALANCE SHEET

JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 10,796,220	\$ 3,726,393
Investments		
Receivables, net	12,504,484	7,822,638
Due from other funds	<u>49,117,690</u>	<u>44,941,165</u>
Total Assets	<u>\$ 72,418,394</u>	<u>\$ 56,490,196</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 5,053,364	\$ 3,639,950
Accrued liabilities	829,957	904,171
Deferred revenue	7,366,745	5,816,019
Due to other funds	<u>48,004,793</u>	<u>35,055,614</u>
Total liabilities	<u>61,254,859</u>	<u>45,415,754</u>
Fund balance:		
Assigned	1,666,093	2,284,297
Unassigned	<u>9,497,442</u>	<u>8,790,145</u>
Total fund balance	<u>11,163,535</u>	<u>11,074,442</u>
Total Liabilities and Fund Balance	<u>\$ 72,418,394</u>	<u>\$ 56,490,196</u>

TOWN OF STRATFORD, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2013

Grand List	Uncollected Taxes July 1, 2012	Current Levy	Lawful Corrections	Transfers To Suspense	Adjusted Taxes Collectible	Collections				Total Collected	Uncollected Taxes June 30, 2013
						Taxes Paid	Interest	Lien	Other		
2011	\$	\$ 155,375,791	\$ 21,129	\$ (4,298)	\$ 155,392,622	\$ 151,858,937	\$ 617,482	\$ 1,072	\$ 46,429	\$ 152,523,920	\$ 3,533,685
2010		2,694,128	(179,438)		2,514,690	1,210,816	354,434	7,191	36,983	1,609,424	1,303,874
2009		784,476	(79,252)		705,224	(277,863)	107,045	1,395	36,824	(132,599)	983,087
2008		602,436	(24,261)	(433,727)	144,448	(17,314)	33,636	603	16,526	33,451	161,762
2007		14,974	41		15,015	(52,221)	(6,580)	648	(24)	(58,177)	67,236
2006		(1,390)	41		(1,349)	(77,970)	(1,767)	342	(10,672)	(90,067)	76,621
2005		5,658			5,658	(3,081)	(962)	144		(3,899)	8,739
2004		20,640			20,640	15	(87)	72		-	20,625
2003		28,454	335		28,789	6	(29)	24		1	28,783
2002		4,369			4,369					-	4,369
2001		114,765			114,765	349	458	24	140	971	114,416
2000		286,639			286,639		28		5	33	286,639
1999		83,222			83,222	1		24		25	83,221
1998		93,745			93,745	3	4		11	18	93,742
1997		117,820			117,820	8			17	25	117,812
	\$	<u>4,849,936</u>	\$ <u>155,375,791</u>	\$ <u>(261,405)</u>	\$ <u>159,526,297</u>	\$ <u>152,641,686</u>	\$ <u>1,103,662</u>	\$ <u>11,539</u>	\$ <u>126,239</u>	\$ <u>153,883,126</u>	\$ <u>6,884,611</u>

**Nonmajor  
Governmental Funds**

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Fund	Funding Source	Function
School Lunch Program	Sale of food and grants	School lunch program
Community Development	Federal grant - DHUD and program income	Community development programs
Education Federal and State Programs	State and Federal grant	Education programs
Shellfish and Oysters	Grants and local contributions	Activities of Shellfish Commission
Counseling Center	State grants and contributions	Drug addiction counseling
Continuing Education	State and Federal grants	Continuing education
Redevelopment Agency	Grants and local contributions	Stratford Redevelopment Agency
Railroad Property	Collection of fees	Railroad station parking
Miscellaneous Grants	Federal and state grants	Health and social services program
Department of Children and Family Services	Grants and local contributions	Department of Children and Families
Recreation		Recreation programs
Town Aid Road	State grants	Improvements of local roads
Senior Citizens		Baldwin Senior Citizen Center
Police Special Services	Grants and local contributions	State Drug Enforcement Grant
Harbor Management		Harbor management program
Recycling		Recycling program
Gas Pipeline	Donation from Duke Energy	Various projects
Sewer Maintenance		Miscellaneous maintenance of sewer functions
Reserve		Miscellaneous reserve funds

### Permanent Funds

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Fund	Funding Source	Function
Stratford High School		Student activities
Bunnell High School		Student activities
Stephen Boothe	Donations	Boothe Memorial Park
David Boothe	Donations	Boothe Memorial Park

TOWN OF STRATFORD, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

Special Revenue Funds

	<u>School Lunch Program</u>	<u>Community Development</u>	<u>Education Federal and State Programs</u>	<u>Shellfish and Oysters</u>	<u>Counseling Center</u>	<u>Continuing Education</u>	<u>Redevelopment Agency</u>
<b>Assets</b>							
Cash and cash equivalents	\$ 437,294		\$ 118,974	\$ 64,577	\$ 52,534	\$ 149,770	\$ 3,344
Investments							
Accounts receivable		239,246				3,551	
Intergovernmental	347,978	85,621	1,148				
Due from other funds		62,256	24,357		24,654		414,730
Inventory	<u>27,986</u>						
Total Assets	<u>\$ 813,258</u>	<u>\$ 387,123</u>	<u>\$ 144,479</u>	<u>\$ 64,577</u>	<u>\$ 77,188</u>	<u>\$ 153,321</u>	<u>\$ 418,074</u>
<b>Liabilities and Fund Balances</b>							
Liabilities:							
Accounts payable	\$ 1,168,565	\$ 10,880	\$ 8,916		\$ 5,528	\$ 22,321	
Deferred revenue		239,246	120,122				
Due to other funds		128,815	15,441	2,082	14,508		
Total liabilities	<u>1,168,565</u>	<u>378,941</u>	<u>144,479</u>	<u>2,082</u>	<u>20,036</u>	<u>22,321</u>	<u>-</u>
Fund balances:							
Nonspendable	27,986						
Restricted						131,000	
Committed		8,182		62,495	57,152		418,074
Unassigned	(383,293)						
Total fund balance	<u>(355,307)</u>	<u>8,182</u>	<u>-</u>	<u>62,495</u>	<u>57,152</u>	<u>131,000</u>	<u>418,074</u>
Total Liabilities and Fund Balances	<u>\$ 813,258</u>	<u>\$ 387,123</u>	<u>\$ 144,479</u>	<u>\$ 64,577</u>	<u>\$ 77,188</u>	<u>\$ 153,321</u>	<u>\$ 418,074</u>

(Continued on next page)

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

JUNE 30, 2013

	<b>Special Revenue Funds</b>					
	<b>Railroad Property</b>	<b>Miscellaneous Grants</b>	<b>Department of Children and Family Services</b>	<b>Recreation</b>	<b>Town Aid Road</b>	<b>Senior Citizens</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 32	\$	\$	\$ 2,227,180	\$ 321,907	\$
Investments						
Accounts receivable						
Intergovernmental		696,747	3,370			
Due from other funds	828,475	840,038	253,529	13,575	437,142	75,909
Inventory						
<b>Total Assets</b>	<b>\$ 828,507</b>	<b>\$ 1,536,785</b>	<b>\$ 256,899</b>	<b>\$ 2,240,755</b>	<b>\$ 759,049</b>	<b>\$ 75,909</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 19,391	\$ 60,091	\$ 2,272	\$ 18,802	\$ 2,277	\$ 3,555
Deferred revenue		977,066	64,906			
Due to other funds		705,930	109,182	2,227,079	485,392	
<b>Total liabilities</b>	<b>19,391</b>	<b>1,743,087</b>	<b>176,360</b>	<b>2,245,881</b>	<b>487,669</b>	<b>3,555</b>
<b>Fund balances:</b>						
Nonspendable						
Restricted			80,539		271,380	
Committed	809,116					72,354
Unassigned		(206,302)		(5,126)		
<b>Total fund balance</b>	<b>809,116</b>	<b>(206,302)</b>	<b>80,539</b>	<b>(5,126)</b>	<b>271,380</b>	<b>72,354</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 828,507</b>	<b>\$ 1,536,785</b>	<b>\$ 256,899</b>	<b>\$ 2,240,755</b>	<b>\$ 759,049</b>	<b>\$ 75,909</b>

