

**TOWN OF STRATFORD,  
CONNECTICUT**



**Comprehensive  
Annual Financial Report  
Fiscal Year Ended June 30, 2016**



# **Comprehensive Annual Financial Report**

**of the**

## **Town of Stratford, Connecticut**

**Fiscal Year Ended June 30, 2016**

Finance Department  
Christopher Tymniak  
Acting Finance Director



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## **Introductory Section**



**TOWN OF STRATFORD, CONNECTICUT**

**PRINCIPAL TOWN OFFICIALS**

**John A. Harkins, Mayor**

**TOWN COUNCIL**

Beth Daponte, Council Chair  
Scott Farrington-Posner  
Wali Kadeem  
David L. Harden  
Gregory Cann  
Philip L. Young  
Marianne E. Antezzo  
J.Vincent Chase  
Alan Llewelyn  
Tina M. Manus

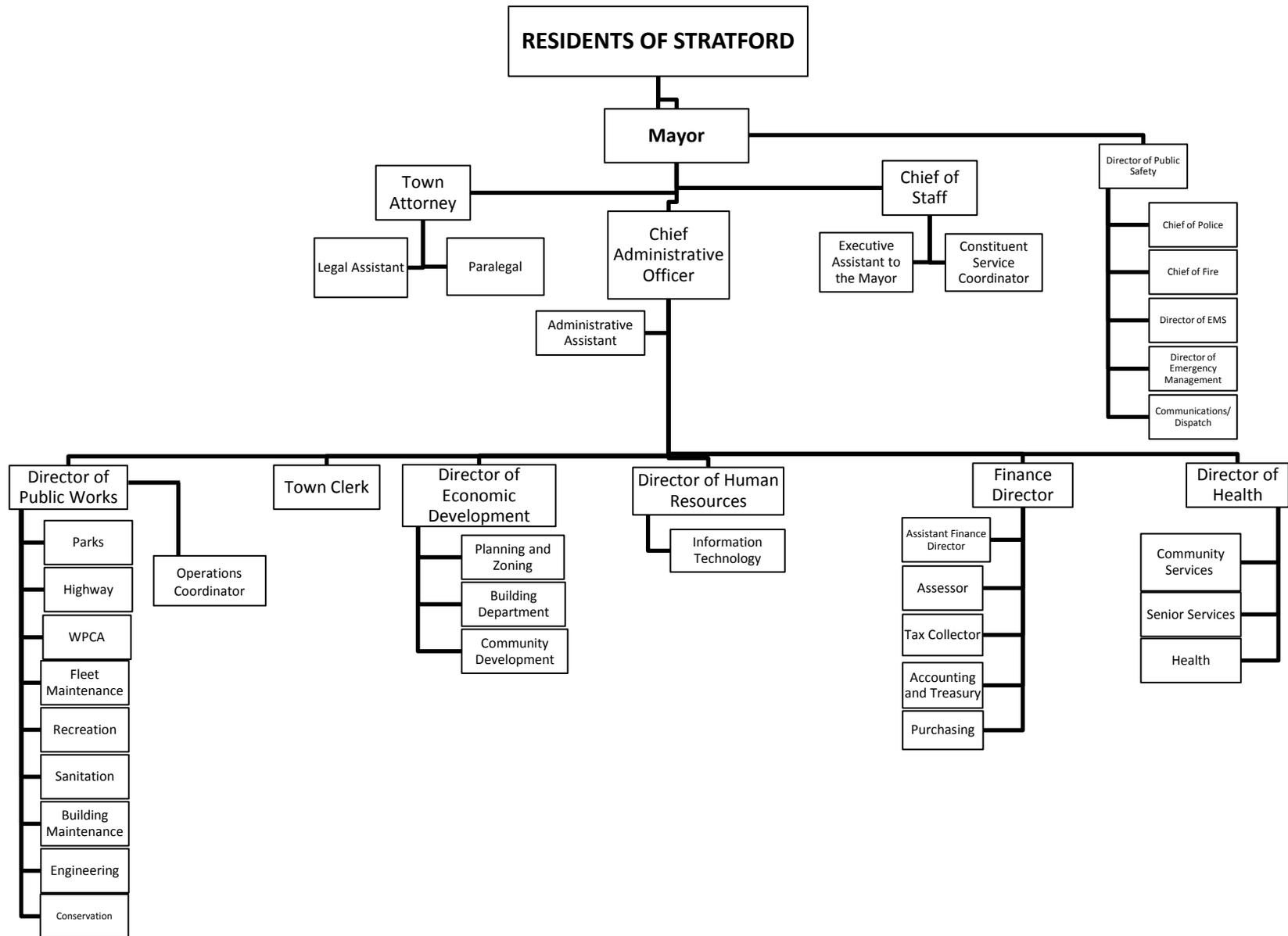
**BOARD OF EDUCATION**

Chair .....	James Feehan
Vice-Chair .....	Leonard Petruccelli
Secretary .....	Theresa Sheehy
Board Member.....	Christian Barnaby
Board Member .....	Maria Buturla
Board Member .....	Susan Lance
Board Member .....	Eric Lazaro
Executive Assistant to the Superintendent & Board Secretary	Teresa Lycoudes

Dr. Janet M. Robinson,  
Superintendent of Schools

**ADMINISTRATION**

Chief Administrative Officer/Acting Finance Director .....	Christopher Tymniak
Town Clerk.....	Susan Pawluk
Treasurer .....	Marie Craig
Assessor .....	Melinda Fonda
Tax Collector.....	Deborah Heim
Town Attorney.....	Christopher Hodgson





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
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Presented to

**Town of Stratford  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

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January 3, 2017

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

Connecticut law requires that all general-purpose local governments publish at the end of each fiscal year a complete set of audited financial statements. This report fulfills that requirement for the fiscal year ended June 30, 2016.

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.

RSM US LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Town of Stratford, Connecticut's financial statements for the year ended June 30, 2016. 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 7,200 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***

Stratford is strategically located between New York City and Boston and has excellent transportation access that has attracted and sustained economic development over the years. Stratford is bisected by both Interstate 95 and Metro North rail service lines. The Merritt Parkway and Routes 8 and 25 offer convenient access to the entire Northeast corridor. Stratford has over 17 miles of coastline, 400 acres of forest, beautiful parks and a rich cultural heritage creating a unique quality of life for our multi-generational residents. Stratford's diverse community of over 51,000 residents offers world class employers, a highly skilled workforce, excellent transportation access and affordable living.

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 6,000 employees. Sikorsky has committed to staying in Connecticut and increasing the size of their workforce. According to the company, its current workload is stable and the company has expressed an ongoing commitment to the Town.

With over 12,900,000 square feet of effective commercial, industrial, retail and office space, the Town of Stratford has a diverse, thriving, growing base of successful businesses within the community.

The Town has seen numerous current businesses expand and many new business move into town. Two Roads Brewery is currently operating at the historic U.S. Baird property. Avalon Bay has recently completed 130 units of market rate rental housing. St. Vincent's Hospital opened its Urgent Care facility on Main Street in 2015. Construction of a new 6,000 square foot building will be available for retail and office space at 3651 Main Street in the Paradise Green section of Town. Cober Electronics, Versa Media and Norwalk Powdered Metals are some of the new companies that have relocated to Stratford. Stratford Land Development, Connecticut Distributors, Nouvo Pasta, W.B. Meyer, UPS and FedEx are current Stratford businesses that are expanding in size and potentially creating new jobs.

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 Connecticut Department of Economic and Community Development (DECD) has awarded the Town of Stratford a \$2,850,000 grant to remediate the 10.5 acre Contract Plating site. Stratford has also received a \$200,000 Brownfields grant from the EPA for removal and clean-up at the town-owned Mercer Fuel towers site on Stratford Avenue. Once remediated, the properties will be ready for development.

### **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 May 09, 2016, the Town's Fiscal Year 2016-2017 operating budget was adopted. 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 2016 the tax collection assumption was raised slightly to reflect real property revaluation.

Annually the Town prepares a Five Year Capital Improvement & Equipment Program, which is reviewed by the Town Council. The approved fiscal year 2016-2017 Five Year Capital Improvement and Equipment Programs includes various projects and equipment purchases totaling \$97,902,791 for the five-year period beginning with FY 2017 and ending with FY 2021. Borrowing consists of \$84,789,163. Grants of \$2,042,500 are projected to be available and the remaining amount of \$11,071,128 is from General Fund, Special Revenue Fund and Enterprise Funds.

The new Victoria Soto School (formerly, Stratford Academy Honeyspot House Elementary school), a 35,960 square foot facility for Pre-K/Kindergarten to second grade and located adjacent to the existing Stratford Academy Johnson House Elementary school is completed and opened for the 2016-2017 school year. The total project cost is \$17.3 million and the Town received \$7.2 million in state grants to offset the local share of the project.

The Town is currently undertaking a major school improvement project. The school project consists of comprehensive renovations and/ or additions at the existing Stratford High School. The project will include complete new or like new construction of building envelope renovation, reconfiguration of existing spaces to maximize efficiency, additional science classrooms, gym facilities, media center, auditorium HVAC, energy efficiency and related site improvements. Renovation to Stratford High School will cost \$126 million. The town's portion of the renovation will be \$52.6 million and the remaining costs will be covered by state reimbursements.

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

### **Recent Financial Results**

For the fiscal year ended June 30, 2016, on a budgetary basis, General Fund revenues total \$205.4 million while expenditures totaled \$206.0 million. The result was a year-end operating deficit of \$.6 million.

The main driver of the deficit was a negative variance of \$5.1 million in gain on sale due to the WPCA sale that did not occur. The Town approved the budget adjustment to reduce the funding to the internal service fund by \$3 million. The Town had a positive revenue variance of approximately \$513 thousand in intergovernmental revenues. Property taxes had a positive revenue variance of \$1.1 million which was the result of an increase in arrears collections.

The estimated \$3 million negative expenditure variance includes public safety negative expenditure variances of \$2.6 million due to bargaining contracts and overtime. Overall employee benefits had a negative variance of \$1 million, which was largely offset by positive variance in public works department by \$.6 million due to vacant positions.

The Town's cost control efforts include continuing to monitor all overtime 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 2016-17, including ongoing union negotiations with Town collective bargaining units, negotiations with Board of Education bargaining 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 FY16, 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 \$51.75 million of pension obligation bonds in FY11 to take advantage of the declining interest rates. In FY14 the Town refunded \$16.66 million of general obligation bonds to refinance previous obligation bonds and issued \$162.69 million of general obligation bonds to fund the pension account.

On December 17, 2014, the Town issued \$42.74 million of general obligation bonds. The bonds will mature through 2034. The issue consisted of \$33.795 million of new money and \$8.945 million of refunding money.

#### Taxes

During the fiscal year ended 2016, the Town collected 97.4% of its current tax levy. This represented the sixteenth consecutive year that the Town has exceeded 96.5%. Property taxes increased by \$1.9 million over the prior year. Current tax collections totaled \$160.2 million. Arrears taxes and interest collected was \$4.7 million.

#### Acknowledgements

I would like to thank RSM US LLP., 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 be 'C. Tymniak', written over a faint, large, light-colored oval or circular shape.

Christopher Tymniak  
Acting Finance Director

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**Financial Section**



**Independent Auditor's 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, 2016, 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, 2016 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, the budgetary information, the schedules of employer contributions and funding progress- OPEB, and the pension-related schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Stratford, Connecticut's basic financial statements. The introductory section, the combining and individual fund financial statements and other 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 fund financial statements and other 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 fund financial statements and other 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 January 3, 2017 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.

*RSM US LLP*

New Haven, Connecticut  
January 3, 2017

**TOWN OF STRATFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

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, 2016. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to XI.

**Financial Highlights**

- In the Statement of Net Position, The Town's net position decreased by \$20.6 million, or 12.2%, as a result of this year's operations. The net position of our business-type activities decreased by \$0.8 million, or 3.5%, and the net position of our governmental activities decreased by \$19.8 million, or 10.4%.
- During the year, the Town's governmental activities had expenses that were \$19.7 million less than the \$230 million generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues from charges for services are \$14.2 million while operating expenses are \$14.3 million primarily due to the Water Treatment plant and Emergency Medical Services.
- Total cost of all of the Town's programs increased by \$17.1 million to \$264.0 million with no major new programs added this year. These increases consisted of \$7.6 million in education, \$7.5 million in public safety, \$2.4 million in physical development and \$1.9 million in human development expense offset by a decrease of \$1.9 million in general government and \$0.5 million in interest expense.
- The General Fund reported a fund balance this year of \$8.3 million, which was a decrease of \$0.7 million from the prior year.
- Revenues in the General Fund totaled \$205.4 million while expenditures totaled \$206.0 million resulting in a deficit of \$0.6 million 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 XI. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

**Government-Wide Financial Statements**

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

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

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

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

### **Fund Financial Statements**

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

**Governmental funds (Exhibits III to VI):** 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 VII to IX):** 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 X and XI):** 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 decreased from a year ago from \$(168.1) million to \$(188.7) million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 49,435	\$ 67,699	\$ 7,196	\$ 6,142	\$ 56,631	\$ 73,841
Capital Assets, net of depreciation	190,894	188,476	51,231	54,661	242,124	243,137
<b>Total assets</b>	<b>240,329</b>	<b>256,175</b>	<b>58,426</b>	<b>60,803</b>	<b>298,755</b>	<b>316,978</b>
Deferred pension expense	19,303	5,693	-	-	19,303	5,693
Deferred Charge on Refundings	2,404	2,823	29	33	2,433	2,856
<b>Total deferred outflows of resources</b>	<b>21,707</b>	<b>8,516</b>	<b>29</b>	<b>33</b>	<b>21,736</b>	<b>8,549</b>
Current Liabilities	11,939	12,972	1,134	634	13,073	13,606
Long-Term Liabilities Outstanding	458,971	441,195	35,856	37,949	494,827	479,144
<b>Total liabilities</b>	<b>470,911</b>	<b>454,167</b>	<b>36,990</b>	<b>38,583</b>	<b>507,901</b>	<b>492,750</b>
Deferred pension credit	512	907	-	-	512	907
Advance Tax Collections	781	20	-	-	781	20
<b>Total deferred inflows of resources</b>	<b>1,293</b>	<b>927</b>	<b>-</b>	<b>-</b>	<b>1,293</b>	<b>927</b>
Net Position						
Net investment in capital assets	81,259	78,329	15,719	16,988	96,978	95,317
Restricted	2,476	2,709	-	-	2,476	2,709
Unrestricted	(293,903)	(271,442)	5,746	5,265	(288,156)	(266,177)
<b>Total net position</b>	<b>\$ (210,168)</b>	<b>\$ (190,404)</b>	<b>\$ 21,466</b>	<b>\$ 22,253</b>	<b>\$ (188,702)</b>	<b>\$ (168,151)</b>

Net position of the Town's governmental activities decreased by 10.4% to \$(210.1) million compared to (\$190.4) 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 \$(271.4) million at June 30, 2015 to \$(293.9) million at the end of this year.

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 10,757	\$ 11,313	\$ 14,181	\$ 12,944	\$ 24,938	\$ 24,257
Operating grants and contributions	45,266	43,875	-	-	45,266	43,875
Capital grants and contributions	4,965	12,886	-	-	4,965	12,886
General revenues:						
Property taxes	166,649	163,847	-	-	166,649	163,847
Grants and contributions not restricted to specific purposes	1,593	1,550	-	-	1,593	1,550
Unrestricted investment earnings	67	159	-	-	67	159
<b>Total revenues</b>	<b>229,297</b>	<b>233,630</b>	<b>14,181</b>	<b>12,944</b>	<b>243,479</b>	<b>246,574</b>
Program expenses:						
General government	31,845	33,728	-	-	31,845	33,728
Human development	10,145	8,277	-	-	10,145	8,277
Physical development	22,908	20,537	-	-	22,908	20,537
Public safety	35,826	28,289	-	-	35,826	28,289
Education	136,979	129,334	-	-	136,979	129,334
Interest expense	12,058	12,530	-	-	12,058	12,530
Waste operating	-	-	11,394	11,768	11,394	11,768
Emergency Medical Services	-	-	2,390	2,022	2,390	2,022
Miniature Golf Course	-	-	484	429	484	429
<b>Total program expenses</b>	<b>249,761</b>	<b>232,695</b>	<b>14,269</b>	<b>14,219</b>	<b>264,030</b>	<b>246,914</b>
<b>Excess (deficiency) before transfers</b>	<b>(20,464)</b>	<b>935</b>	<b>(87)</b>	<b>(1,275)</b>	<b>(20,551)</b>	<b>(340)</b>
Transfers	700	700	(700)	(700)	-	-
<b>Change in net position</b>	<b>\$ (19,764)</b>	<b>\$ 1,635</b>	<b>\$ (787)</b>	<b>\$ (1,975)</b>	<b>\$ (20,551)</b>	<b>\$ (340)</b>

The Town's total revenues were \$243.5 million. The total cost of all programs and services was \$264.0 million. Our analysis below separately considers the operations of governmental and business-type activities.

### **Governmental Activities**

Approximately 72.7% of the revenues were derived from property taxes; the remaining 27.3% of revenue is made up of operating and capital grants and investment earnings.

Major revenue factors include:

- Property taxes increased by \$2.8 million over the prior year. Current tax collections totaled \$160.2 million or 97.4% of the levy. Arrears taxes and interest collected was \$4.5 million. Unrestricted investment earnings were \$0.1 million less than the prior year.
- Operating grants for governmental activities increased by \$1.4 million over the prior year. The State of Connecticut Education Cost Sharing grant, Special education, and Municipal revenue sharing totaled \$26.8 million of the Operating grants total.

Governmental expenses increased from \$232.7 million to \$249.8 million with no major new programs added this year. These increases consisted of \$7.6 million in education expense, \$7.5 in public safety, \$2.4 million in physical development expense, \$1.8 million in Human development and decreased of \$1.9 million in general government expense.

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

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

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
General Government	\$ 31,845	\$ 33,728	\$ 29,578	\$ 31,464
Public Safety	35,826	28,289	34,803	26,821
Physical Development	22,908	20,537	14,768	12,840
Education	136,979	129,334	93,141	77,463
Human Development	10,145	8,277	4,425	3,503
All Others	12,058	12,530	12,058	12,530
<b>Total</b>	<b>\$ 249,761</b>	<b>\$ 232,695</b>	<b>\$ 188,773</b>	<b>\$ 164,622</b>

### **Business-Type Activities**

Business-type activities decreased the Town's net position by \$.8 million. The key factors were increase in operating expenses in Short Beach golf course and Emergency Medical Services.

### **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 \$17.3 million, a decrease of \$17.4 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 is \$8.3 million. The reason for the \$0.7 million decrease in the General Fund mirrors the general fund activities analysis highlighted in RSI-1 and RSI-2.

The fund balance of the Town's General Fund decreased by \$.7 million during the current fiscal year. Key factors affecting the General Fund are as follows:

- Increase in public safety, education and employee benefits.

The Capital Projects Fund has a fund balance of \$3.4 million at the end of the year, a decrease of \$15.3 million from the prior year. The decrease is due to major projects in the current year. Major projects are as follows:

- The Victoria Soto School Project of \$1.2 million.
- The Stratford High School Project of \$2.3 million.
- Road Resurfacing, sidewalk improvement, street improvement, and bridge improvement of \$3.8 million.
- School Improvements, equipment and technology infrastructure Projects have expenditures of \$5 million.
- Capital equipment purchases for public works, police and fire of \$2.0 million.
- Library building improvements of \$1.1 million.

Other non-major governmental funds have a total fund balance of \$5.5 million, a decrease of \$1.4 million from the prior year. Decrease is due to Debt Service Fund transfers out of \$0.5 million, Gas Pipeline transfers out of \$0.3, miscellaneous grants decrease by \$0.3 million and permanent funds decrease by \$0.2 due to depreciation in fair market value of investments.

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

Overall enterprise funds net position total \$21.5 million at the end of 2016, decreasing by \$0.8 million from the previous year.

Net position of the Waste Operating Fund at the end of the year is \$21.3 million, 99% of total net position of the proprietary funds. Other non-major activities have net position of \$0.2 million or 1% 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.

Internal service funds net position total (\$4.2) million at the end of 2016, decreasing by \$3.5 million from the previous years.

Net position of the Health Benefit Fund and Workers' compensation as of June 30, 2016 is \$2 million and (\$6.2) million, respectively. Decrease in Health Benefit fund net position is due to decrease in funding from General Fund. Decrease in Workers' Compensation fund net position is due to increase in risk management claim liability of \$2.1 million.

### **General Fund Budgetary Highlights**

During the year, revenues were over budgetary estimates by \$1 million and expenditures were over budgetary estimates by \$1.6 million. The adopted FY16 Budget included revenues and expenses related to the pending sale of the WPCA. The sale did not occur. Both revenues and expenditures were adjusted to reflect the non-sale of the WPCA. The town had a positive revenue variance that was the result of \$1.1 million revenues exceeding the budget for tax collections. Tax collection revenue helped minimize the overall number. Expenditures exceeded budget estimates due to increases in Public Safety (Police & Fire), Employee Benefits, and Contingency related to contract settlements.

## 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, 2016 amounted to \$190.9 million and \$51.2 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 \$1 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 15,919	\$ 15,791	\$ -	\$ -	\$ 15,919	\$ 15,791
Land Improvements	10,579	10,723	116	123	10,695	10,846
Buildings and Improvements	107,232	91,226	41,122	44,395	148,354	135,621
Infrastructure	31,411	30,565	7,679	7,842	39,090	38,407
Machinery and Equipment	17,134	16,211	2,314	2,301	19,448	18,512
Construction in Progress	8,618	23,960	-	-	8,618	23,960
<b>Total</b>	<b>\$ 190,893</b>	<b>\$ 188,476</b>	<b>\$ 51,231</b>	<b>\$ 54,661</b>	<b>\$ 242,124</b>	<b>\$ 243,137</b>

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

- Stratford High Renovation Project -\$2.3
- Victoria Soto School Project- \$0.7
- Various school improvements/safety/maintenance and equipments - \$3.3
- Library Building improvements-\$1.1
- Road resurfacing/reconstruction - \$3.1
- Purchase of Capital Equipment for Public Works, Police & Fire and capital lease payments - \$.6
- Land and building purchase - \$.35
- Municipal building improvements - \$.2

More detailed information about the Town's capital assets is presented in Note 1 and Note 4 to the financial statements

The Town's fiscal-year 2016-17 capital plans call for spending another \$14.9 million for capital projects, principally for the following (in millions):

- Various school improvements/safety/maintenance - \$6.6
- Road resurfacing/reconstruction and Sewers - \$3.9
- Purchase of Capital Equipment for Public Works, Police & Fire - \$2.2
- Municipal Buildings repairs/maintenance - \$1.6
- Parks improvements/playground renovations - \$.25
- Public Works - \$.39

**Long-Term Debt.** At June 30, 2016 the Town had \$320.8 million in bonds and notes outstanding versus \$342.7 million last year, a decrease of 6.4% as shown in Table 5.

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 285,472	\$ 305,060	\$ 1,810	\$ 1,948	\$ 287,282	\$ 307,008
Capital Leases	2,260	2,418	221	46	2,481	2,464
Notes Payable	-	-	33,510	35,702	33,510	35,702
<b>Total</b>	<b>\$ 287,732</b>	<b>\$ 307,478</b>	<b>\$ 35,541</b>	<b>\$ 37,696</b>	<b>\$ 323,273</b>	<b>\$ 345,174</b>

The Town is scheduled to issue \$25,260,000 of General Obligation Bonds and \$25,000,000 of General Obligation Bond Anticipation Notes in January of 2017.

The Town maintains an “AA” rating from Standard & Poor’s and an “A1” 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 \$1,154.9million, significantly more than the Town’s outstanding general obligation debt.

More detailed information about the Town’s long-term liabilities is presented in Note 6 to the financial statements.

**Economic Factors and Next Year’s Budgets and Rates**

- Inflationary trends in the region are comparable to national indices.
- The Town’s annual average unemployment rate was 6.4% for calendar year 2016 compare to 6.3% in 2015. This rate compares to the State’s annual average unemployment rate of 5.8% and the US rate of 4.9%.

All of these factors were considered in preparing the Town’s budget for FY20162017. The fiscal year 2017 General Fund budget calls for \$215.3 million in revenues and expenditures, an approximate 3.76% increase in expenditures over fiscal year 2016 budget. Education expenditures increased by 6.8%. On the revenue side, the fiscal year 2017 mill rate increased to 38.99 on the Grand List excluding Motor Vehicle. The Motor Vehicle fiscal year 2017 mill rate is 37.00.

During the current fiscal year, unassigned fund balance in the General Fund decreased by \$1 million to \$7 million. In the FY2016-17budget 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 Assistant Finance Director, Town of Stratford, 2725 Main Street, Stratford, Connecticut 06615.

## **Basic Financial Statements**



**Statement of Net Position (Deficits)**  
**June 30, 2016**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 30,691,536	\$ 4,610,790	\$ 35,302,326
Investments	1,741,873	-	1,741,873
Receivables, net	16,352,078	2,675,025	19,027,103
Internal balances	(826,191)	826,191	-
Inventory	191,142	-	191,142
Other Assets	368,500	-	368,500
Advance to other funds	916,459	(916,459)	-
Capital assets:			
Assets not being depreciated	24,537,190	-	24,537,190
Assets being depreciated, net	166,356,575	51,230,515	217,587,090
<b>Total assets</b>	<b>\$ 240,329,162</b>	<b>\$ 58,426,062</b>	<b>\$ 298,755,224</b>
Deferred outflows of resources:			
Deferred pension expense	\$ 19,303,295	\$ -	\$ 19,303,295
Deferred charges on refundings	2,403,575	29,425	2,433,000
<b>Total deferred outflows of resources</b>	<b>\$ 21,706,870</b>	<b>\$ 29,425</b>	<b>\$ 21,736,295</b>
<b>Liabilities</b>			
Accounts and other payables	5,248,788	1,098,782	6,347,570
Accrued liabilities	6,319,195	-	6,319,195
Unearned revenue	371,460	34,841	406,301
Noncurrent liabilities:			
Due within one year	23,685,119	2,561,843	26,246,962
Due in more than one year	435,286,078	33,294,430	468,580,508
<b>Total liabilities</b>	<b>470,910,640</b>	<b>36,989,896</b>	<b>507,900,536</b>
Deferred inflows of resources:			
Deferred pension credit	512,479	-	512,479
Deferred revenue - advanced tax collections	780,599	-	780,599
<b>Total deferred inflows of resources</b>	<b>1,293,078</b>	<b>-</b>	<b>1,293,078</b>
Net position (deficit):			
Net investment in capital assets	81,258,836	15,719,310	96,978,146
Restricted for			
nonexpendable trust	2,476,207	-	2,476,207
Unrestricted (deficit)	(293,902,729)	5,746,281	(288,156,448)
<b>Total net position (deficit)</b>	<b>\$ (210,167,686)</b>	<b>\$ 21,465,591</b>	<b>\$ (188,702,095)</b>

See notes to financial statements.