(Continued on next page)

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

JUNE 30, 2013

	<b>Special Revenue Funds</b>						
	<b>Police Special Services</b>	<b>Harbor Management</b>	<b>Recycling</b>	<b>Gas Pipeline</b>	<b>Sewer Maintenance</b>	<b>Reserve</b>	<b>Total</b>
<b>Assets</b>							
Cash and cash equivalents	\$ 264,155	\$ 139,569	\$	\$	\$ 35,576	\$	\$ 3,814,912
Investments							-
Accounts receivable							242,797
Intergovernmental							1,134,864
Due from other funds			13,117	478,476		795,249	4,261,507
Inventory							27,986
<b>Total Assets</b>	<b>\$ 264,155</b>	<b>\$ 139,569</b>	<b>\$ 13,117</b>	<b>\$ 478,476</b>	<b>\$ 35,576</b>	<b>\$ 795,249</b>	<b>\$ 9,482,066</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable	\$	\$ 3,736	\$	\$	\$ 24,047	\$	\$ 1,350,381
Deferred revenue						795,249	2,196,589
Due to other funds		13,284					3,701,713
<b>Total liabilities</b>	<b>-</b>	<b>17,020</b>	<b>-</b>	<b>-</b>	<b>24,047</b>	<b>795,249</b>	<b>7,248,683</b>
<b>Fund balances:</b>							
Nonspendable							27,986
Restricted							482,919
Committed	264,155	122,549	13,117	478,476	11,529		2,317,199
Unassigned							(594,721)
<b>Total fund balance</b>	<b>264,155</b>	<b>122,549</b>	<b>13,117</b>	<b>478,476</b>	<b>11,529</b>	<b>-</b>	<b>2,233,383</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 264,155</b>	<b>\$ 139,569</b>	<b>\$ 13,117</b>	<b>\$ 478,476</b>	<b>\$ 35,576</b>	<b>\$ 795,249</b>	<b>\$ 9,482,066</b>

(Continued on next page)

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

JUNE 30, 2013

Permanent Funds

	<u>Stratford High School</u>	<u>Bunnell High School</u>	<u>Stephen Boothe</u>	<u>David Boothe</u>	<u>Total</u>	<u>Interfund Eliminations</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets</b>							
Cash and cash equivalents	\$ 218,940	\$ 74,316	\$ 24,076	\$ 91,047	\$ 408,379	\$ -	\$ 4,223,291
Investments			671,332	1,447,896	2,119,228		2,119,228
Accounts receivable					-		242,797
Intergovernmental					-		1,134,864
Due from other funds					-	(510,370)	3,751,137
Inventory					-		27,986
<b>Total Assets</b>	<u>\$ 218,940</u>	<u>\$ 74,316</u>	<u>\$ 695,408</u>	<u>\$ 1,538,943</u>	<u>\$ 2,527,607</u>	<u>\$ (510,370)</u>	<u>\$ 11,499,303</u>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,350,381
Deferred revenue					-		2,196,589
Due to other funds					-	(510,370)	3,191,343
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(510,370)</u>	<u>6,738,313</u>
<b>Fund balances:</b>							
Nonspendable					-		27,986
Restricted	218,940	74,316	695,408	1,538,943	2,527,607		3,010,526
Committed					-		2,317,199
Unassigned					-		(594,721)
<b>Total fund balance</b>	<u>218,940</u>	<u>74,316</u>	<u>695,408</u>	<u>1,538,943</u>	<u>2,527,607</u>	<u>-</u>	<u>4,760,990</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 218,940</u>	<u>\$ 74,316</u>	<u>\$ 695,408</u>	<u>\$ 1,538,943</u>	<u>\$ 2,527,607</u>	<u>\$ (510,370)</u>	<u>\$ 11,499,303</u>

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TOWN OF STRATFORD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds						
	School Lunch Program	Community Development	Education Federal and State Programs	Shellfish and Oysters	Counseling Center	Continuing Education	Redevelopment Agency
Revenues:							
Intergovernmental	\$ 1,727,073	\$ 484,192	\$ 4,042,842	\$	\$	\$	\$
Departmental revenue	1,633,025			770	5,675	458,361	
Licenses and permits							696
Investment income							
Other					50,874		
Total revenues	<u>3,360,098</u>	<u>484,192</u>	<u>4,042,842</u>	<u>770</u>	<u>56,549</u>	<u>458,361</u>	<u>696</u>
Expenditures:							
Current:							
Education	3,577,884		4,042,842			470,039	
Human development					85,803		
Physical development		486,773					
Public safety							
Capital outlay							
Total expenditures	<u>3,577,884</u>	<u>486,773</u>	<u>4,042,842</u>	<u>-</u>	<u>85,803</u>	<u>470,039</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(217,786)</u>	<u>(2,581)</u>	<u>-</u>	<u>770</u>	<u>(29,254)</u>	<u>(11,678)</u>	<u>696</u>
Other Financing Sources (Uses):							
Transfers in							
Transfers out							
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(217,786)	(2,581)	-	770	(29,254)	(11,678)	696
Fund Balances at Beginning of Year	<u>(137,521)</u>	<u>10,763</u>	<u>-</u>	<u>61,725</u>	<u>86,406</u>	<u>142,678</u>	<u>417,378</u>
Fund Balances at End of Year	<u>\$ (355,307)</u>	<u>\$ 8,182</u>	<u>\$ -</u>	<u>\$ 62,495</u>	<u>\$ 57,152</u>	<u>\$ 131,000</u>	<u>\$ 418,074</u>

(Continued on next page)

TOWN OF STRATFORD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds					
	Railroad Property	Miscellaneous Grants	Department of Children and Family Services	Recreation	Town Aid Road	Senior Citizens
Revenues:						
Intergovernmental	\$	\$ 1,784,781	\$ 173,103	\$	\$ 376,339	\$
Departmental revenue				292,510		83,789
Licenses and permits	395,901					
Investment income	1,771					37
Other						
Total revenues	<u>397,672</u>	<u>1,784,781</u>	<u>173,103</u>	<u>292,510</u>	<u>376,339</u>	<u>83,826</u>
Expenditures:						
Current:						
Education						
Human development	368,955	1,844,537				87,645
Physical development			308,951	276,246		
Public safety						
Capital outlay					260,715	
Total expenditures	<u>368,955</u>	<u>1,844,537</u>	<u>308,951</u>	<u>276,246</u>	<u>260,715</u>	<u>87,645</u>
Excess (Deficiency) of Revenues over Expenditures	<u>28,717</u>	<u>(59,756)</u>	<u>(135,848)</u>	<u>16,264</u>	<u>115,624</u>	<u>(3,819)</u>
Other Financing Sources (Uses):						
Transfers in			137,600			
Transfers out	(100,000)					
Total other financing sources (uses)	<u>(100,000)</u>	<u>-</u>	<u>137,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(71,283)	(59,756)	1,752	16,264	115,624	(3,819)
Fund Balances at Beginning of Year	<u>880,399</u>	<u>(146,546)</u>	<u>78,787</u>	<u>(21,390)</u>	<u>155,756</u>	<u>76,173</u>
Fund Balances at End of Year	<u>\$ 809,116</u>	<u>\$ (206,302)</u>	<u>\$ 80,539</u>	<u>\$ (5,126)</u>	<u>\$ 271,380</u>	<u>\$ 72,354</u>

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TOWN OF STRATFORD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