Statement of Activities  
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
General government	\$ (31,845,038)	\$ 2,266,732	\$ -	\$ -	\$ (29,578,306)	\$ -	\$ (29,578,306)
Human development	(10,145,250)	3,440,357	2,280,173	-	(4,424,720)	-	(4,424,720)
Physical development	(22,908,485)	2,051,688	1,555,602	4,532,732	(14,768,463)	-	(14,768,463)
Public safety	(35,825,970)	1,022,660	-	-	(34,803,310)	-	(34,803,310)
Education	(136,978,938)	1,975,072	41,430,140	432,685	(93,141,041)	-	(93,141,041)
Debt service	(12,057,650)	-	-	-	(12,057,650)	-	(12,057,650)
<b>Total governmental activities</b>	<b>(249,761,331)</b>	<b>10,756,509</b>	<b>45,265,915</b>	<b>4,965,417</b>	<b>(188,773,490)</b>	<b>-</b>	<b>(188,773,490)</b>
<b>Business-type activities:</b>							
Waste Operating	(11,394,184)	11,842,482	-	-	-	448,298	448,298
Emergency Medical Services	(2,390,287)	2,056,407	-	-	-	(333,880)	(333,880)
Short Beach Golf Course	(484,197)	282,535	-	-	-	(201,662)	(201,662)
<b>Total business-type activities</b>	<b>(14,268,668)</b>	<b>14,181,424</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(87,244)</b>	<b>(87,244)</b>
<b>Total</b>	<b>\$ (264,029,999)</b>	<b>\$ 24,937,933</b>	<b>\$ 45,265,915</b>	<b>\$ 4,965,417</b>	<b>(188,773,490)</b>	<b>(87,244)</b>	<b>(188,860,734)</b>
General revenues							
Property taxes					166,648,764	-	166,648,764
Grants and contributions not restricted to specific programs					1,593,432	-	1,593,432
Unrestricted investment earnings					66,797	-	66,797
Transfers					700,000	(700,000)	-
<b>Total general revenues and transfers</b>					<b>169,008,993</b>	<b>(700,000)</b>	<b>168,308,993</b>
<b>Change in net position (deficit)</b>					<b>(19,764,497)</b>	<b>(787,244)</b>	<b>(20,551,741)</b>
Net position (deficit) - beginning					(190,403,189)	22,252,835	(168,150,354)
Net position (deficit)- ending					<b>\$ (210,167,686)</b>	<b>\$ 21,465,591</b>	<b>\$ (188,702,095)</b>

See notes to financial statements.

**Balance Sheet - Governmental Funds**  
**June 30, 2016**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 28,519,760	\$ -	\$ 2,091,776	\$ 30,611,536
Investments	-	-	1,741,873	1,741,873
Receivables, net (Note 3)	14,468,941	754,517	1,128,620	16,352,078
Inventories and prepaids	154,656	-	36,486	191,142
Advance to other funds	916,459	-	-	916,459
Due from other funds	8,119,984	8,111,814	3,495,630	19,727,428
<b>Total assets</b>	<b>\$ 52,179,800</b>	<b>\$ 8,866,331</b>	<b>\$ 8,494,385</b>	<b>\$ 69,540,516</b>
<b>Liabilities</b>				
Accounts payable	\$ 1,993,496	\$ 1,592,822	\$ 1,647,207	\$ 5,233,525
Accrued liabilities	2,211,807	-	-	2,211,807
Unearned revenues	-	-	371,460	371,460
Due to other funds	25,474,303	3,100,621	191,140	28,766,064
<b>Total liabilities</b>	<b>29,679,606</b>	<b>4,693,443</b>	<b>2,209,807</b>	<b>36,582,856</b>
Deferred inflows of resources:				
Unavailable resources	13,393,974	754,517	753,316	14,901,807
Advance property tax collections	780,599	-	-	780,599
<b>Total deferred inflows of resources</b>	<b>14,174,573</b>	<b>754,517</b>	<b>753,316</b>	<b>15,682,406</b>
Fund balances:				
Nonspendable	1,071,115	-	36,486	1,107,601
Restricted	-	-	3,153,620	3,153,620
Committed	-	3,418,371	3,611,354	7,029,725
Assigned	16,710	-	-	16,710
Unassigned (deficit)	7,237,796	-	(1,270,198)	5,967,598
<b>Total fund balances</b>	<b>8,325,621</b>	<b>3,418,371</b>	<b>5,531,262</b>	<b>17,275,254</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 52,179,800</b>	<b>\$ 8,866,331</b>	<b>\$ 8,494,385</b>	<b>\$ 69,540,516</b>

See notes to financial statements.

**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position  
June 30, 2016**

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

Fund balances - total governmental funds (Exhibit III)	\$ 17,275,254
--------------------------------------------------------	---------------

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

Governmental capital assets	375,892,246	
Less accumulated depreciation	<u>(184,998,481)</u>	
<b>Net capital assets</b>		190,893,765

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

Property tax receivables greater than 60 days	7,092,633
Interest receivable on property taxes	5,873,154
Assessments receivable	754,517
Housing loans	188,448
Receivable from the State for school construction projects	398,893
Other intergovernmental receivables	594,162

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.

(4,179,642)

Net deferred outflows/inflows related to net pension liability

18,790,816

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

Bonds and notes payable	(278,822,151)
Bond premium	(6,649,630)
Capital lease	(2,260,147)
Interest payable on bonds and notes	(4,107,388)
Compensated absences	(10,343,509)
Landfill closure	(7,800,000)
Net pension liability- defined benefit plan	(68,333,836)
OPEB obligation	(68,686,600)
Deferred charges on refunding	2,403,575
Claims and judgments	<u>(3,250,000)</u>

**Net position (deficit) of governmental activities (Exhibit I)**

**\$ (210,167,686)**

See notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2016**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property taxes and assessments	\$ 164,688,249	\$ 324,778	\$ -	\$ 165,013,027
State and federal governments	41,912,560	826,340	9,078,992	51,817,892
Charges for services	2,895,396	-	2,747,024	5,642,420
Licenses and permits	892,071	-	417,283	1,309,354
Investment income	72,654	-	(5,857)	66,797
Other	4,132,814	1,600	465,501	4,599,915
<b>Total revenues</b>	<b>214,593,744</b>	<b>1,152,718</b>	<b>12,702,943</b>	<b>228,449,405</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Administration	4,591,072	-	-	4,591,072
Contingency	3,688,316	-	-	3,688,316
Employee benefits	19,572,548	-	-	19,572,548
Finance	2,120,485	-	-	2,120,485
Human development	5,666,977	-	3,160,682	8,827,659
Physical development	11,793,537	-	1,557,920	13,351,457
Public Safety	25,370,325	-	57,216	25,427,541
Education	112,764,984	-	8,094,044	120,859,028
<b>Debt service:</b>				
Principal retirements	12,954,972	-	-	12,954,972
Interest and other charges	18,424,556	-	-	18,424,556
Capital outlay	414,082	16,307,001	402,824	17,123,907
<b>Total expenditures</b>	<b>217,361,854</b>	<b>16,307,001</b>	<b>13,272,686</b>	<b>246,941,541</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,768,110)</b>	<b>(15,154,283)</b>	<b>(569,743)</b>	<b>(18,492,136)</b>
<b>Other financing sources (uses):</b>				
Proceeds from capital leases	414,082	-	-	414,082
Transfers in	4,957,546	1,394,035	181,000	6,532,581
Transfers out	(3,275,034)	(1,500,000)	(1,057,547)	(5,832,581)
<b>Total other financing sources (uses)</b>	<b>2,096,594</b>	<b>(105,965)</b>	<b>(876,547)</b>	<b>1,114,082</b>
<b>Net change in fund balances</b>	<b>(671,516)</b>	<b>(15,260,248)</b>	<b>(1,446,290)</b>	<b>(17,378,054)</b>
Fund balances, beginning	8,997,137	18,678,619	6,977,552	34,653,308
Fund balances, ending	\$ 8,325,621	\$ 3,418,371	\$ 5,531,262	\$ 17,275,254

See notes to financial statements.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
For the fiscal year ended June 30, 2016**

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

Net change in fund balances - total governmental funds (Exhibit V) \$ (17,378,054)

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:

Loss on disposal	(40,102)
Capital outlay	12,199,454
Depreciation expense	(9,741,491)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds (loss) 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.

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

Change in property taxes and interest collected after 60 days	1,554,990
Change in assessments collected after 60 days	(92,252)
Change in housing loans collected after 60 days	(75,391)
Change in school building grant receipts collected after 60 days	(822,881)
Other grants collected after 60 days	282,963

Change in deferred outflows/inflows relating to the net pension liability, not reported in governmental funds 14,004,865

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 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	18,936,239
Proceeds from capital lease	(414,082)
Capital lease payments	571,981

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	(3,795,338)
Accrued interest	152,823
Unsettled contract reserve	700,000
Net pension liability	(18,731,687)
OPEB obligation	(11,260,900)
Amortization of deferred amount on refunding	(419,517)
Amortization of bond premiums	652,332
Claims and Judgments	(2,500,000)

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

(3,548,449)

**Change in net position of governmental activities (Exhibit II)**

**\$ (19,764,497)**

See notes to financial statements.

**Statement of Net Position (Deficit) - Proprietary Funds  
June 30, 2016**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Waste Operating Fund	Other Nonmajor Funds	Totals	Internal Service Funds
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ 4,610,790	\$ 4,610,790	\$ 80,000
Receivables:				
Accounts and other	-	367,996	367,996	-
Sewer usage receivable	2,307,029	-	2,307,029	-
Due from other funds	5,487,333	-	5,487,333	8,212,445
Other assets	-	-	-	368,500
<b>Total current assets</b>	<b>7,794,362</b>	<b>4,978,786</b>	<b>12,773,148</b>	<b>8,660,945</b>
Capital assets:				
Capital assets being depreciated, net	48,499,728	2,730,787	51,230,515	-
<b>Total capital assets</b>	<b>48,499,728</b>	<b>2,730,787</b>	<b>51,230,515</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 56,294,090</b>	<b>\$ 7,709,573</b>	<b>\$ 64,003,663</b>	<b>\$ 8,660,945</b>
Deferred outflow of resources:				
Deferred amounts on refunding	\$ -	\$ 29,425	\$ 29,425	\$ -
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ 927,789	\$ 170,993	\$ 1,098,782	\$ 15,263
Unearned revenue	34,162	679	34,841	-
Due to other funds	-	4,661,142	4,661,142	-
Risk management claims	-	-	-	728,000
Bonds payable	30,122	103,000	133,122	-
Serial and notes payable	2,235,969	-	2,235,969	-
Capital lease	1,040	46,908	47,948	-
Compensated absences	10,125	99,853	109,978	-
<b>Total current liabilities</b>	<b>3,239,207</b>	<b>5,082,575</b>	<b>8,321,782</b>	<b>743,263</b>
Noncurrent liabilities:				
Advance from other funds	-	916,459	916,459	-
Bonds payable	399,121	1,277,560	1,676,681	-
Serial notes payable	31,273,973	-	31,273,973	-
Capital lease	33,602	139,335	172,937	-
Risk management claims	-	-	-	12,097,324
Compensated absences	98,103	107,562	205,665	-
<b>Total noncurrent liabilities</b>	<b>31,804,799</b>	<b>2,440,916</b>	<b>34,245,715</b>	<b>12,097,324</b>
<b>Total liabilities</b>	<b>35,044,006</b>	<b>7,523,491</b>	<b>42,567,497</b>	<b>12,840,587</b>
Net position (deficit):				
Net investment in capital assets	14,525,901	1,163,984	15,689,885	-
Unrestricted (deficit)	6,724,183	(948,477)	5,775,706	(4,179,642)
<b>Total net position (deficit)</b>	<b>\$ 21,250,084</b>	<b>\$ 215,507</b>	<b>\$ 21,465,591</b>	<b>\$ (4,179,642)</b>

See notes to financial statements.

**Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit) - Proprietary Funds  
For the Year Ended June 30, 2016**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Waste Operating Funds	Other Nonmajor Funds	Totals	Internal Service Funds
Operating revenues:				
Charges for services	\$ 11,822,457	\$ 2,338,942	\$ 14,161,399	\$ 6,057,258
Other	20,025	-	20,025	-
<b>Total operating revenues</b>	<b>11,842,482</b>	<b>2,338,942</b>	<b>14,181,424</b>	<b>6,057,258</b>
Operating expenses:				
Claims	-	-	-	9,605,707
Operating and maintenance	7,018,079	2,529,891	9,547,970	-
Depreciation	3,666,830	290,876	3,957,706	-
<b>Total operating expenses</b>	<b>10,684,909</b>	<b>2,820,767</b>	<b>13,505,676</b>	<b>9,605,707</b>
<b>Operating income (loss)</b>	<b>1,157,573</b>	<b>(481,825)</b>	<b>675,748</b>	<b>(3,548,449)</b>
Nonoperating revenues (expenses):				
Interest expense	(709,275)	(53,717)	(762,992)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(709,275)</b>	<b>(53,717)</b>	<b>(762,992)</b>	<b>-</b>
<b>Net (loss) income before transfers</b>	<b>448,298</b>	<b>(535,542)</b>	<b>(87,244)</b>	<b>(3,548,449)</b>
Transfers out	(300,000)	(400,000)	(700,000)	-
<b>Change in net position (deficit)</b>	<b>148,298</b>	<b>(935,542)</b>	<b>(787,244)</b>	<b>(3,548,449)</b>
Net position (deficit), beginning	21,101,786	1,151,049	22,252,835	(631,193)
Net position (deficit), ending	<b>\$ 21,250,084</b>	<b>\$ 215,507</b>	<b>\$ 21,465,591</b>	<b>\$ (4,179,642)</b>

See notes to financial statements.