Special Revenue Funds

	<u>Police Special Services</u>	<u>Harbor Management</u>	<u>Recycling</u>	<u>Gas Pipeline</u>	<u>Sewer Maintenance</u>	<u>Reserve</u>	<u>Total</u>
Revenues:							
Intergovernmental	\$	\$ 42,997	\$	\$	\$	\$	\$ 8,631,327
Departmental revenue		30,235				426,200	2,930,565
Licenses and permits							395,901
Investment income	665			807			3,976
Other	83,116		521				134,511
Total revenues	<u>83,781</u>	<u>73,232</u>	<u>521</u>	<u>807</u>	<u>-</u>	<u>426,200</u>	<u>12,096,280</u>
Expenditures:							
Current:							
Education							8,090,765
Human development						426,200	2,813,140
Physical development		54,061					1,126,031
Public safety	112,029						112,029
Capital outlay		6,676					267,391
Total expenditures	<u>112,029</u>	<u>60,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>426,200</u>	<u>12,409,356</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(28,248)</u>	<u>12,495</u>	<u>521</u>	<u>807</u>	<u>-</u>	<u>-</u>	<u>(313,076)</u>
Other Financing Sources (Uses):							
Transfers in							137,600
Transfers out							(100,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,600</u>
Net Change in Fund Balances	(28,248)	12,495	521	807	-	-	(275,476)
Fund Balances at Beginning of Year	<u>292,403</u>	<u>110,054</u>	<u>12,596</u>	<u>477,669</u>	<u>11,529</u>	<u>-</u>	<u>2,508,859</u>
Fund Balances at End of Year	<u>\$ 264,155</u>	<u>\$ 122,549</u>	<u>\$ 13,117</u>	<u>\$ 478,476</u>	<u>\$ 11,529</u>	<u>\$ -</u>	<u>\$ 2,233,383</u>

(Continued on next page)

**TOWN OF STRATFORD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2013

**Permanent Funds**

	<u>Stratford High School</u>	<u>Bunnell High School</u>	<u>Stephen Boothe</u>	<u>David Boothe</u>	<u>Total</u>	<u>Interfund Eliminations</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:							
Intergovernmental	\$	\$	\$	\$	\$ -	\$	\$ 8,631,327
Departmental revenue					-		2,930,565
Licenses and permits					-		395,901
Investment income	842	3,319	50,734	106,820	161,715		165,691
Other	6,850				6,850		141,361
Total revenues	<u>7,692</u>	<u>3,319</u>	<u>50,734</u>	<u>106,820</u>	<u>168,565</u>	<u>-</u>	<u>12,264,845</u>
Expenditures:							
Current:							
Education	34,834		4,321	8,359	47,514		8,138,279
Human development					-		2,813,140
Physical development					-		1,126,031
Public safety					-		112,029
Capital outlay					-		267,391
Total expenditures	<u>34,834</u>	<u>-</u>	<u>4,321</u>	<u>8,359</u>	<u>47,514</u>	<u>-</u>	<u>12,456,870</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(27,142)</u>	<u>3,319</u>	<u>46,413</u>	<u>98,461</u>	<u>121,051</u>	<u>-</u>	<u>(192,025)</u>
Other Financing Sources (Uses):							
Transfers in					-		137,600
Transfers out					-		(100,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,600</u>
Net Change in Fund Balances	<u>(27,142)</u>	<u>3,319</u>	<u>46,413</u>	<u>98,461</u>	<u>121,051</u>	<u>-</u>	<u>(154,425)</u>
Fund Balances at Beginning of Year	<u>246,082</u>	<u>70,997</u>	<u>648,995</u>	<u>1,440,482</u>	<u>2,406,556</u>	<u>-</u>	<u>4,915,415</u>
Fund Balances at End of Year	<u>\$ 218,940</u>	<u>\$ 74,316</u>	<u>\$ 695,408</u>	<u>\$ 1,538,943</u>	<u>\$ 2,527,607</u>	<u>\$ -</u>	<u>\$ 4,760,990</u>

**Capital Projects  
Fund**

## CAPITAL PROJECTS FUND

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

<b>Fund</b>	<b>Funding Source</b>	<b>Function</b>
Capital Improvements		Construction and renovation projects
Capital Special Projects	Bonds	Construction and renovation projects
Sidewalk and Roads	Special assessments	Construction and improvements to sidewalks and streets
Sewer Revolving	Special assessments	Construction and improvements to storm sewer system
Water Hookup		Water main construction for Whipporwill Lane
Capital Equipment	General Fund	Equipment purchases

**TOWN OF STRATFORD, CONNECTICUT**  
**CAPITAL PROJECTS FUND**  
**PROJECT COMBINING BALANCE SHEET**  
**JUNE 30, 2013**

	<u>Capital</u>	<u>Capital</u>	<u>Sidewalk</u>	<u>Sewer</u>	<u>Water</u>	<u>Capital</u>	<u>Interfund</u>	<u>Total</u>
	<u>Improvements</u>	<u>Special</u>	<u>and Roads</u>	<u>Revolving</u>	<u>Hookup</u>	<u>Equipment</u>	<u>Eliminations</u>	
<b>Assets</b>								
Cash and cash equivalents	\$ 28,549,036	\$	\$	\$	\$	\$	\$	\$ 28,549,036
Special assessments			12,663	898,220	19,335			930,218
Due from other funds	<u>31,986,411</u>	<u>204,949</u>	<u></u>	<u>1,584,709</u>	<u></u>	<u></u>	<u>(112,171)</u>	<u>33,663,898</u>
<b>Total Assets</b>	<b><u>\$ 60,535,447</u></b>	<b><u>\$ 204,949</u></b>	<b><u>\$ 12,663</u></b>	<b><u>\$ 2,482,929</u></b>	<b><u>\$ 19,335</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (112,171)</u></b>	<b><u>\$ 63,143,152</u></b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 298,970	\$ 1,394,968	\$	\$	\$	\$ 202,002	\$	\$ 1,895,940
Deferred revenue			12,663	898,220	19,335			930,218
Due to other funds	<u></u>	<u>36,449,146</u>	<u>30,942</u>	<u>168,770</u>	<u>139,365</u>	<u>5,346,551</u>	<u>(112,171)</u>	<u>42,022,603</u>
<b>Total liabilities</b>	<b><u>298,970</u></b>	<b><u>37,844,114</u></b>	<b><u>43,605</u></b>	<b><u>1,066,990</u></b>	<b><u>158,700</u></b>	<b><u>5,548,553</u></b>	<b><u>(112,171)</u></b>	<b><u>44,848,761</u></b>
<b>Fund balances:</b>								
Committed	<u>60,236,477</u>	<u>(37,639,165)</u>	<u>(30,942)</u>	<u>1,415,939</u>	<u>(139,365)</u>	<u>(5,548,553)</u>	<u>-</u>	<u>18,294,391</u>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 60,535,447</u></b>	<b><u>\$ 204,949</u></b>	<b><u>\$ 12,663</u></b>	<b><u>\$ 2,482,929</u></b>	<b><u>\$ 19,335</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (112,171)</u></b>	<b><u>\$ 63,143,152</u></b>

## TOWN OF STRATFORD, CONNECTICUT

## CAPITAL PROJECTS FUND

## PROJECT COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Capital Improvements</u>	<u>Capital Special Projects</u>	<u>Sidewalk and Roads</u>	<u>Sewer Revolving</u>	<u>Water Hookup</u>	<u>Capital Equipment</u>	<u>Interfund Eliminations</u>	<u>Total</u>
Revenues:								
Property taxes and assessments	\$	\$	\$ 39,784	\$ 152,629	\$ 3,245	\$	\$	\$ 195,658
Intergovernmental		36,855						36,855
Investment income				1,373				1,373
Total revenues	-	36,855	39,784	154,002	3,245	-	-	233,886
Expenditures:								
Capital outlay	111,460	17,363,136	36,498	19,869		3,496,954		21,027,917
Excess (Deficiency) of Revenues over Expenditures	(111,460)	(17,326,281)	3,286	134,133	3,245	(3,496,954)	-	(20,794,031)
Other Financing Sources:								
Proceeds from bond issuance	21,475,000							21,475,000
Premium on bond issuance	263,224							263,224
Transfers in		412,500			20,000	1,310,120		1,742,620
Total other financing sources	21,738,224	412,500	-	-	20,000	1,310,120	-	23,480,844
Net Change in Fund Balances	21,626,764	(16,913,781)	3,286	134,133	23,245	(2,186,834)	-	2,686,813
Fund Balances at Beginning of Year	38,609,713	(20,725,384)	(34,228)	1,281,806	(162,610)	(3,361,719)	-	15,607,578
Fund Balances at End of Year	\$ <u>60,236,477</u>	\$ <u>(37,639,165)</u>	\$ <u>(30,942)</u>	\$ <u>1,415,939</u>	\$ <u>(139,365)</u>	\$ <u>(5,548,553)</u>	\$ <u>-</u>	\$ <u>18,294,391</u>

**Enterprise Funds**

## ENTERPRISE FUNDS

Enterprise funds are used to account for ongoing organizations and activities that are similar to those found in the private sector.