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2016**

	Business-Type Activities - Enterprise Funds			Governmental
	Waste Operating Funds	Other Nonmajor Funds	Totals	Internal Service Funds
Cash flows from operating activities:				
Cash received from customers and users	\$ 11,624,642	\$ 2,367,441	\$ 13,992,083	\$ 2,877,958
Cash payments to suppliers	(5,256,369)	(939,432)	(6,195,801)	(7,709,543)
Cash payments to employees	(1,326,256)	(1,492,392)	(2,818,648)	-
Gross receipts (payments) to/from other funds	(1,644,431)	2,878,367	1,233,936	4,831,585
<b>Net cash provided by operating activities</b>	<b>3,397,586</b>	<b>2,813,984</b>	<b>6,211,570</b>	<b>-</b>
Cash flows from noncapital financing activities:				
Transfers (to)/from other funds	(300,000)	(400,000)	(700,000)	-
<b>Net cash used in noncapital financing activities</b>	<b>(300,000)</b>	<b>(400,000)</b>	<b>(700,000)</b>	<b>-</b>
Cash flows from capital and related financing activities:				
Principal payments on debt	(2,221,853)	(116,889)	(2,338,742)	-
Principal payments on capital lease	-	(63,324)	(63,324)	-
Interest paid on debt	(708,655)	(53,850)	(762,505)	-
Purchase of capital assets	(167,078)	(110,194)	(277,272)	-
<b>Net cash used in capital and related financing activities</b>	<b>(3,097,586)</b>	<b>(344,257)</b>	<b>(3,441,843)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>2,069,727</b>	<b>2,069,727</b>	<b>-</b>
Cash and cash equivalents:				
Beginning	-	2,541,063	2,541,063	80,000
Ending	\$ -	\$ 4,610,790	\$ 4,610,790	\$ 80,000
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,157,573	\$ (309,825)	\$ 847,748	\$ (3,548,449)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	3,666,830	290,875	3,957,705	-
Change in assets and liabilities:				
(Increase) decrease in accounts receivable and deferred charges	(246,191)	28,489	(217,702)	(368,500)
(Increase) decrease in due from other funds	(1,644,431)	-	(1,644,431)	2,118,784
Increase (decrease) in accounts payable and accrued expenses	435,454	98,066	533,520	(136,159)
Increase (decrease) in risk management claim liability	-	-	-	1,934,324
Increase in unearned revenues	28,351	11	28,362	-
Increase (decrease) in due to other funds	-	2,706,368	2,706,368	-
<b>Net cash provided by operating activities</b>	<b>\$ 3,397,586</b>	<b>\$ 2,813,984</b>	<b>\$ 6,211,570</b>	<b>\$ -</b>
Supplemental schedule of noncash financing activities:				
Amortization of gain on refunded debt	\$ -	\$ 3,462	\$ 3,462	\$ -
Amortization of premium on refunded debt	\$ -	\$ (3,595)	\$ (3,595)	\$ -

See notes to financial statements.

**Statement of Fiduciary Net Position - Fiduciary Funds**  
**June 30, 2016**

	Pension Trust Funds	OPEB Trust Fund	Agency Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 5,111,842	\$ 100,074	\$ 960,125
Investments, at fair value:			
Common stock	54,026,271	-	-
Mutual funds - open end	51,997,913	3,684,207	-
Collective Trusts	68,679,716	-	-
Limited Partnerships	59,781,537	-	-
<b>Total investments</b>	<u>234,485,437</u>	<u>3,684,207</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 239,597,279</u>	<u>\$ 3,784,281</u>	<u>\$ 960,125</u>
<b>Liabilities</b>			
Accounts payable	\$ 29,600	\$ -	-
Due to students and others	<u>-</u>	<u>-</u>	<u>\$ 960,125</u>
Net position:			
Restricted for pension benefits	239,567,679	-	
Restricted for OPEB benefits	<u>-</u>	<u>3,784,281</u>	
<b>Total net position</b>	<u>\$ 239,567,679</u>	<u>\$ 3,784,281</u>	

See notes to financial statements.

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds  
For the Year Ended June 30, 2016**

	Pension Trust Funds	OPEB Trust Fund
Additions:		
Contributions:		
Plan members	\$ 1,661,119	\$ -
Employer	5,393,200	8,139,200
<b>Total contributions</b>	<u>7,054,319</u>	<u>8,139,200</u>
Investment income:		
Net depreciation in fair market value of investments	(4,470,247)	12,109
Interest and dividends	4,060,387	73,259
	<u>(409,860)</u>	<u>85,368</u>
Less investment expenses:		
Investment fee	(503,971)	-
	<u>(503,971)</u>	<u>-</u>
<b>Net investment income (loss)</b>	<u>(913,831)</u>	<u>85,368</u>
<b>Total additions</b>	<u>6,140,488</u>	<u>8,224,568</u>
Deductions:		
Benefits	21,503,655	8,089,200
Administrative Expenses	383,726	-
<b>Total deductions</b>	<u>21,887,381</u>	<u>8,089,200</u>
<b>Change in net position</b>	<u>(15,746,893)</u>	<u>135,368</u>
Net position - restricted for benefits:		
Beginning of year	<u>255,314,572</u>	<u>3,648,913</u>
End of year	<u>\$ 239,567,679</u>	<u>\$ 3,784,281</u>

See notes to financial statements.

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 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.

**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.

The Town adopted the following accounting standards in the current year:

GASB Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of this statement added additional disclosures to Note 2.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68*. This statement completes the suite of pension standards. Statement No. 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statement Nos. 67 and 68). The requirements in Statement No. 73 for reporting pensions generally are the same as in Statement No. 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The implementation of this statement had no impact on the Town's financial statements.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of this statement had no impact on the Town's financial statements.

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This standard establishes new criteria to continue amortization cost accounting for certain external investment pools in light of recent changes to money market fund criteria. The Town's involvement in the external investment pool continues to be reported at amortized cost. Portfolio quality and monthly shadow pricing are effective for periods beginning after December 15, 2015. The implementation of this statement had no impact on the Town's financial statements.

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.

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 post-closure costs, are recorded only when payment is due.

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

Property taxes when levied for, intergovernmental revenue when eligibility requirements are met, 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 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.

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 non-pension 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.

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

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.

**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.

**Fair value:** The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

**Level 1:** Quoted prices in active markets for identical assets and liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

**Level 3:** Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

**Interfunds:** 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.”

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

**Property taxes:** 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.

**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. The cost of prepaid items is recorded as expenditures when consumed rather than purchased.

**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 one year. 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:

Assets	Years
Buildings	50
Building Improvements	20
Distribution and Collection Systems	50-65
Public Domain Infrastructure	50
System Infrastructure	30
Machinery and Equipment	5-20

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

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

**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 are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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. Debt principal payments are reported as debt service expenditures.

**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.

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

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

Pension plans: For purposes of measuring the net liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town's defined benefit public employees retirement system (PERS) and the additions to/deletions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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 category groups all capital assets, including infrastructure, into one component of net position, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

**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 does not meet the definition of "restricted" or "net investment in capital assets."

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

**Nonspendable fund balance:** This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

**Restricted fund balance:** These amounts are 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.

**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. Under the Town's adopted policy, the Town Council has the authority to authorize the Director of Finance to assign amounts for a specific purpose.

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

**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.

**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.

#### Note 2. 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 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.

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 2. Cash, Cash Equivalents and Investments (Continued)

##### 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, \$42,147,552 of the Town's bank balance of \$43,647,552 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 37,932,797
Uninsured and collateral held by the pledging bank's Trust department, not in the Town's name	4,214,755
Total amount subject to custodial credit risk	<u>\$ 42,147,552</u>

Cash, cash equivalents and investments of the Town consist of the following at June 30, 2016:

Cash and cash equivalents:	
Deposits with financial institutions	\$ 35,583,759
Cash Equivalents	5,890,608
Total cash and cash equivalents	<u>41,474,367</u>
Investments:	
Permanent funds:	
Common stock	1,193,011
Mutual funds	292,430
Hedge funds	256,432
Total permanent funds	<u>1,741,873</u>
Pension trust funds:	
Common stock	54,026,271
Mutual funds	51,997,913
Collective Trusts	68,679,716
Limited Partnerships	59,781,537
Total pension investments	<u>234,485,437</u>
Private purpose trust funds:	
Mutual funds	3,684,207
Total investments	<u>239,911,517</u>
Total cash, cash equivalents and investments	<u>\$ 281,385,884</u>

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

**Note 2. Cash, Cash Equivalents and Investments (Continued)**

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

Statement of net position:		
Cash and cash equivalents		\$ 35,302,326
Investments		1,741,873
		<u>37,044,199</u>
Fiduciary funds:		
Cash and cash equivalents		6,172,041
Investments		238,169,644
		<u>244,341,685</u>
	Total cash, cash equivalents and investments	<u><u>\$ 281,385,884</u></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.

Information about the exposure of the Town's debt type investments, majority of which relates to the Town's Pension and Private Purpose Trust Funds, to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Fixed income-mutual funds	\$ 55,974,550	\$ 3,297,852	\$ 9,938,131	\$ 8,201,832	\$ 34,536,735
	<u>\$ 55,974,550</u>	<u>\$ 3,297,852</u>	<u>\$ 9,938,131</u>	<u>\$ 8,201,832</u>	<u>\$ 34,536,735</u>

**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, 2016, 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.

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

**Note 2. Cash, Cash Equivalents and Investments (Continued)**

Presented below is the actual credit rating by Standard and Poor's as required for each debt type instrument:

Average Rating	Other Fixed Income Securities
AAA	\$ 185,095
AA	10,992
A	71,152
BBB	108,289
BB	60,296
B	15,877
Below B	633
Unrated	55,522,206
	\$ 55,974,540

**Fair value:** The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2016:

	Fair Value Measurements Using			
	June 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
Investments by fair value level:				
Stocks	\$ 55,219,294	\$ 55,219,294	\$ -	\$ -
ADRs/Foreign stocks	6,197,162	-	6,197,162	-
Mutual funds	55,974,539	55,974,539	-	-
Pooled, Common, and Collective Trusts	68,679,716	68,679,716	-	-
Total investments by fair value level	179,873,549	179,873,549	-	-
Investments measured at net asset value (NAV)*:				
Equity hedge funds	15,530,432			
Real estate investment funds	44,507,536			
Total investments measured at the NAV	60,037,968			
Total investments measured at fair value	\$ 179,873,549			

\* In accordance with GASB 72, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to line items presented in the statements of financial position.

Town of Stratford, Connecticut

Notes to Financial Statements

**Note 2. Cash, Cash Equivalents and Investments (Continued)**

**Equity securities (Stocks and Mutual Funds):** Equity securities, classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets for those securities. Equity securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**Pooled, Common, and Collective Trusts:** Common Trusts, classified in Level 1 of the fair value hierarchy, are made up exclusively of equities in which prices quoted in active markets are available.

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured at NAV:				
Equity hedge funds	15,530,432	\$ -	Quarterly	Various
Real estate investment funds	44,507,536	-	Quarterly	Various
Total Investments Measured at NAV	<u>\$ 60,037,968</u>			

**Equity hedge funds:** This type includes investments in two hedge funds that invest both long and short, primarily in U.S. common stocks. Management of each hedge fund has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the investments in this type have been determined using the NAV per share of the investments. Excess cash for distributions is determined by Fund Managers, and is distributed as deemed appropriate after budget review.

**Real estate investment funds:** This type includes three real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. These investments can be redeemed quarterly upon one quarter's advance notice. Distributions from each fund will be received as the underlying investments of the funds are liquidated.

**Note 3. Receivables, Deferred Inflow of Resources and Unearned Revenue**

Receivables as of year-end for the Town's individual major funds and no major and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects	Waste Operating	Nonmajor Enterprise Funds	Nonmajor Governmental Funds	Total
Receivables:						
Taxes	\$ 14,263,128	\$ -	\$ -	\$ -	\$ -	\$ 14,263,128
Accounts and other	456,920	-	-	546,486	546,789	1,550,195
Special assessments	-	754,517	2,307,029	-	-	3,061,546
Intergovernmental	398,893	-	-	-	581,831	980,724
Gross receivables	15,118,941	754,517	2,307,029	546,486	1,128,620	19,855,593
Less allowance for uncollectibles	650,000	-	-	178,490	-	828,490
Net total receivables	<u>\$ 14,468,941</u>	<u>\$ 754,517</u>	<u>\$ 2,307,029</u>	<u>\$ 367,996</u>	<u>\$ 1,128,620</u>	<u>\$ 19,027,103</u>

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

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**Note 2. Cash, Cash Equivalents and Investments (Continued)**

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 12,965,787	\$ -
Advance tax collections	780,599	-
Special assessments not yet due	754,517	-
School building grants	398,893	-
Housing loans	188,448	-
Grant drawdowns and other revenues received prior to meeting all eligibility requirements	-	350,764
Other	594,162	20,696
	<u>\$ 15,682,406</u>	<u>\$ 371,460</u>

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

**Note 4. Capital Assets**

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases/ Transfers	Transfers/ Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 15,791,360	\$ 127,470	\$ -	\$ 15,918,830
Construction in progress	23,959,990	7,831,335	(23,172,965)	8,618,360
Total capital assets, not being depreciated	39,751,350	7,958,805	(23,172,965)	24,537,190
Capital assets, being depreciated:				
Land improvements	16,651,506	569,971	(51,645)	17,169,832
Buildings and improvements	157,347,733	20,116,777	(46,258)	177,418,252
Machinery and equipment	44,130,615	4,085,139	(2,547,328)	45,668,426
Infrastructure	108,456,819	2,641,727	-	111,098,546
Total capital assets being depreciated	326,586,673	27,413,614	(2,645,231)	351,355,056
Less accumulated depreciation for:				
Land improvements	5,928,759	713,426	(51,645)	6,590,540
Buildings and improvements	66,121,310	4,111,604	(46,258)	70,186,656
Machinery and equipment	27,919,748	3,121,550	(2,507,226)	28,534,072
Infrastructure	77,892,302	1,794,911	-	79,687,213
Total accumulated depreciation	177,862,119	9,741,491	(2,605,129)	184,998,481
Total capital assets being depreciated, net	148,724,554	17,672,123	(40,102)	166,356,575
Governmental activities capital assets, net	\$ 188,475,904	\$ 25,630,928	\$ (23,213,067)	\$ 190,893,765

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

**Note 4. Capital Assets (Continued)**

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Land improvements	\$ 2,179,777	\$ -	\$ -	\$ 2,179,777
Buildings and improvements	71,582,497	-	-	71,582,497
Machinery and equipment	14,591,051	419,538	(91,822)	14,918,767
Infrastructure	21,602,099	132,449	-	21,734,548
Total capital assets being depreciated	109,955,424	551,987	(91,822)	110,415,589
Less accumulated depreciation for:				
Land improvements	2,056,822	7,447	-	2,064,269
Buildings and improvements	27,187,519	3,273,088	-	30,460,607
Machinery and equipment	12,289,608	382,411	(67,175)	12,604,844
Infrastructure	13,760,594	294,760	-	14,055,354
Total accumulated depreciation	55,294,543	3,957,706	(67,175)	59,185,074
Total capital assets being depreciated, net	54,660,881	(3,405,719)	(24,647)	51,230,515
Business-type capital assets, net	\$ 54,660,881	\$ (3,405,719)	\$ (24,647)	\$ 51,230,515

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

Governmental activities:	
General government	\$ 616,004
Human Development	411,135
Physical Development	3,544,625
Public Safety	1,576,823
Education	3,592,904
Total depreciation expense - governmental activities	\$ 9,741,491
Business-type activities:	
Waste operating	\$ 3,666,830
Short beach golf course	26,427
Emergency medical services	264,449
Total depreciation expense - business-type activities	\$ 3,957,706

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

**Note 5. Interfund Receivables, Payables and Transfers**

As of June 30, 2016, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due to Other Funds
General Fund	\$ 8,119,984	\$ 25,474,303
Nonmajor Governmental Funds:		
Community Development	-	32,230
Shellfish and Oysters	90,111	-
Railroad Property	827,361	-
Miscellaneous Grants	-	158,910
Recreation	86,282	-
Department of Children and Family Services	65,423	-
Counseling Center	52,381	-
Harbor Management	163,509	-
Recycling	13,117	-
Gas Pipeline	156,100	-
Town Aid Road	281,541	-
Senior Citizens	53,562	-
Redevelopment Agency	418,074	-
Sewer Maintenance	35,576	-
Reserve Fund	366,033	-
Debt Service Fund	886,560	-
Capital Projects Funds	8,111,814	3,100,621
Enterprise Funds:		
Waste Operating	5,487,333	-
Emergency Medical Services	-	4,661,142
Internal Service Fund	8,212,445	-
	<u>\$ 33,427,206</u>	<u>\$ 33,427,206</u>

All cash is recorded in the General Fund. As a result, the balances above occur due to the use of pooled cash.

	Advance to Other Funds	Advance from Other Funds
General Fund	\$ 916,459	\$ -
Short Beach Golf Course Fund	-	916,459
	<u>\$ 916,459</u>	<u>\$ 916,459</u>

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

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**Note 5. Interfund Receivables, Payables and Transfers (Continued)**

The advances amongst the funds relate to expenditures incurred due to the damage from Storm Sandy. The Short Beach Golf Course plans to repay funds with future revenues. None of the balance is scheduled to be collected in the subsequent year.

**Interfund transfers:**

	General	Transfers In Nonmajor Governmental	Total
Transfers Out			
General Fund	\$ -	\$ 3,275,034	\$ 3,275,034
Capital Projects	1,500,000	-	1,500,000
Waste Operating Fund	300,000	-	300,000
Nonmajor Enterprise Funds	400,000	-	400,000
Nonmajor Governmental Funds	1,057,547	-	1,057,547
	<u>\$ 3,257,547</u>	<u>\$ 3,275,034</u>	<u>\$ 6,532,581</u>

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

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

**Note 6. Long-Term Liabilities**

**Changes in long-term liabilities:** Long-term liability activity for the year ended June 30, 2016 was as follows:

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable:					
General obligation bonds and notes	\$ 297,758,390	\$ -	\$ 18,936,239	\$ 278,822,151	\$ 20,852,239
Premium on general obligation bonds	7,301,962	-	652,332	6,649,630	-
Capital leases	2,418,046	414,082	571,981	2,260,147	652,238
Claims and judgments	750,000	2,500,000	-	3,250,000	-
Unsettled contract reserve	700,000	-	700,000	-	-
Compensated absences	6,548,171	5,975,980	2,180,642	10,343,509	2,180,642
Landfill monitoring closure and post closure costs	7,800,000	-	-	7,800,000	-
Net pension liability- PERS	49,602,149	25,786,006	7,054,319	68,333,836	-
OPEB liability	57,425,700	19,400,100	8,139,200	68,686,600	-
Risk management	10,891,000	17,733,067	15,798,743	12,825,324	-
Governmental activities long-term liabilities	<u>\$ 441,195,418</u>	<u>\$ 71,809,235</u>	<u>\$ 54,033,456</u>	<u>\$ 458,971,197</u>	<u>\$ 23,685,119</u>
<b>Business-Type Activities:</b>					
General obligation bonds payable	\$ 1,913,365	\$ -	\$ 134,122	\$ 1,779,243	\$ 133,122
Premium on general obligation bonds	34,155	-	3,595	30,560	-
Notes payable	35,701,672	-	2,191,730	33,509,942	2,235,969
Capital leases	46,408	250,600	76,123	220,885	47,947
Compensated absences	253,816	196,632	134,805	315,643	144,805
Business-type activities long-term liabilities	<u>\$ 37,949,416</u>	<u>\$ 447,232</u>	<u>\$ 2,540,375</u>	<u>\$ 35,856,273</u>	<u>\$ 2,561,843</u>

## Town of Stratford, Connecticut

### Notes to Financial Statements

#### Note 6. Long-Term Liabilities (Continued)

As of June 30, 2016, 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 July 2024 to December 2033	\$ 38,666,235
General obligation pension bonds with interest rates ranging from .5% to 5.037% and varying expiration dates from June 2018 to August 2038	165,110,000
General obligation bonds with interest rates ranging from 2.0% - 5.125% and expiration dates from July 2024 to December 2033	68,273,765
Energy bonds with interest rates of 3.24% and expiring on June 30, 2030	6,772,151
Total	<u><u>\$ 278,822,151</u></u>

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

	Principal	Interest	Total
Fiscal year ending June 30:			
2017	\$ 20,852,239	\$ 11,941,847	\$ 32,794,086
2018	21,627,239	11,340,667	32,967,906
2019	17,795,239	10,701,760	28,496,999
2020	17,198,239	10,080,791	27,279,030
2021	16,556,239	9,483,704	26,039,943
2022-2026	72,778,193	37,683,526	110,461,719
2027-2031	50,774,763	23,782,179	74,556,942
2032-2036	41,770,000	11,415,257	53,185,257
2037-2040	19,470,000	1,748,700	21,218,700
	<u><u>\$ 278,822,151</u></u>	<u><u>\$ 128,178,431</u></u>	<u><u>\$ 407,000,582</u></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, 2016 was approximately \$299,830. Additional payments for bond principal aggregating approximately \$413,283 are expected to be received through the bonds' maturity dates.

**2014 general obligation refunding bond - in-substance defeasance:** On December 3, 2014, the Town issued \$9,735,000 of general obligation refunding bonds with an average interest rate of 4%, of which the proceeds were used to advance refund the outstanding principal of amounts of the general obligation bonds of the Town dated 2010A and 2010D (the Refunding Bonds). Net proceeds of \$9,994,532 (including a premium on issuance of \$259,532) was placed in an irrevocable trust under an Escrow Agreement dated December 17, 2014 between the Town and Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of United States Treasury State and Local Government Series ("SLGS") securities all of which shall not be callable or pre-payable at the option of the issuer thereof (the "Escrow Securities"). All investment income on, and maturing principal of, the Escrow Securities held in the Escrow Deposit Fund and needed to pay the principal, interest payments, and redemption prices of the Refunded Bonds will be used to pay costs of issuance, including the underwriter's discount.

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

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**Note 6. Long-Term Liabilities (Continued)**

The balance in escrow at June 30, 2016 was \$3,436,367 which includes proceeds from the October 2013 refunding. The balance of the defeased bonds was approximately \$3,320,000 at June 30, 2016. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

**Compensated absences:** Included in long-term liabilities is the estimated obligation for employee compensated absences that has not become due, aggregating \$10,313,509 as of June 30, 2016.

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

**Unsettled contract reserve:** Included in long-term liabilities is the estimated obligation for retro-pay on union contracts in negotiation as of June 30, 2016.

**Bond authorizations:** Bonds authorized but unissued at June 30, 2016 are as follows:

General purpose	\$ 10,796,669
Schools	132,202,348
Sewers	1,327,141

**Business-type activities obligations:** At June 30, 2016, long-term debt in the Enterprise Funds consists of the following:

Energy bonds with interest rate of 3.24% and expiring on June 30, 2030	\$ 429,243
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	1,350,000
Clean Water Fund notes, due in varying installments, plus interest at 2%, through 2030	33,509,942
	<u>\$ 35,289,185</u>

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

	Principal	Interest	Total
Fiscal year ending June 30:			
2017	\$ 2,369,091	\$ 715,485	\$ 3,084,576
2018	2,414,223	665,772	3,079,995
2019	2,502,266	613,584	3,115,850
2020	2,551,237	559,366	3,110,603
2021	2,591,157	504,530	3,095,687
2022-2026	13,727,132	1,661,816	15,388,948
2027-2031	9,134,079	319,014	9,453,093
	<u>\$ 35,289,185</u>	<u>\$ 5,039,567</u>	<u>\$ 40,328,752</u>

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

**Note 6. Long-Term Liabilities (Continued)**

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 371,204	\$ 83,395	\$ 287,809
Schools	742,407	175,065	567,342
Sewers	618,672	35,266	583,406
Urban renewal	536,183	-	536,183
Pension deficit	494,938	165,110	329,828

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 (\$1,154.86 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.

During 2016 the town made principal payments of \$571,981. The following is a summary of capital lease commitments as of June 30, 2016.

	<u>Amount</u>
Year ending June 30:	
2017	\$ 711,059
2018	629,835
2019	560,129
2020	185,896
2021	141,506
Thereafter	171,246
Total minimum lease payments	<u>2,399,671</u>
Less amount representing interest	(139,524)
Present value of minimum lease payments	<u>\$ 2,260,147</u>

The assets acquired through capital leases are as follows:

	<u>Amount</u>
Year ending June 30:	
Asset class:	
Building and improvements	\$ 1,333,978
Machinery and equipment	5,039,144
Less accumulated depreciation	<u>(2,767,745)</u>
Net book value	<u>\$ 3,605,377</u>

Town of Stratford, Connecticut

Notes to Financial Statements

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**Note 6. Long-Term Liabilities (Continued)**

**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.

During 2016 the WPCA and EMS fund made principal payments of \$76,124. The following is a summary of capital lease commitments as of June 30, 2016.

	<u>Amount</u>
Year ending June 30:	
2017	\$ 50,804
2018	47,750
2010	48,587
2020	62,852
2021	8,969
Thereafter	<u>10,855</u>
Total minimum lease payments	229,817
Less amount representing interest	<u>(8,932)</u>
Present value of minimum lease payments	<u><u>\$ 220,885</u></u>

The assets acquired through capital leases are as follows:

	<u>Amount</u>
Year ending June 30:	
Asset class:	
Building and improvements	\$ 104,051
Machinery and equipment	264,423
Less accumulated depreciation	<u>(69,164)</u>
Net book value	<u><u>\$ 299,310</u></u>

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

**Note 7. Fund Balances**

The components of fund balance for the governmental funds at June 30, 2016 are as follows:

	General Fund	Capital Projects	Nonmajor Governmental Funds	Total
Fund balances:				
Nonspendable:				
Inventory	\$ -	\$ -	\$ 36,486	\$ 36,486
Prepays	154,656	-	-	154,656
Advances to other funds	916,459	-	-	916,459
Restricted for:				
Grants	-	-	280,676	280,676
Education	-	-	2,819,950	2,819,950
Human development	-	-	52,994	52,994
Committed to:				
Education	-	-	185,854	185,854
Human development	-	-	1,365,997	1,365,997
Physical development	-	-	759,971	759,971
Public safety	-	-	412,972	412,972
Capital projects	-	3,418,371	-	3,418,371
Debt Service	-	-	886,560	886,560
Assigned to:				
Education encumbrances	16,710	-	-	16,710
Unassigned	7,237,796	-	(1,270,198)	5,967,598
Total fund balances	<u>\$ 8,325,621</u>	<u>\$ 3,418,371</u>	<u>\$ 5,531,262</u>	<u>\$ 17,275,254</u>

Significant encumbrances at June 30, 2016 are contained in the above table in both the assigned and committed categories

**Deficit fund equity:**

The Town has the following fund deficits at June 30, 2016:

School Lunch Program*	\$ (415,596)
Community Development*	(51,357)
Short Beach Golf Course*	(825,266)
Miscellaneous Grants*	(766,759)
Internal Service**	(4,179,642)

\* Deficit will be eliminated through future charges for services.

\*\* Deficit will be eliminated through future appropriations.

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 8. Risk Management

The Town is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions for public officials and law enforcement; injuries to employees; and natural disasters. The Town purchases commercial property, boiler and machinery insurance for losses in excess of \$50,000 to the Town's real estate, third party liability insurance up to \$10,000,000 for claims above a \$1,000,000 self-insured retention. The Town is self-insured for its medical, dental, workers' compensation and heart and hypertension. The Town has opted to manage certain of its risks internally and has set aside assets for claim settlement in its Internal Service Fund. The Internal Service Fund services employee health and workers' compensation claims for risk of loss. Under the program, the Town is obligated for claim payments. The Town has purchased a stop loss policy for individual claims exceeding \$500,000 for hospital and major medical.

All departments of the Town participate in the program and make payments to the Internal Service Fund based on estimates of the amount needed to provide for normal occurrence of claims.

Claims and expenses and liabilities are reported when it is probable that a liability has been incurred at the date of the financial statements and the amount of that loss can be reasonably estimated. Liabilities calculated by actuarial valuations include amounts for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount.

The Town is self-insured for workers' compensation and heart and hypertension benefits. The Town recognizes a liability for workers' compensation claims payable, additional estimated losses on claims, 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:

Fiscal Year	Claims Payable, July 1	Current Year Claims and Changes in Estimates	Payment of Claims	Claims Payable, June 30
2015	\$ 11,011,000	\$ 6,607,438	\$ 6,727,438	\$ 10,891,000
2016	10,891,000	9,643,867	7,709,543	12,825,324

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 9. 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 \$3,250,000 to cover claims not covered by insurance. At this time, the Town has determined that none of the claims outstanding are due within the next 12 months.