**Short Beach Golf Course** is used to account for the operations of the Town's public golf course.

**Miniature Golf Course** is used to account for the operations of the Gull's Landing Miniature Golf Course.

**TOWN OF STRATFORD, CONNECTICUT**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**

JUNE 30, 2013

	<u>Short Beach Golf Course</u>	<u>Miniature Golf Course</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,148,486	\$ 301	\$ 1,148,787
Due from other funds	2,434		2,434
Total current assets	<u>1,150,920</u>	<u>301</u>	<u>1,151,221</u>
Capital assets:			
Assets being depreciated, net	<u>208,900</u>	<u>27,669</u>	<u>236,569</u>
Total assets	<u>1,359,820</u>	<u>27,970</u>	<u>1,387,790</u>
Liabilities:			
Current:			
Accounts payable	11,733		11,733
Unearned revenue	2,275		2,275
Due to other funds	1,578,959	18,839	1,597,798
Compensated absences	11,405		11,405
Total current liabilities	<u>1,604,372</u>	<u>18,839</u>	<u>1,623,211</u>
Noncurrent liabilities:			
Compensated absences	<u>26,612</u>		<u>26,612</u>
Total liabilities	<u>1,630,984</u>	<u>18,839</u>	<u>1,649,823</u>
Net Position:			
Net investment in capital assets	208,900	27,669	236,569
Unrestricted	<u>(480,064)</u>	<u>(18,538)</u>	<u>(498,602)</u>
Total Net Position	<u>\$ (271,164)</u>	<u>\$ 9,131</u>	<u>\$ (262,033)</u>

## TOWN OF STRATFORD, CONNECTICUT

## ENTERPRISE FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2013

	<b>Short Beach Golf Course</b>	<b>Miniature Golf Course</b>	<b>Total</b>
Operating Revenues:			
Charges for services	\$ <u>166,186</u>	\$ _____	\$ <u>166,186</u>
Operating Expenses:			
Operating and maintenance	421,931		421,931
Depreciation	<u>109,892</u>	<u>11,068</u>	<u>120,960</u>
Total operating expenses	<u>531,823</u>	<u>11,068</u>	<u>542,891</u>
Operating Loss	<u>(365,637)</u>	<u>(11,068)</u>	<u>(376,705)</u>
Nonoperating Revenues:			
Interest income	<u>47</u>	<u>_____</u>	<u>47</u>
Loss Before Contributions	(365,590)	(11,068)	(376,658)
Capital Contributions	<u>131,142</u>	<u>_____</u>	<u>131,142</u>
Change in Net Position	(234,448)	(11,068)	(245,516)
Net Position - Beginning of Year	<u>(36,716)</u>	<u>20,199</u>	<u>(16,517)</u>
Net Position - End of Year	<u>\$ (271,164)</u>	<u>\$ 9,131</u>	<u>\$ (262,033)</u>

**TOWN OF STRATFORD, CONNECTICUT**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Short Beach Golf Course</u>	<u>Miniature Golf Course</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 179,486	\$	\$ 179,486
Cash payments to suppliers	(148,729)		(148,729)
Cash payments to employees	(272,940)		(272,940)
Payments for interfund services used	<u>375,232</u>		<u>375,232</u>
Net cash provided by operating activities	<u>133,049</u>	<u>-</u>	<u>133,049</u>
Cash Flows from Investing Activities:			
Interest revenues	<u>47</u>		<u>47</u>
Net Increase in Cash and Cash Equivalents	133,096	-	133,096
Cash and Cash Equivalents at Beginning of Year	<u>1,015,390</u>	<u>301</u>	<u>1,015,691</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,148,486</u>	<u>\$ 301</u>	<u>\$ 1,148,787</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:			
Operating loss	\$ (365,637)	\$ (11,068)	\$ (376,705)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	109,892	11,068	120,960
Change in assets and liabilities:			
Decrease in accounts receivable	13,275		13,275
Increase in accounts payable and accrued expenses	262		262
Increase in unearned revenues	25		25
Increase in due to other funds	<u>375,232</u>		<u>375,232</u>
Net Cash Provided by Operating Activities	<u>\$ 133,049</u>	<u>\$ -</u>	<u>\$ 133,049</u>
Noncash Investing and Capital Financing Activities:			
Contributions of Capital Assets from Town	<u>\$ 131,142</u>	<u>\$ -</u>	<u>\$ 131,142</u>

# **Internal Service Funds**

## **Internal Service Funds**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost-reimbursement basis.

**Health Benefit and Workers Compensation Fund** - to provide reserves necessary to support an insurance program for health benefits and worker's compensation claims.

## TOWN OF STRATFORD, CONNECTICUT

## INTERNAL SERVICE FUNDS

## COMPARATIVE BALANCE SHEET

JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Due from other funds	\$ <u>6,364,270</u>	\$ <u>3,771,469</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable	\$ 46,094	\$ 62,569
Due to other funds	817	
Risk management claims	<u>8,617,293</u>	<u>8,533,897</u>
Total liabilities	8,664,204	8,596,466
Fund Equity:		
Net Position:		
Unrestricted	<u>(2,299,934)</u>	<u>(4,824,997)</u>
Total Liabilities and Fund Equity	\$ <u>6,364,270</u>	\$ <u>3,771,469</u>

## TOWN OF STRATFORD, CONNECTICUT

## INTERNAL SERVICE FUNDS

## COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

## FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Operating Revenues:		
Charges for services	\$ <u>10,325,400</u>	\$ <u>15,891,794</u>
Operating Expenses:		
Operating and maintenance	<u>7,800,337</u>	<u>14,783,951</u>
Change in Net Position	2,525,063	1,107,843
Net Position - Beginning of Year	<u>(4,824,997)</u>	<u>(5,932,840)</u>
Net Position - End of Year	<u>\$ (2,299,934)</u>	<u>\$ (4,824,997)</u>

## TOWN OF STRATFORD, CONNECTICUT

## INTERNAL SERVICE FUNDS

## COMPARATIVE STATEMENT OF CASH FLOWS

## FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Cash received from customers and users	\$ 10,325,400	\$ 15,891,794
Cash payments to suppliers	(7,733,416)	(14,229,273)
Payments for interfund services used	<u>(2,591,984)</u>	<u>(1,662,521)</u>
Net cash provided by operating activities	<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at Beginning of Year	<u>-</u>	<u>-</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$ 2,525,063	\$ 1,107,843
Adjustments to reconcile operating income to net cash provided by operating activities:		
Increase in due from other funds	(2,592,801)	(1,662,521)
Increase (decrease) in accounts payable	(16,475)	35,598
Increase in due to other funds	817	
Increase in risk management claim liability	<u>83,396</u>	<u>519,080</u>
Net Cash Provided by Operating Activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**Fiduciary Fund**