**Municipal solid waste service agreement:** The Town has entered into a Greater Bridgeport Regional Solid Waste Interlocal Agreement (Interlocal Agreement) which creates the Greater Bridgeport Regional Solid Waste Committee (Operating Committee) as a public body comprised of various southwest Connecticut municipalities for the purpose of, and with the authority to, contract with a solid waste facility for the disposal of municipal solid waste. Wheelabrator agreed to contract terms of \$60.46 per ton up to 175,000 aggregate annual tonnage for a term of up to 20 years with a \$1.00 per ton decrease for each new 25,000 tons the Operating Committee attracts and an annual Consumer Price Index escalator at 75% of the change, subject to an executable contract and Wheelabrator Board approvals.

#### Note 10. Other Post-Employment Benefits

##### Post-employment benefits:

**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 standalone financial statements for the plan. At July 1, 2014, plan membership consisted of the following:

Active members	1,096
Retired members	844
Spouses of retired members	282
Total participants	<u>2,222</u>

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 10. Other Post-Employment Benefits (Continued)

**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.

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 10. Other Post-Employment Benefits (Continued)

##### 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.

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

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**Note 10. Other Post-Employment Benefits (Continued)**

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.

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

	Town	Board of Education
Actuarial valuation date	July 1, 2014	July 1, 2014
Actuarial cost method	Projected Unit Credit Cost	Projected Unit Credit Cost
Amortization method	Level percent	Level percent
Remaining amortization period	30 years-decreasing	30 years-decreasing
Actuarial assumptions:		
Investment rate of return	4.00%	4.00%
Medical Inflation Rate over 62 years	5.60-4.60%	5.60-4.60%
Dental Inflation Rate	3.00%	3.00%
Amortization Growth Rate	4.00%	4.00%

Town of Stratford, Connecticut

Notes to Financial Statements

**Note 10. Other Post-Employment Benefits (Continued)**

*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):

	Town	Board of Education	Total
Annual required contribution (ARC)	\$ 11,465,000	\$ 8,234,700	\$ 19,699,700
Interest on OPEB obligation	1,360,800	936,200	2,297,000
Adjustment to annual required contribution	(1,538,300)	(1,058,300)	(2,596,600)
Annual OPEB cost	11,287,500	8,112,600	19,400,100
Contributions made	4,591,700	3,547,500	8,139,200
Increase in net OPEB obligation	6,695,800	4,565,100	11,260,900
Net OPEB obligation, beginning of year	34,019,900	23,405,800	57,425,700
Net OPEB obligation, end of year	<u>\$ 40,715,700</u>	<u>\$ 27,970,900</u>	<u>\$ 68,686,600</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, 2016 is presented below.

Town

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/2014	\$ 8,429,600	\$ 4,447,400	52.8%	\$ 26,404,700
6/30/2015	12,477,600	4,862,400	39.0%	34,019,900
6/30/2016	11,287,500	4,591,700	40.7%	40,715,700

Board of Education

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/2014	\$ 5,285,700	\$ 2,629,500	49.7%	\$ 18,323,200
6/30/2015	7,855,500	2,772,900	35.3%	23,405,800
6/30/2016	8,112,600	3,547,500	43.7%	27,970,900

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

**Note 10. Other Post-Employment Benefits (Continued)**

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:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>Town</u>						
7/1/2014	\$ 2,054,000	\$ 138,009,000	\$ 135,955,000	1.5%	\$ 26,923,000	505.0%
<u>Board of Education</u>						
7/1/2014	\$ 1,338,000	\$ 101,818,000	\$ 100,480,000	1.3%	\$ 49,062,000	204.8%

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to AALs for benefits.

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.

**Note 11. Landfill Closure and Post-Closure 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 post-closure care, aggregating approximately \$7.8 million, is based on the amount estimated to be paid for all equipment, facilities and services required to close, monitor and maintain the landfills as of June 30, 2016. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through the issuance of general obligation bonds and state and federal grants. The Town is currently in discussions with the Department of Environmental Protection to develop and implement a superfund site plan, which needs to occur prior to the capping process. Therefore, there is no current portion of the liability reflected in the financial statements. Once an agreement is established the current portion will be reported.

Town of Stratford, Connecticut

Notes to Financial Statements

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**Note 12. Employee Retirement Systems and Pension Plans**

**Employee defined benefit pension plan:**

**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, 2014, the date of the most recent actuarial valuation, membership consisted of the following:

Retirees and beneficiaries:	
Currently receiving benefits	636
Vested, benefits deferred	16
Current employees:	
Active	267
Suspended	17
	<hr/>
	936
	<hr/>

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.

**Summary of significant accounting policies and plan asset matters:** Basis of Accounting: Plan financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs 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.

**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.

## Town of Stratford, Connecticut

### Notes to Financial Statements

#### Note 12. Employee Retirement Systems and Pension Plans (Continued)

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.

**Net Pension Liability:** The Town's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014.

#### Investments:

**Investment policy:** The Plan's policy in regards to the allocation of invested assets is established and may be amended by the Pension Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2016.

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

Asset Class	Index	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Core Fixed Income	Barclays Aggregate	30.00%	2.69%	2.55%
Large Cap US Equities	S&P 500	20.00%	5.11%	3.86%
Mid Cap Growth	Russell Mid Cap Growth	10.00%	6.53%	4.16%
Mid Cap Value	Russell Mid Cap Value	10.00%	5.27%	3.77%
Non-US Equity	MSCH ACWI xUS NR	10.00%	6.49%	4.74%
Real Estate (Property)	NCREIF Property	15.00%	4.04%	3.32%
Timber	NCREIF Timber	5.00%	4.16%	3.32%
Assumed Inflation - Mean			2.50%	2.50%
Assumed Inflation - Standard Deviation			2.00%	2.00%
Portfolio Real Mean Return			4.45%	3.98%
Portfolio Nominal Mean Return			6.93%	6.55%
Portfolio Standard Deviation				9.12%
<b>Long-Term Expected Rate of Return</b>				<b>6.75%</b>

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

**Note 12. Employee Retirement Systems and Pension Plans (Continued)**

**Rate of return:** For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -.40 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net pension liability of the Town:** The components of the net pension liability of the Town at June 30, 2016 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/15	\$ 304,916,721	\$ 255,314,572	\$ 49,602,149
Changes for the year			
Service cost	3,337,516	-	3,337,516
Interest	20,162,013	-	20,162,013
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	1,018,520	-	1,018,520
Contributions - employer	-	5,393,200	(5,393,200)
Contributions - Member	-	1,661,119	(1,661,119)
Net Investment Income	-	(1,003,832)	1,003,832
Benefit payments, including refunds of employee contributions	(21,503,655)	(21,503,655)	-
Administrative expense	-	(264,125)	264,125
Net changes	3,014,394	(15,717,293)	18,731,687
Balances at 6/30/16	<u>\$ 307,931,115</u>	<u>\$ 239,597,279</u>	<u>\$ 68,333,836</u>

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of July 1, 2014, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2016. There have been no significant changes between the valuation date and the fiscal year end.

**Discount rate:**

Discount Rate

Discount rate	6.75%
Long-term expected rate of return, net of investment expense and including inflation	6.75%
Municipal bond rate	N/A

Town of Stratford, Connecticut

Notes to Financial Statements

**Note 12. Employee Retirement Systems and Pension Plans (Continued)**

**Other key actuarial assumptions:** The Plan has not had a formal actuarial experience study performed.

Valuation date	July 1, 2014
Measurement date	June 30, 2016
Inflation	2.25%
Salary increases including inflation	4.0%
Mortality	RP-2000 Combined Healthy Mortality with generational projection per Scale AA
Actuarial cost method	Entry Age Normal
Asset valuation method	5 years, non-asymptotic recognition method

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

**Sensitivity analysis:** The following table presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate.

	1% Decrease 5.75	Current Discount Rate 6.75	1% Increase 7.75
Total pension liability	\$ 341,544,363	\$ 307,931,115	\$ 279,480,715
Fiduciary net pension	239,597,279	239,597,279	239,597,279
Net pension liability	<u>\$ 101,947,084</u>	<u>\$ 68,333,836</u>	<u>\$ 39,883,436</u>

For the year ended June 30, 2016, the Town of Stratford recognized pension expense of \$10,120,022. As of June 30, 2016, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources	Net
Differences between expected and actual experience	\$ (512,479)	\$ 679,013	\$ 166,534
Net difference between projected and actual earnings	-	18,624,282	18,624,282
	<u>\$ (512,479)</u>	<u>\$ 19,303,295</u>	<u>\$ 18,790,816</u>

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 12. Employee Retirement Systems and Pension Plans (Continued)

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

Year ended June 30:	
2017	\$ 4,957,152
2018	5,233,102
2019	5,011,861
2020	3,588,701
2021	-
Thereafter	-
	<u>\$ 18,790,816</u>

#### Connecticut State Teachers' Retirement System:

**Description of system:** All certified personnel within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the "System") is a cost sharing multiple employer defined benefit pension system with a special funding situation.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at [www.ct.gov](http://www.ct.gov).

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

**Summary of significant accounting policies:** For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$12,211,000 as payments made by the State of Connecticut on-behalf of the Town. The Town does not have any liability for teacher pensions.

**Benefits provided:** The benefits provided to participants by the System are as follows:

Normal Benefit: A member at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

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**Note 12. Employee Retirement Systems and Pension Plans (Continued)**

**Prorated benefit:** A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

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

**Contribution requirements:** The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Participants are required to contribute 6.00% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2015/2016 school year, \$3,604,042 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the Town is \$49,711,000. The Town is not required to contribute to the plan.

**Actuarial assumptions:** The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00 Percent
Salary increases, including inflation	3.75-7.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.50 Percent

Mortality rates were based on the RP-2000 Combined Mortality Table RP-2000 projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

**Town of Stratford, Connecticut**

**Notes to Financial Statements**

**Note 12. Employee Retirement Systems and Pension Plans (Continued)**

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Large Cap U.S. Equities	21%	7.3%
Developed Non-U.S.	18%	7.5%
Emerging Markets (non-U.S.)	9%	8.6%
Core Fixed Income	7%	1.7%
Inflation Linked Bond Fund	3%	1.0%
Emerging Market Bond	5%	4.8%
High Yield Bonds	5%	3.7%
Real Estate	7%	1.3%
Private Equity	11%	0.7%
Alternative Investments	8%	5.9%
Cash	6%	10.9%
	<u>100%</u>	

**Discount rate:** The discount rate used to measure the total pension liability was 8.50 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the proportionate share of the net pension liability to changes in the discount rate:**

The following presents the State's proportionate share of the net pension liability associated with the Town, calculated using the discount rate of 8.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50 percent) or 1-percentage-point higher (9.50 percent) than the current rate.

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
Net pension liability	<u>\$174,125,676</u>	<u>\$138,076,507</u>	<u>\$107,434,450</u>

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 12. Employee Retirement Systems and Pension Plans (Continued)

**Pension liabilities, pension expense, and deferred inflows/outflows of resources:** The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$138,076,507 and 100% of the collective net pension liability is allocated to the State.

June 30, 2014 is the actuarial valuation date upon which the total pension liability is based. There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2016, the Town recognized \$12,145,000 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

**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. The Town has no fiduciary responsibility over the assets of the Plan and therefore not included in the Town's financial statements. 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, 2016 and 2015, were \$1,184,955 and \$1,127,291, respectively.

#### Note 13. Governmental Accounting Standards Board (GASB) Statements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements, except for GASB 75, which will most likely have a material impact, though the amount has not yet been determined:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 carries forward from Statement 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.

## Town of Stratford, Connecticut

### Notes to Financial Statements

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#### Note 13. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement establishes disclosure of information about nature and magnitude of tax abatements to allow users of the financial statements to understand 1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and 2) the impact those abatements have on a government's financial condition and economic condition. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015.
- GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This standard narrows the scope and applicability of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan meeting specific criteria; establishes new guidance for these employers, including separate requirements for recognition and measurement of pension expense or expenditures and liabilities, note disclosures and required supplementary information (RSI). The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015.
- GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.
- GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.
- GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. .A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

**Required Supplementary  
Information - *unaudited***



Required Supplementary Information - unaudited  
 Schedule of Revenues and Other Financing Sources - Budget and Actual -  
 (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
Property taxes:				
Current levy	\$ 160,599,543	\$ 160,599,543	\$ 160,234,755	\$ (364,788)
Arrears	2,410,000	2,410,000	3,833,221	1,423,221
Interest and lien fees	561,500	561,500	620,273	58,773
Payment in lieu of taxes	226,500	226,500	172,999	(53,501)
<b>Total property taxes</b>	<b>163,797,543</b>	<b>163,797,543</b>	<b>164,861,248</b>	<b>1,063,705</b>
Intergovernmental revenues:				
State:				
Education equalization grant	21,391,105	21,391,105	21,820,962	429,857
School bond principal	261,080	261,080	693,379	432,299
School bond interest	35,137	35,137	53,526	18,389
Special education	1,480,027	1,480,027	1,480,027	-
Veterans' additional relief	153,000	153,000	144,147	(8,853)
In lieu of State property tax	382,174	382,174	124,993	(257,181)
State in school security grant	114,800	114,800	-	(114,800)
State disability exemption	9,900	9,900	8,482	(1,418)
Elderly exemption and circuit breaker	560,000	560,000	560,760	760
Elderly freeze	6,000	6,000	5,166	(834)
State transportation	293,407	293,407	272,494	(20,913)
State health CGS	83,530	83,530	63,212	(20,318)
State telecom personal property	125,000	125,000	142,105	17,105
Municipal revenue sharing	3,507,689	3,507,689	3,507,689	-
Airplane registration	50,000	50,000	58,420	8,420
Mashantucket grant	163,319	163,319	170,682	7,363
School transportation	104,878	104,878	101,586	(3,292)
Town clerk preservation fees	-	-	26,850	26,850
<b>Total state</b>	<b>28,721,046</b>	<b>28,721,046</b>	<b>29,234,480</b>	<b>513,434</b>
Federal:				
Civil preparedness	1,200	1,200	19,247	18,047
FEMA	-	-	296,218	296,218
<b>Total federal</b>	<b>1,200</b>	<b>1,200</b>	<b>315,465</b>	<b>314,265</b>
<b>Total intergovernmental revenues</b>	<b>28,722,246</b>	<b>28,722,246</b>	<b>29,549,945</b>	<b>827,699</b>
Departmental revenues:				
Town Clerk	774,200	774,200	1,003,849	229,649
Police Department	95,900	95,900	88,723	(7,177)
Planning and Zoning	85,500	85,500	101,424	15,924
Health Department	99,050	99,050	132,891	33,841
Education	143,310	143,310	173,421	30,111
Public Works	10,500	490,400	480,171	(10,229)
Finance	300,000	300,000	124,238	(175,762)
Recreation	55,900	55,900	65,990	10,090
Sanitation	365,000	365,000	374,565	9,565
Inland Wetlands	16,000	16,000	13,413	(2,587)
Baldwin Center	9,000	9,000	7,365	(1,635)
<b>Total departmental revenues</b>	<b>1,954,360</b>	<b>2,434,260</b>	<b>2,566,050</b>	<b>131,790</b>

(Continued)

Required Supplementary Information - unaudited  
 Schedule of Revenues and Other Financing Sources - Budget and Actual -  
 (Non-GAAP Budgetary Basis) (Continued)  
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Licenses and permits:				
Building permits	\$ 550,000	\$ 550,000	\$ 802,274	\$ 252,274
Boothe Memorial Park income	36,000	36,000	36,023	23
Building education training fee	1,400	1,400	1,453	53
Public Works licenses	1,300	1,300	1,350	50
Street and sewer permits	22,000	22,000	26,400	4,400
Beach stickers/concessions	102,500	102,500	101,870	(630)
<b>Total licenses and permits</b>	<b>713,200</b>	<b>713,200</b>	<b>969,370</b>	<b>256,170</b>
Investment income	80,000	80,000	72,654	(7,346)
Other:				
Miscellaneous rental:				
Cell tower rentals	115,000	115,000	161,659	46,659
Other Baldwin rental	3,000	3,000	2,555	(445)
Land use rent	50,000	650,000	650,000	-
Medicare reimbursement	125,000	125,000	-	(125,000)
Health reimbursements	1,708,450	1,708,450	1,707,105	(1,345)
Social Security reimbursements	335,000	335,000	155,469	(179,531)
Fire and liability reimbursements	398,290	398,290	414,281	15,991
Fire administration miscellaneous revenue	35,000	35,000	28,752	(6,248)
Medical examination reimbursements	16,000	16,000	24,193	8,193
Workers' compensation reimbursement	224,515	224,515	224,515	-
Workers' compensation recovery	50,000	50,000	50,000	-
Insurance recovery	50,000	50,000	46,797	(3,203)
Miscellaneous	588,800	388,800	222,371	(166,429)
Police special duty - administration	97,000	97,000	113,260	16,260
Investment income	20,000	20,000	-	(20,000)
Public Works	-	-	9,018	9,018
Custodian revenue	190,000	190,000	161,979	(28,021)
Boothe Estates	67,000	67,000	121,414	54,414
<b>Total other</b>	<b>4,073,055</b>	<b>4,473,055</b>	<b>4,093,368</b>	<b>(379,687)</b>
<b>Total revenues</b>	<b>199,340,404</b>	<b>200,220,304</b>	<b>202,112,635</b>	<b>1,892,331</b>

(Continued)

**Required Supplementary Information - unaudited**  
**Schedule of Revenues and Other Financing Sources - Budget and Actual -**  
**(Non-GAAP Budgetary Basis) (Continued)**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Other financing sources:				
Transfers in	\$ 7,557,546	\$ 4,077,546	\$ 3,257,546	\$ (820,000)
<b>Total</b>	<b>\$ 206,897,950</b>	<b>\$ 204,297,850</b>	205,370,181	<b>\$ 1,072,331</b>

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.	12,145,000
The Town does not budget for capital leases issuance in the general fund. these amounts are recorded as revenues and expenditures for GAAP financial statement purposes.	414,082
Health department-flu vaccine	23,701
Public safety overtime reimbursements	1,469,983
Dog Fund revenue not budgeted in the General Fund.	25,036
Condo containers rental	8,498
Public works trench revenue	27,470
Board of Education Special Education revenue	481,421
Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds - Exhibit IV	<u>\$ 219,965,372</u>

See note to required supplementary information.

Required Supplementary Information - unaudited  
 Schedule of Expenditures and Other Financing Uses - Budget and Actual -  
 (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>Administration:</b>				
Council Clerk	\$ 98,716	\$ 468,997	\$ 86,226	\$ 382,771
Office of the Mayor	291,406	291,406	299,630	(8,224)
Human resources	677,640	677,640	923,748	(246,108)
Town Attorney	1,214,936	1,214,936	1,443,004	(228,068)
Chief Administrative Officer	218,880	209,180	147,831	61,349
Department of Planning	276,614	272,860	283,713	(10,853)
Registrar of Voters	299,318	299,318	337,328	(38,010)
Town Clerk	364,497	364,497	345,216	19,281
Town buildings	696,300	441,400	506,378	(64,978)
Agencies	235,840	235,840	236,625	(785)
Information Technology	547,684	547,684	466,388	81,296
<b>Total</b>	<b>4,921,831</b>	<b>5,023,758</b>	<b>5,076,087</b>	<b>(52,329)</b>
<b>Overhead/debt:</b>				
Contingency	5,746,751	5,746,751	5,863,818	(117,067)
Debt Retirement(Principal and Interest)	9,466,892	9,466,892	9,421,468	45,424
Employee Benefits	43,037,897	40,037,897	40,996,805	(958,908)
<b>Total</b>	<b>58,251,540</b>	<b>55,251,540</b>	<b>56,282,091</b>	<b>(1,030,551)</b>
<b>Finance:</b>				
Administration	170,151	168,617	174,411	(5,794)
Accounting	495,985	486,638	462,907	23,731
Purchasing	159,549	159,549	156,947	2,602
Tax Assessor	454,587	454,587	422,855	31,732
Tax Collector	447,571	447,571	436,977	10,594
<b>Total</b>	<b>1,727,843</b>	<b>1,716,962</b>	<b>1,654,097</b>	<b>62,865</b>
Community services	263,320	263,320	268,830	(5,510)
Economic Community Development	248,450	247,650	235,829	11,821
Health Department	582,048	582,048	627,670	(45,622)
Recreation Department	716,526	702,209	677,916	24,293
Senior Services	542,129	534,629	530,706	3,923
Sterling House	161,483	161,483	161,483	-
Stratford Library Association	3,044,018	3,044,018	2,897,134	146,884
Visiting Nurses Association	53,500	53,500	53,500	-
Short Beach	197,342	190,342	197,211	(6,869)
<b>Total</b>	<b>5,808,816</b>	<b>5,779,199</b>	<b>5,650,279</b>	<b>128,920</b>

(Continued)

Required Supplementary Information - unaudited  
 Schedule of Expenditures and Other Financing Uses - Budget and Actual -  
 (Non-GAAP Budgetary Basis) (Continued)  
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Physical development:				
Public works:				
Administration	\$ 484,054	\$ 481,454	\$ 454,900	\$ 26,554
Building inspection	241,387	240,687	248,278	(7,591)
Building maintenance	1,700,860	1,692,360	1,644,259	48,101
Engineering	494,202	493,202	494,962	(1,760)
Parks	2,198,113	2,189,113	2,113,731	75,382
Highways	2,496,922	2,477,172	2,426,392	50,780
Town garage	701,788	681,888	644,396	37,492
Sanitation/refuse	4,145,460	4,097,460	3,761,680	335,780
<b>Total</b>	<b>12,462,786</b>	<b>12,353,336</b>	<b>11,788,598</b>	<b>564,738</b>
Public safety:				
Fire Department:				
Administration	475,199	438,499	432,458	6,041
Fire prevention	371,780	371,780	337,871	33,909
Fire suppression	10,836,277	10,785,898	11,672,064	(886,166)
Communications Center	1,036,705	1,036,705	946,030	90,675
Police Department:				
Administration	967,068	949,168	945,478	3,690
Investigation	1,676,633	1,676,633	2,112,822	(436,189)
Patrol	5,883,611	5,883,611	6,186,216	(302,605)
Traffic	609,306	562,306	555,482	6,824
Professional standards	578,476	578,476	436,161	142,315
Police Records	370,042	370,042	330,993	39,049
<b>Total</b>	<b>22,805,097</b>	<b>22,653,118</b>	<b>23,955,575</b>	<b>(1,302,457)</b>
Board of Education	99,995,002	99,995,002	99,995,002	-
<b>Total expenditures</b>	<b>205,972,915</b>	<b>202,772,915</b>	<b>204,401,729</b>	<b>(1,628,814)</b>

(Continued)

**Required Supplementary Information - unaudited  
 Schedule of Expenditures and Other Financing Uses - Budget and Actual -  
 (Non-GAAP Budgetary Basis) (Continued)  
 For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Other financing uses:				
Transfers out	\$ 1,575,035	\$ 1,575,035	\$ 1,575,035	\$ -
<b>Total</b>	<b>\$ 205,972,915</b>	<b>\$ 202,772,915</b>	205,976,764	<b>\$ (1,628,814)</b>

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.	12,145,000
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.	143,561
The Town does not budget for capital leases issuances in the general fund. These amounts are recorded as revenue and expenditures for GAAP financial statement purposes.	414,028
Public safety overtime reimbursements	1,359,904
Dog Fund expenditures not budgeted in the general fund.	55,230
Health Department-Flu Vaccine	23,804
Condo containers rental	5,481
Public Works-trench repairs	31,694
Board of Education Special Education expense	481,421
Total expenditures and other financing uses as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds - Exhibit IV	<u>\$ 220,636,887</u>

See notes to required supplementary information.

Required Supplementary Information - unaudited  
Schedules of Employer Contributions and Funding Progress - OPEB  
June 30, 2016

**Schedule of Employer Contributions - OPEB**

Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed
<b><u>Town- OPEB</u></b>		
2010	\$ 8,617,400	36.1%
2011	9,171,800	35.6%
2012	6,511,300	54.0%
2013	6,965,000	56.4%
2014	8,202,800	54.2%
2015	12,565,600	38.7%
2016	11,465,000	40.0%
<b><u>Board of Education - OPEB</u></b>		
2010	\$ 5,404,400	37.4%
2011	5,479,200	36.1%
2012	4,390,000	68.4%
2013	4,678,400	65.9%
2014	5,127,200	51.3%
2015	7,916,600	35.0%
2016	8,234,700	43.1%

**Schedule of Funding Progress - OPEB**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Funded (Unfunded) AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	AAL (UAAL) as a Percentage of Covered Payroll (D)
<b><u>Town - OPEB</u></b>						
7/1/2008	\$ -	\$ 58,760,000	\$ 58,760,000	0.00%	N/A	N/A
7/1/2010	630,000	67,290,000	66,660,000	0.94%	N/A	N/A
7/1/2012	862,158	56,342,736	55,480,578	1.53%	N/A	N/A
7/1/2014	2,054,000	138,009,000	135,955,000	1.49%	\$ 26,923,000	505.0%
<b><u>Board of Education - OPEB</u></b>						
7/1/2008	\$ -	\$ 63,155,000	\$ 63,155,000	0.00%	N/A	N/A
7/1/2010	287,000	44,046,000	43,759,000	0.65%	N/A	N/A
7/1/2012	1,209,429	98,329,902	97,120,473	1.23%	N/A	N/A
7/1/2014	1,338,000	101,818,000	100,480,000	1.31%	\$ 49,062,000	204.8%

**Required Supplementary Information - unaudited  
 Schedule of Investment Returns- Defined Benefit Plan  
 Last Three Fiscal Years\***

	2016	2015	2014
Annual money-weighted rate of return, net of investment income	-0.40%	3.91%	13.03%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

**Required Supplementary Information - unaudited**  
**Schedule of Changes in the Town's Net Pension Liability and Related Ratios –**  
**Defined Benefit Plan (000s)**  
**Last Three Fiscal Years\***

	2016	2015	2014
Changes in net pension liability			
Total pension liability:			
Service cost	\$ 3,338	\$ 3,386	\$ 3,739
Interest on total pension liability	20,162	19,991	19,881
Effect of economic changes/demographic gains or (losses)	1,019	(1,301)	(462)
Benefit payments	(21,504)	(20,807)	(20,286)
<b>Net change in total pension liability</b>	<b>3,015</b>	<b>1,269</b>	<b>2,872</b>
Total pension liability, beginning	<b>304,917</b>	303,648	300,776
<b>Total pension liability ending (a)</b>	<b>307,932</b>	304,917	303,648
Fiduciary net position:			
Employer contributions	5,393	5,221	162,209
Member contributions	1,661	1,578	1,683
Investment income net of investment expenses	(1,004)	9,917	26,333
Benefit payments	(21,504)	(20,807)	(20,286)
Administrative expenses	(264)	(399)	(239)
<b>Net change in plan fiduciary net position</b>	<b>(15,718)</b>	<b>(4,490)</b>	<b>169,700</b>
Fiduciary net position, beginning	<b>255,315</b>	259,805	90,105
<b>Fiduciary net position, ending (b)</b>	<b>239,597</b>	255,315	259,805
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 68,335</b>	<b>\$ 49,602</b>	<b>\$ 43,843</b>
Fiduciary net position as a % of total pension liability	77.81%	83.73%	85.56%
Covered payroll	\$ 20,317	\$ 22,237	\$ 22,771
Net pension liability as a % of covered payroll	336.34%	223.06%	192.54%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

**Required Supplementary Information - unaudited**  
**Schedule of Town Contributions – Defined Benefit Plan**  
**Last 10 Fiscal Years**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 5,212,079	\$ 5,185,559	\$ 12,720,477	\$ 10,264,676	\$ 8,521,128	\$ 8,526,398	\$ 7,233,412	\$ 5,622,712	\$ 5,646,579	\$ 12,435,843
Contributions in relation to the actuarially determined contribution	5,393,200	5,220,969	162,209,000	9,778,500	8,493,774	8,526,398	7,233,452	5,240,187	5,669,932	111,651,079
<b>Contribution deficiency (excess)</b>	<b>\$ (181,121)</b>	<b>\$ (35,410)</b>	<b>\$ (149,488,523)</b>	<b>\$ 486,176</b>	<b>\$ 27,354</b>	<b>\$ -</b>	<b>\$ (40)</b>	<b>\$ 382,525</b>	<b>\$ (23,353)</b>	<b>\$ (99,215,236)</b>
Covered employee payroll	\$ 20,317,247	\$ 22,237,216	\$ 22,770,569	\$ 23,551,913	\$ 23,991,550	\$ 24,238,011	\$ 24,002,108	\$ 24,494,790	\$ 24,881,992	\$ 26,481,954
Contributions as a percentage of covered employee payroll	26.54%	23.48%	712.36%	41.52%	35.40%	35.18%	30.14%	21.39%	22.79%	421.61%

Notes to Schedule:

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	20 years
Asset Valuation Method	5 Year Smoothed Market Value
Investment Rate of Return	6.75% per annum
Retirement:	
Police	25 years of continuous service
Fire	25 years of continuous service
Board of Education and Supervisors	23 years of continuous services and, if hired after 4/1/85, age 50, or 5 years of service and age 55.
Para-Professionals	23 years of continuous services 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.