## **FIDUCIARY FUND**

### **Agency Fund**

**Student Activity Fund** - established to account for various student activities.

## TOWN OF STRATFORD, CONNECTICUT

## AGENCY FUND

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
<b>Student Activity Fund</b>				
Assets:				
Cash and cash equivalents	\$ <u>330,712</u>	\$ <u>1,358,668</u>	\$ <u>1,321,276</u>	\$ <u>368,104</u>
Liabilities:				
Due to student groups	\$ <u>330,712</u>	\$ <u>1,358,668</u>	\$ <u>1,321,276</u>	\$ <u>368,104</u>

**Statistical Section**

## Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

## TOWN OF STRATFORD, CONNECTICUT

## NET POSITION BY COMPONENT

## LAST TEN FISCAL YEARS

(In Thousands)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:										
Net investment in capital assets	\$ 58,172	57,747	\$ 49,667	\$ 46,587	\$ 45,101	\$ 51,011	\$ 51,351	\$ 43,229	\$ 38,060	\$ 41,507
Restricted	2,527	2,407	2,543	2,279	2,187	2,611	3,018	2,771		
Unrestricted	(37,138)	(47,371)	(46,500)	(36,777)	(30,284)	(35,633)	(42,043)	(34,058)	(22,914)	(28,260)
Total governmental activities net position	<u>23,561</u>	<u>12,783</u>	<u>5,710</u>	<u>12,089</u>	<u>17,004</u>	<u>17,989</u>	<u>12,326</u>	<u>11,942</u>	<u>15,146</u>	<u>13,247</u>
Business-type activities:										
Net investment in capital assets	19,149	19,806	20,691	21,674	26,998	29,187	37,156	16,638	14,657	13,426
Unrestricted	6,710	6,615	8,475	12,145	9,200	6,419	(9,414)	6,936	8,730	6,837
Total business-type activities net position	<u>25,860</u>	<u>26,421</u>	<u>29,166</u>	<u>33,819</u>	<u>36,198</u>	<u>35,606</u>	<u>27,742</u>	<u>23,574</u>	<u>23,387</u>	<u>20,263</u>
Total:										
Net investment in capital assets	77,321	77,553	70,358	68,261	72,099	80,198	88,507	59,867	52,717	54,933
Restricted	2,527	2,407	2,543	2,279	2,187	2,611	3,018	2,771		
Unrestricted	(30,428)	(40,756)	(38,025)	(24,632)	(21,084)	(29,214)	(51,457)	(27,122)	(14,184)	(21,423)
Total Net Position	<u>\$ 49,421</u>	<u>\$ 39,204</u>	<u>\$ 34,876</u>	<u>\$ 45,908</u>	<u>\$ 53,202</u>	<u>\$ 53,595</u>	<u>\$ 40,068</u>	<u>\$ 35,516</u>	<u>\$ 38,533</u>	<u>\$ 33,510</u>

## Notes:

Schedule prepared on the accrual basis of accounting.

TOWN OF STRATFORD, CONNECTICUT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(In Thousands)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government	\$ (38,354)	\$ (38,445)	\$ (38,499)	\$ (35,722)	\$ (27,808)	\$ (32,424)	\$ (33,510)	\$ (33,698)	\$ (11,164)	\$ (11,569)
Human development	(8,852)	(9,029)	(8,033)	(7,227)	(7,347)	(6,426)	(6,628)	(7,671)	(7,993)	(7,771)
Physical development	(18,900)	(15,466)	(15,099)	(15,466)	(16,734)	(15,742)	(15,483)	(17,331)	(16,078)	(16,501)
Public safety	(24,111)	(23,712)	(29,459)	(23,314)	(23,053)	(22,943)	(21,777)	(20,302)	(23,735)	(21,713)
Education	(115,002)	(114,759)	(115,686)	(113,161)	(111,307)	(123,854)	(91,018)	(89,072)	(100,201)	(92,120)
Debt service	(4,548)	(3,484)	(6,033)	(7,470)	(7,242)	(7,588)	(7,605)	(7,049)	(7,859)	(9,792)
Total governmental activities expenses	<u>(209,767)</u>	<u>(204,895)</u>	<u>(212,809)</u>	<u>(202,360)</u>	<u>(193,491)</u>	<u>(208,977)</u>	<u>(176,021)</u>	<u>(175,123)</u>	<u>(167,030)</u>	<u>(159,466)</u>
<b>Business-type activities:</b>										
Waste Operating	(10,106)	(9,654)	(11,685)	(9,864)	(8,490)	(5,624)	(3,842)	(4,473)	(4,512)	(4,582)
Other	(2,225)	(1,745)	(1,739)	(1,559)	(1,590)	(1,449)	(2,755)	(1,504)	(1,290)	(622)
Total business-type activities	<u>(12,331)</u>	<u>(11,399)</u>	<u>(13,424)</u>	<u>(11,423)</u>	<u>(10,080)</u>	<u>(7,073)</u>	<u>(6,597)</u>	<u>(5,977)</u>	<u>(5,802)</u>	<u>(5,204)</u>
Total Expenses	<u>(222,098)</u>	<u>(216,294)</u>	<u>(226,233)</u>	<u>(213,783)</u>	<u>(203,571)</u>	<u>(216,050)</u>	<u>(182,618)</u>	<u>(181,100)</u>	<u>(172,832)</u>	<u>(164,670)</u>
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	1,997	2,201	1,652	1,239	1,010	1,646	8,994	7,329	4,742	4,825
Human Development	3,811	3,844	4,132	4,087	2,783	4,376				
Physical Development	749	619	876	936	1,148	448				
Public Safety	1,512	1,462	1,422	1,262	1,117	2,072				
Education	2,232	2,294	2,135	2,251	1,929	2,208				
Operating grants and contributions	41,710	43,581	40,374	38,694	39,737	61,968	28,496	30,325	28,380	22,528
Capital grants and contributions	3,206		146	226	100	109	1,027	966	6,361	5,997
Total governmental activities program revenues	<u>55,217</u>	<u>54,001</u>	<u>50,737</u>	<u>48,695</u>	<u>47,824</u>	<u>72,827</u>	<u>38,517</u>	<u>38,620</u>	<u>39,483</u>	<u>33,350</u>
<b>Business-type activities:</b>										
Charges for services	11,998	9,215	8,890	8,277	8,268	8,182	7,836	6,850	7,232	5,298
Capital grants and contributions	348	13	518	1,285	2,741	7,031	2,755	1,365	1,328	73
Total business-type activities program revenues	<u>12,346</u>	<u>9,228</u>	<u>9,408</u>	<u>9,562</u>	<u>11,009</u>	<u>15,213</u>	<u>10,591</u>	<u>8,215</u>	<u>8,560</u>	<u>5,371</u>
Total Primary Government Program Revenues	<u>67,563</u>	<u>63,229</u>	<u>60,145</u>	<u>58,257</u>	<u>58,833</u>	<u>88,040</u>	<u>49,108</u>	<u>46,835</u>	<u>48,043</u>	<u>38,721</u>
<b>Net revenues (expenses):</b>										
Governmental activities	(154,550)	(150,894)	(162,072)	(153,665)	(145,667)	(136,150)	(137,504)	(136,503)	(127,547)	(126,116)
Business-type activities	15	(2,171)	(4,016)	(1,861)	929	8,140	3,994	2,238	2,758	167
Total Net Expense	<u>(154,535)</u>	<u>(153,065)</u>	<u>(166,088)</u>	<u>(155,526)</u>	<u>(144,738)</u>	<u>(128,010)</u>	<u>(133,510)</u>	<u>(134,265)</u>	<u>(124,789)</u>	<u>(125,949)</u>
<b>General Revenues and Other Changes in Net Assets:</b>										
<b>Governmental activities:</b>										
Property taxes	156,673	152,523	150,503	143,292	139,086	135,680	128,772	120,955	118,321	112,580
Grants and contributions not restricted to specific purposes	6,152	3,948	3,986	4,209	4,203	4,269	6,170	3,099	3,948	3,912
Unrestricted investment earnings	209	1	453	619	830	1,311	2,719	5,939	8,989	7,839
Miscellaneous	1,695	894	72	29						
Transfers	600	600	680	602	562	553	229	223		
Total governmental activities	<u>165,329</u>	<u>157,966</u>	<u>155,694</u>	<u>148,751</u>	<u>144,681</u>	<u>141,813</u>	<u>137,890</u>	<u>130,216</u>	<u>131,258</u>	<u>124,331</u>
<b>Business-type activities:</b>										
Property transfer								281		27
Unrestricted investment earnings	23	27	42	85	225	277	402			
Grants and contributions not restricted								(1,066)	172	
Funding reimbursement										
Transfers	(600)	(600)	(680)	(602)	(562)	(553)	(229)	(223)		
Total business-type activities	<u>(577)</u>	<u>(573)</u>	<u>(638)</u>	<u>(517)</u>	<u>(337)</u>	<u>(276)</u>	<u>173</u>	<u>(1,008)</u>	<u>172</u>	<u>27</u>
Total Primary Government General Revenues	<u>164,752</u>	<u>157,393</u>	<u>155,056</u>	<u>148,234</u>	<u>144,344</u>	<u>141,537</u>	<u>138,063</u>	<u>129,208</u>	<u>131,430</u>	<u>124,358</u>
<b>Changes in Net Position:</b>										
Governmental activities	10,779	7,072	(6,378)	(4,914)	(986)	5,663	386	(6,287)	3,711	(1,785)
Business-type activities	(562)	(2,744)	(4,654)	(2,378)	592	7,864	4,167	1,230	2,930	194
Total Primary Government Changes in Net Position	<u>\$ 10,217</u>	<u>\$ 4,328</u>	<u>\$ (11,032)</u>	<u>\$ (7,292)</u>	<u>\$ (394)</u>	<u>\$ 13,527</u>	<u>\$ 4,553</u>	<u>\$ (5,057)</u>	<u>\$ 6,641</u>	<u>\$ (1,591)</u>

Notes: Schedule prepared on the accrual basis of accounting.

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

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:										
Reserved	\$	\$	\$	\$ 1,894	\$ 2,363	\$ 3,469	\$ 1,696	\$ 1,017	\$ 665	\$ 1,056
Unreserved				6,604	8,438	8,220	8,148	7,232	8,347	8,822
Assigned	1,666	2,284	2,322							
Unassigned	9,497	8,790	6,261							
Total General Fund	<u>\$ 11,164</u>	<u>\$ 11,074</u>	<u>\$ 8,583</u>	<u>\$ 8,498</u>	<u>\$ 10,801</u>	<u>\$ 11,689</u>	<u>\$ 9,844</u>	<u>\$ 8,249</u>	<u>\$ 9,012</u>	<u>\$ 9,878</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$ 24	\$ 24	\$ 24	\$ 24	\$ 106,715	\$ 104,901	\$ 98,936
Unreserved				23,026	19,292	17,650	11,563	14,551	16,010	12,322
Nonspendable	28	32	33							
Restricted	3,011	2,784	2,777							
Committed	20,612	18,045	24,116							
Unassigned	(595)	(338)	(419)							
Total All Other Governmental Funds	<u>\$ 23,055</u>	<u>\$ 20,523</u>	<u>\$ 26,507</u>	<u>\$ 23,050</u>	<u>\$ 19,316</u>	<u>\$ 17,674</u>	<u>\$ 11,587</u>	<u>\$ 121,266</u>	<u>\$ 120,911</u>	<u>\$ 111,258</u>

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

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

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:										
Property taxes and assessments	\$ 154,248	\$ 153,069	\$ 150,408	\$ 140,553	\$ 139,446	\$ 135,778	\$ 131,776	\$ 121,853	\$ 119,024	\$ 113,157
Intergovernmental	50,978	47,876	45,050	43,636	42,929	69,422	36,908	36,955	35,685	33,250
Department revenue	4,935	5,028	4,949	5,154	4,564	5,445	5,452	5,362	5,186	4,484
Licenses and permits	961	760	831	653	685	755	895	794	883	683
Investment income	209	1	454	351	830	1,310	2,838	5,939	7,528	7,987
Other	5,842	5,661	4,543	4,265	4,694	4,452	3,990	3,125	4,683	4,394
Total revenues	<u>217,173</u>	<u>212,395</u>	<u>206,235</u>	<u>194,612</u>	<u>193,148</u>	<u>217,162</u>	<u>181,859</u>	<u>174,028</u>	<u>172,989</u>	<u>163,955</u>
Expenditures:										
Administration	4,115	4,421	4,354	4,534	4,369	4,207	3,566	3,403	3,057	3,512
Contingency	2,853	3,031	2,087	2,256	2,137	2,545	3,212	3,499	3,883	3,315
Employee benefits	27,030	26,010	25,324	21,169	19,096	18,522	122,928	17,109	14,577	12,292
Finance	1,956	2,115	2,015	1,890	1,969	1,825	1,729	1,731	1,828	1,523
Human development	8,087	8,554	7,762	7,032	7,082	6,184	6,310	7,008	9,181	6,729
Physical development	16,260	13,222	13,422	13,644	15,337	14,557	13,361	11,417	12,015	10,828
Public safety	23,630	22,487	22,389	21,673	22,025	22,001	21,148	19,668	18,721	18,153
Education	112,560	110,889	107,915	104,512	102,140	122,241	90,911	86,860	78,751	76,367
Capital outlay	23,392	19,134	11,143	8,056	8,800	6,421	5,825	10,953	11,993	7,760
Debt service:										
Principal retirement	14,275	13,683	12,336	12,131	11,276	14,506	12,536	12,190	12,520	13,463
Interest and other charges	4,828	3,614	7,013	7,452	7,455	7,569	8,646	7,563	8,390	8,607
Total expenditures	<u>238,987</u>	<u>227,160</u>	<u>215,760</u>	<u>204,349</u>	<u>201,686</u>	<u>220,578</u>	<u>290,172</u>	<u>181,401</u>	<u>174,916</u>	<u>162,549</u>
Excess of revenue over (under) expenditures	<u>(21,814)</u>	<u>(14,765)</u>	<u>(9,525)</u>	<u>(9,737)</u>	<u>(8,538)</u>	<u>(3,416)</u>	<u>(108,313)</u>	<u>(7,373)</u>	<u>(1,927)</u>	<u>1,406</u>
Other financing sources (uses):										
Transfers in	2,580	2,091	2,402	2,587	2,790	1,958	1,747	902		
Transfers out	(1,980)	(1,491)	(1,722)	(1,985)	(2,229)	(1,405)	(1,518)	(678)		
Proceeds from capital leases	2,097	2,300						42		
Payments to escrow agents		(19,325)	(66,088)	(22,906)						
Proceeds from refunding bonds		18,062	65,572	21,825						
Premiums on refunding		1,424	935	1,262						
Bonds issued	21,475	8,212	11,700	10,385	8,730	10,795		7,365	11,105	5,100
Premiums on bonds	263		267							
Total other financing sources	<u>24,435</u>	<u>11,273</u>	<u>13,066</u>	<u>11,168</u>	<u>9,291</u>	<u>11,348</u>	<u>229</u>	<u>7,631</u>	<u>11,105</u>	<u>5,100</u>
Net Change in Fund Balances	\$ <u>2,621</u>	\$ <u>(3,492)</u>	\$ <u>3,541</u>	\$ <u>1,431</u>	\$ <u>753</u>	\$ <u>7,932</u>	\$ <u>(108,084)</u>	\$ <u>258</u>	\$ <u>9,178</u>	\$ <u>6,506</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>8.7%</u>	<u>9.0%</u>	<u>10.5%</u>	<u>11.1%</u>	<u>10.8%</u>	<u>11.5%</u>	<u>8.0%</u>	<u>13.1%</u>	<u>14.7%</u>	<u>16.6%</u>

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

TOWN OF STRATFORD, CONNECTICUT

TABLE 5

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

Fiscal Year	Grand List Year	Real Property		Personal Property	Motor Vehicle	Vacant Land	FYI [Exemptions*]	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
		Residential	Commercial								
2013	2011	\$ 3,581,639,410	\$ 777,220,780	\$ 453,255,181	\$ 320,711,877	\$ 65,140,265	\$ 672,951,970	\$ 4,525,015,543	34.48	\$ 5,197,967,513	87%
2012	2010	3,570,829,400	785,349,560	441,827,463	301,629,984	68,917,280	655,421,799	4,513,131,888	34.15	5,168,553,687	87%
2011	2009	3,556,241,420	823,073,260	437,012,137	291,330,813	71,772,455	617,750,252	4,561,679,833	33.32	5,179,430,085	88%
2010	2008	3,703,369,750	686,179,150	387,991,848	292,972,012	56,160,560	500,062,834	4,626,610,486	30.36	5,126,673,320	90%
2009	2007	3,677,306,412	677,498,179	324,965,038	301,530,992	58,273,060	463,854,444	4,575,719,237	30.51	5,039,573,681	91%
2008	2006	3,651,929,210	628,681,490	296,714,314	294,560,508	89,108,960	433,404,716	4,527,589,766	30.12	4,960,994,482	91%
2007	2005	3,631,734,170	632,049,890	304,253,994	293,947,103	85,046,980	394,716,674	4,552,315,463	28.86	4,947,032,137	92%
2006	2004	3,609,325,020	614,535,100	305,312,078	274,033,287	97,687,100	430,234,380	4,470,658,205	26.98	4,900,892,585	91%
2005	2003	2,119,464,040	546,675,090	284,056,665	259,928,790	35,716,600	79,465,680	3,166,375,505	36.99	3,245,841,185	98%
2004	2002	2,111,830,350	547,763,090	283,715,770	269,462,735	36,138,900	161,243,210	3,087,667,635	36.44	3,248,910,845	95%

Source: Town of Stratford, Office of Tax Assessor

- Notes: (1) Totals as certified by Tax Assessor at signing of Grand List prior to adjustments.  
(2) Exemptions total includes exempt real property and all other classes of exemptions.

## TOWN OF STRATFORD, CONNECTICUT

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	<u>FY2013</u>			<u>Taxpayer</u>	<u>FY2004</u>		
	<u>Taxable Assessed Value * (\$000's)</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>		<u>Taxable Assessed Value * (\$000's)</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>
Sikorsky Aircraft	\$ 95,049	1	2.10%	Sikorsky Aircraft	\$ 122,167	1	3.86%
United Illuminating	74,923	2	1.65%	Dock Incorporated	23,465	2	0.74%
Stonybrook Gardens Cooperative	24,524	3	0.54%	Exxon Mobil Oil Corp.	22,911	3	0.72%
Southern Connecticut Gas	19,836	4	0.44%	Merritt 8 Acquisitions LLC	15,042	4	0.47%
Second Avenue Development LLC	18,007	6	0.40%	Dresser Industries	14,591	6	0.46%
UB Dockside LLC (Urstadt Biddle Prop)	16,570	5	0.37%	William B. Meyer, Inc.	13,921	5	0.44%
Kramont Operating Partnership	14,000	7	0.31%	United Illuminating Co.	13,707	7	0.43%
Home Depot	13,785	8	0.30%	Stonybrook Gardens Inc.	12,891	8	0.40%
Merritt 8 Acquisitions, LLC	13,650	9	0.30%	CMAT	10,406	9	0.32%
UB Railside LLC (Urstadt Biddle Prop)	13,520	10	0.30%	CSC Rental Inc.	9,671	10	0.30%
<b>TOTAL</b>	<b>\$ 303,864</b>		<b>6.71%</b>	<b>TOTAL</b>	<b>\$ 258,772</b>		<b>8.14%</b>

Source: Town of Stratford, Office of Tax Assessor

\* Net taxable assessed value

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

Fiscal Year	Governmental		Business-Type			Total Primary Government	Ratio of Debt to Taxable Assessed Value	Debt Per Capita	Total Debt Outstanding as a percentage of Personal Income
	General Obligation Bonds	Leases	Operating	Notes	Lease				
2013	\$ 138,814	\$ 1,841	\$ 2,118	\$ 40,341	\$ 80	\$ 183,194	4.05 %	\$ 3	3.57
2012	129,614	2,300	1,993	42,682	-	176,589	4.74	3	3.44
2011	135,894	-	2,069	44,976	-	182,939	4.01	3	3.56
2010	134,394	-	2,182	2,756	-	139,332	3.01	3	2.85
2009	136,814	3	2,276	3,095	-	142,188	3.11	3	2.85
2008	139,360	13	2,370	3,427	-	145,170	3.19	3	2.90
2007	143,071	26	599	1,963	-	145,659	3.17	3	2.91
2006	155,782	39	893	2,208	-	158,922	3.46	3	3.18
2005	161,078	21	1,187	2,449	-	164,735	5.07	3	3.30
2004	162,618	28	1,352	*	-	163,998	5.18	3	3.28

**TOWN OF STRATFORD, CONNECTICUT**  
**COMPUTATION OF LEGAL DEBT LIMITATION**

**JUNE 30, 2013**  
(In Thousands)

Total tax collections (including interest and lien fees) for the year ended June 30, 2013	\$ 153,883
Reimbursement for revenue loss on:	
Tax relief for elderly	10
<b>BASE</b>	<b>\$ <u>153,893</u></b>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 346,259	\$	\$	\$	\$
4-1/2 times base		692,519			
3-3/4 times base			577,099		
3-1/4 times base				500,152	
3 times base					461,679
Total debt limitation	346,259	692,519	577,099	500,152	461,679
Indebtedness:					
Bonds payable	69,416	31,747	489		37,280
Bonds authorized, unissued	5,886	73,104	1,327		
Clean Water Fund notes			40,342		
Grant commitments		(1,664)			
Total indebtedness	75,302	103,187	42,158	-	37,280
Debt Limitation in Excess of Outstanding and Authorized Indebtedness	\$ 270,957	\$ 589,332	\$ 534,941	\$ 500,152	\$ 424,399

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$1,077.3 million).

Note 2: Bonds authorized-unissued represents bond authorizations for projects that have bond anticipation notes outstanding or for which bonds have been authorized and partially issued.

## TOWN OF STRATFORD, CONNECTICUT

## LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS  
(In Thousands)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt limitation	\$ 1,077,251	\$ 1,074,213	\$ 1,049,881	\$ 980,203	\$ 970,067	\$ 939,939	\$ 919,149	\$ 849,478	\$ 818,526	\$ 790,418
Total net debt applicable to limit	<u>257,927</u>	<u>253,557</u>	<u>260,439</u>	<u>203,804</u>	<u>189,096</u>	<u>142,126</u>	<u>189,828</u>	<u>200,093</u>	<u>218,272</u>	<u>171,384</u>
Legal Debt Margin	<u>\$ 819,324</u>	<u>\$ 820,656</u>	<u>\$ 789,442</u>	<u>\$ 776,399</u>	<u>\$ 780,971</u>	<u>\$ 797,813</u>	<u>\$ 729,321</u>	<u>\$ 649,385</u>	<u>\$ 600,254</u>	<u>\$ 619,034</u>
Total net debt applicable to the limit as a percentage of debt limit	23.94%	23.60%	24.81%	20.79%	19.49%	15.12%	20.65%	26.67%	21.68%	24.07%

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

∞ Note: See Table 8 for calculation of current year debt limitation.

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

<u>Calendar Year</u>	<u>Population(1)</u>	<u>Per Capita Income(2)</u>	<u>Median Age(3)</u>	<u>School Enrollment(4)</u>	<u>Unemployment Rate(5)</u>	<u>PERSONAL INCOME</u>
2013	51,384	\$ 33,716	42.2	7,411	8.7%	\$ 1,732,462,944
2012	51,384	32,357	41.1	7,407	10.5%	1,662,632,088
2011	51,384	32,357	41.1	7,234	7.4%	1,662,632,088
2010	48,952	27,000	40.3	7,435	9.4%	1,321,704,000
2009	49,976	27,000	40.3	7,496	7.9%	1,349,352,000
2008	49,976	27,000	40.3	7,534	5.5%	1,349,352,000
2007	49,976	27,000	40.3	7,505	4.5%	1,349,352,000
2006	49,976	27,000	40.3	7,483	4.5%	1,349,352,000
2005	49,976	27,000	40.3	7,571	5.3%	1,349,352,000
2004	49,976	27,000	40.3	7,673	5.4%	1,349,352,000

(1) Source: U.S. Census Bureau - 2010 Census

(2) Source: U.S. Census Bureau - 2010 Census

(3) Source: U.S. Census Bureau - 2010 Census

(4) Source: Town of Stratford, BOE

(5) Source: State of Connecticut Dept. of Labor - Office of Research - Labor Market Info. [LMI]

TOWN OF STRATFORD, CONNECTICUT

PRINCIPAL EMPLOYERS

2013 AND 2004

Business Name	Nature of Business	2013			2004		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Sikorsky Aircraft	Manufacturer of Helicopters	8,700	1	34.95%	7,000	1	28.97%
Town of Stratford	Government/Education	1,538	2	6.18%	1,239	2	5.13%
United Parcel Service	Package Delivery	750	3	3.01%	472	5	1.95%
Stratford Retailer Condo Assoc.	Retail Chains	590	4	2.37%	685	3	2.83%
Ashcroft Holdings	Manufacturer of Gauges, Valves	440	5	1.77%	NA	-	NA
Cablevision	Cable Television, Internet, Telecom.	440	6	1.77%	NA	-	NA
Lord Chamberlain	Skilled Nursing Facility	436	7	1.75%	350	9	1.45%
Aptar	Manufacturer Pump Atomizers	320	8	1.29%	NA	-	NA
CG CPP Global	Health and Beauty Care	280	9	1.12%	NA	-	NA
Wal*Mart	Retail Chain	310	10	1.25%	NA	-	NA
Dresser Industries, Inc.	Manufacturer of Gauges, Valves	NA	-	NA	489	4	2.02%
Dianon Systems Inc.	Laboratory Testing	NA	-	NA	450	6	1.86%
William B. Meyer	Moving, Storage & Rigging	NA	-	NA	400	7	1.66%
SNET	Telecommunications	NA	-	NA	367	8	1.52%
Stop & Shop	Supermarket Chain	NA	-	NA	250	10	1.03%
Total		<u>13,804</u>		<u>55.46%</u>	<u>NA</u>		<u>48.43%</u>
Total Employment		<u>24,891</u>			<u>24,163</u>		

Source: Town of Stratford, Office of Community Development  
 NA- Not Applicable

TOWN OF STRATFORD, CONNECTICUT

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	Full-Time-Equivalent Employees as of June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government	83	64	89	90	86	75	71	96	82	94
Police	106	117	116	116	108	111	112	119	117	113
Fire	117	111	100	100	104	111	117	96	99	97
Refuse collection	28	29	32	32	31	33	33	30	28	30
Other public works	67	76	64	64	65	76	77	64	69	66
Parks	16	21	24	26	23	25	27	19	20	21
Recreation	3	6	7	7	7	7	7	7	6	6
Library	26	29	27	27	28	26	29	26	28	28
Total Non-Education	<u>446</u>	<u>453</u>	<u>459</u>	<u>462</u>	<u>452</u>	<u>464</u>	<u>473</u>	<u>457</u>	<u>449</u>	<u>455</u>
Education	<u>890</u>	<u>864</u>	<u>847</u>	<u>844</u>	<u>843</u>	<u>864</u>	<u>838</u>	<u>832</u>	<u>833</u>	<u>835</u>
Total Including Education	<u>1,336</u>	<u>1,317</u>	<u>1,306</u>	<u>1,306</u>	<u>1,295</u>	<u>1,328</u>	<u>1,311</u>	<u>1,289</u>	<u>1,282</u>	<u>1,290</u>

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Source: Town of Stratford, Human Resource Department  
Town of Stratford, Board of Education

**TOWN OF STRATFORD, CONNECTICUT**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government:										
Building permits issued	749	709	669	649	634	690	760	898	869	835
Building inspections conducted	3,151	3,090	3,188	3,136	3,186	3,475	2,947	2,964	2,868	2,845
Police:										
Physical arrests	1,403	1,520	1,419	1,597	1,233	1,363	1,483	1,142	1,338	1,433
Parking violations	464	631	431	369	519	994	665	n/a	505	1,086
Traffic violations	2,158	2,595	2,969	4,009	4,259	3,611	3,033	2,891	3,043	3,712
Fire:										
Emergency responses	6,772	5,556	5,707	4,577	5,307	5,196	5,146	5,098	4,569	4,693
Fires extinguished	318	304	311	435	530	367	325	148	205	237
Inspections	1,992	1,747	1,216	665	1,200	1,111	1,112	595	625	751
Refuse collection:										
Refuse collected (tons per year)	23,100	24,035	24,636	26,747	25,657	27,073	27,615	27,054	27,445	26,529
Recyclables collected (tons per year)	3,126	3,173	3,365	3,487	3,718	4,047	4,079	4,192	4,228	4,412
Parks and recreation:										
Athletic field permits issued	9,570	9,379	10,192	8,851	8,781	9,437	8,939	10,003	9,406	6,657
Community center admissions	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Library:										
Volumes in collection (Books & Serials)	160,557	152,384	151,115	162,990	151,977	168,707	168,627	149,961	148,475	149,257
Volumes in collection (All Other Items)	19,837	17,783	16,009	15,641	17,322	18,100	16,837	15,375	14,821	13,163
Total volumes borrowed (Books & Serials)	279,641	292,047	286,470	288,835	263,750	278,624	236,528	246,455	253,909	262,834
Total volumes borrowed (All Other Items)	158,799	179,563	175,639	189,627	187,203	138,373	173,237	171,788	168,124	186,973
Wastewater:										
Average daily sewage treatment (thousands of gallons)	7,896	6,700	8,826	8,413	8,182	9,290	7,690	8,250	7,360	7,500

Source: Town of Stratford, Building/Engineering  
Town of Stratford, Police Department  
Town of Stratford, Fire Department  
Town of Stratford, Public Works Department  
Town of Stratford, Recreation Department  
Town of Stratford, Library

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

Function/Program	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	-	-	-	-	-	-	-	-	-	-
Patrol units (Number of Vehicles)	32	32	30	30	29	28	25	19	19	18
Fire stations	4	4	4	4	4	4	4	4	4	4
Refuse collection:										
Refuse collection trucks	4	4	4	4	4	4	4	4	4	4
Recycling collection trucks	3	3	3	3	3	3	3	3	3	3
Yard Waste Trucks	2	2	2							
Parks and recreation:										
Acreage	795	795	795	795	795	774	774	774	774	774
Playgrounds	27	27	27	27	27	23	23	28	28	28
Baseball/softball diamonds	45	45	45	45	45	45	45	48	48	48
Soccer/football fields	13	13	13	13	13	13	13	9	9	9
Community centers	2	2	2	2	2	2	2	2	2	2
Wastewater:										
Sanitary sewers (miles)	200	200	200	200	200	200	200	200	200	200
Storm sewers (miles)	125	125	125	125	125	125	125	125	125	125
Treatment capacity (thousands of gallons)	14,500	14,500	14,500	14,500	14,500	11,500	11,500	11,500	11,500	11,500
Transit - mini-buses:										

Source: Town of Stratford, Police Department  
Town of Stratford, Fire Department  
Town of Stratford, Public Works Department  
Town of Stratford, Recreation Department  
Town of Stratford, Engineering Department