**Required Supplementary Information - unaudited**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability - Teachers Retirement System**  
**Last Two Fiscal Years\***

Measurement period,	2016	2015
Town's proportion of the net pension liability	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	138,076,507	\$ 127,624,060
Town's covered-employee payroll	49,711,000	\$ 47,921,000
State's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	59.50%	61.51%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age normal
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

**Required Supplementary Information – unaudited  
Note to Required Supplementary Information**

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**Note 1. 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, 2016.

**Expenditures which exceed appropriations:** The legal level of control at which expenditures may not legally exceed appropriations is at the department level. During the year ending June 30, 2016, the administration, overhead/debt and public safety departments exceeded appropriations in the amount of \$52,329, \$1,080,551, and \$1,006,414, respectively, which constitutes a violation of statutory provisions.

**Combining and Individual Fund  
Financial Statements and Other 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.

**Balance Sheet - General Fund**  
**June 30, 2016**

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**Assets**

Cash and cash equivalents	\$ 28,519,760
Receivables, net	14,468,941
Prepays	154,656
Advance to other fund	916,459
Due from other funds	8,119,984

<b>Total assets</b>	<b>\$ 52,179,800</b>
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**Liabilities, Deferred Inflows of Resources and Fund Balance**

## Liabilities:

Accounts payable	\$ 1,993,496
Accrued liabilities	2,211,807
Due to other funds	25,474,303

<b>Total liabilities</b>	<b>29,679,606</b>
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## Deferred inflows of resources:

Unavailable resources	14,174,573
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## Fund balance:

Nonspendable	1,071,115
Assigned	16,710
Unassigned	7,237,796

<b>Total fund balance</b>	<b>8,325,621</b>
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<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 52,179,800</b>
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Town of Stratford, Connecticut

EXHIBIT A-2

Report of Tax Collector  
 General Fund  
 For the Year Ended June 30, 2016

Grand List Year	Uncollected Taxes July 1, 2015	Current Levy	Lawful Corrections	Transfers to Suspende	Adjusted Taxes Collectible	Taxes Paid	Interest	Lien	Other	Total Collected	Uncollected Taxes June 30, 2016
2014	\$ -	\$ 164,459,920	\$ (184,397)	\$ (2,590)	\$ 164,272,933	\$ 160,243,285	\$ 552,303	\$ 1,896	\$ 2,240	\$ 160,799,724	\$ 4,029,648
2013	4,167,744	-	64,402	-	4,232,146	2,270,908	498,624	6,259	45,116	2,820,907	1,961,238
2012	1,672,183	-	42,455	-	1,714,638	618,648	237,083	2,496	31,252	889,479	1,095,990
2011	924,502	-	35,475	(478,750)	481,227	182,401	93,981	1,200	9,922	287,504	298,826
2010	283,217	-	40,222	-	323,439	56,528	37,373	456	220	94,577	266,911
2009	187,072	-	(1,173)	-	185,899	26,693	13,895	480	44	41,112	159,206
2008	83,196	-	-	-	83,196	16,817	8,066	264	2,458	27,605	66,379
2007	27,980	-	-	-	27,980	10,107	3,350	72	5	13,534	17,873
2006	68,744	-	-	-	68,744	72	(2,370)	24	4	(2,270)	68,672
2005	8,709	-	-	-	8,709	137	95	72	10	314	8,572
2004	20,689	-	-	-	20,689	94	2	48	-	144	20,595
2003	28,428	-	-	-	28,428	5	(29)	24	-	-	28,423
2002	4,359	-	-	-	4,359	-	-	-	-	-	4,359
2001	113,536	-	-	-	113,536	423	966	-	230	1,619	113,113
2000	286,497	-	(38)	-	286,459	289	708	-	108	1,105	286,170
	<u>\$ 7,876,856</u>	<u>\$ 164,459,920</u>	<u>\$ (3,054)</u>	<u>\$ (481,340)</u>	<u>\$ 171,852,382</u>	<u>\$ 163,426,407</u>	<u>\$ 1,444,047</u>	<u>\$ 13,291</u>	<u>\$ 91,609</u>	<u>\$ 164,975,354</u>	<u>\$ 8,425,975</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.

<b>Fund</b>	<b>Funding Source</b>	<b>Function</b>
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	Grants and program fees	Youth and family counseling
Continuing Education	State and Federal grants	Continuing education
Redevelopment Agency	Grants and local contributions	Stratford Redevelopment Agency
Railroad Property	Collection of fees	Railroad station parking
Miscellaneous Grants	Federal and state grants	Health and social services program
Department of Children and Family Services	Grants and local contributions	Department of Children and Families
Recreation	Program fees	Recreation programs
Town Aid Road	State grants	Improvements of local roads
Senior Citizens	Grants and program fees	Baldwin Senior Citizen Center
Police Special Services	Grants and local contributions	State Drug Enforcement Grant
Harbor Management	Collection of fees	Harbor management program
Recycling	Collection of fees	Recycling program
Gas Pipeline	Donation from Duke Energy	Various projects
Sewer Maintenance	Collection of fees	Miscellaneous maintenance of sewer functions
Reserve	Donations	Miscellaneous reserve funds

### ***Debt Service Fund***

The Debt Service Fund is used to service principal and interest payments on Pension obligation bonds.

### ***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.

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

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2016

	Special Revenue						
	School Lunch Program	Community Development	Education Federal and State Programs	Shellfish and Oysters	Counseling Center	Continuing Education	Redevelopment Agency
<b>Assets</b>							
Cash and cash equivalents	\$ 230,472	\$ -	\$ 370,054	\$ -	\$ -	\$ 343,945	\$ -
Accounts receivable	328,115	188,448	4,601	-	-	23,625	-
Intergovernmental	-	-	-	-	-	-	-
Due from other funds	-	-	-	90,111	52,381	-	418,074
Inventory	36,486	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 595,073</b>	<b>\$ 188,448</b>	<b>\$ 374,655</b>	<b>\$ 90,111</b>	<b>\$ 52,381</b>	<b>\$ 367,570</b>	<b>\$ 418,074</b>
<b>Liabilities, Deferred Inflows of Sources and Fund Balances (Deficits)</b>							
Liabilities:							
Accounts payable	\$ 1,010,669	\$ 19,127	\$ -	\$ -	\$ 944	\$ 23,827	\$ -
Unearned Revenue	-	-	188,801	-	-	-	-
Due to other funds	-	32,230	-	-	-	-	-
<b>Total liabilities</b>	<b>1,010,669</b>	<b>51,357</b>	<b>188,801</b>	<b>-</b>	<b>944</b>	<b>23,827</b>	<b>-</b>
Deferred inflows of resources:							
Unavailable resources	-	188,448	-	-	-	-	-
Fund balances (deficits):							
Nonspendable	36,486	-	-	-	-	-	-
Restricted	-	-	-	-	-	343,743	-
Committed	-	-	185,854	90,111	51,437	-	418,074
Unassigned	(452,082)	(51,357)	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>(415,596)</b>	<b>(51,357)</b>	<b>185,854</b>	<b>90,111</b>	<b>51,437</b>	<b>343,743</b>	<b>418,074</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 595,073</b>	<b>\$ 188,448</b>	<b>\$ 374,655</b>	<b>\$ 90,111</b>	<b>\$ 52,381</b>	<b>\$ 367,570</b>	<b>\$ 418,074</b>

(Continued)

**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2016**

	Special Revenue					
	Railroad Property	Miscellaneous Grants	Department of Children and Family Services	Recreation	Town Aid Road	Senior Citizens
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Intergovernmental	-	581,831	-	-	-	-
Due from other funds	827,361	-	65,423	86,282	281,541	53,562
Inventory	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 827,361</b>	<b>\$ 581,831</b>	<b>\$ 65,423</b>	<b>\$ 86,282</b>	<b>\$ 281,541</b>	<b>\$ 53,562</b>
<b>Liabilities, Deferred Inflows of Sources and Fund Balances (Deficits)</b>						
Liabilities:						
Accounts payable	\$ 12,051	\$ 462,850	\$ 12,429	\$ 26,453	\$ 865	\$ 7,644
Unearned Revenue	-	161,962	-	-	-	-
Due to other funds	-	158,910	-	-	-	-
<b>Total liabilities</b>	<b>12,051</b>	<b>783,722</b>	<b>12,429</b>	<b>26,453</b>	<b>865</b>	<b>7,644</b>
Deferred inflows of resources:						
Unavailable resources	-	564,868	-	-	-	-
Fund balances (deficits):						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	52,994	-	280,676	-
Committed	815,310	-	-	59,829	-	45,918
Unassigned	-	(766,759)	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>815,310</b>	<b>(766,759)</b>	<b>52,994</b>	<b>59,829</b>	<b>280,676</b>	<b>45,918</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 827,361</b>	<b>\$ 581,831</b>	<b>\$ 65,423</b>	<b>\$ 86,282</b>	<b>\$ 281,541</b>	<b>\$ 53,562</b>

(Continued)

**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2016**

	Special Revenue Funds							
	Police Special Services	Harbor Management	Recycling	Gas Pipeline	Sewer Maintenance	Reserve	Totals	
<b>Assets</b>								
Cash and cash equivalents	\$ 412,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,357,442	
Accounts receivable	-	2,000	-	-	-	-	546,789	
Intergovernmental	-	-	-	-	-	-	581,831	
Due from other funds	-	163,509	13,117	156,100	35,576	366,033	2,609,070	
Inventory	-	-	-	-	-	-	36,486	
<b>Total assets</b>	<b>\$ 412,971</b>	<b>\$ 165,509</b>	<b>\$ 13,117</b>	<b>\$ 156,100</b>	<b>\$ 35,576</b>	<b>\$ 366,033</b>	<b>\$ 5,131,618</b>	
<b>Liabilities, Deferred Inflows of Sources and Fund Balances (Deficits)</b>								
Liabilities:								
Accounts payable	\$ -	\$ 4,359	\$ -	\$ -	\$ 24,047	\$ 41,942	\$ 1,647,207	
Unearned Revenue	-	-	-	-	-	20,697	371,460	
Due to other funds	-	-	-	-	-	-	191,140	
<b>Total liabilities</b>	<b>-</b>	<b>4,359</b>	<b>-</b>	<b>-</b>	<b>24,047</b>	<b>62,639</b>	<b>2,209,807</b>	
Deferred inflows of resources:								
Unavailable resources	-	-	-	-	-	-	753,316	
Fund balances (deficits):								
Nonspendable	-	-	-	-	-	-	36,486	
Restricted	-	-	-	-	-	-	677,413	
Committed	412,971	161,150	13,117	156,100	11,529	303,394	2,724,794	
Unassigned	-	-	-	-	-	-	(1,270,198)	
<b>Total fund balances (deficits)</b>	<b>412,971</b>	<b>161,150</b>	<b>13,117</b>	<b>156,100</b>	<b>11,529</b>	<b>303,394</b>	<b>2,168,495</b>	
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 412,971</b>	<b>\$ 165,509</b>	<b>\$ 13,117</b>	<b>\$ 156,100</b>	<b>\$ 35,576</b>	<b>\$ 366,033</b>	<b>\$ 5,131,618</b>	

(Continued)

**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2016**

	Permanent Funds					Debt Service	Total Nonmajor Governmental Funds
	Stratford High School	Bunnell High School	Stephen Boothe	David Boothe	Total	Debt Service Fund	
<b>Assets</b>							
Cash and cash equivalents	\$ 19,818	\$ 10,317	\$ 215,247	\$ 488,952	\$ 734,334	\$ -	\$ 2,091,776
Investments	202,527	89,904	460,948	988,494	1,741,873	-	1,741,873
Accounts receivable	-	-	-	-	-	-	546,789
Intergovernmental	-	-	-	-	-	-	581,831
Due from other funds	-	-	-	-	-	886,560	3,495,630
Inventory	-	-	-	-	-	-	36,486
<b>Total assets</b>	<b>\$ 222,345</b>	<b>\$ 100,221</b>	<b>\$ 676,195</b>	<b>\$ 1,477,446</b>	<b>\$ 2,476,207</b>	<b>\$ 886,560</b>	<b>\$ 8,494,385</b>
<b>Liabilities, Deferred Inflows of Sources and Fund Balances (Deficits)</b>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,647,207
Unearned Revenue	-	-	-	-	-	-	371,460
Due to other funds	-	-	-	-	-	-	191,140
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,209,807</b>
Deferred inflows of resources:							
Unavailable resources	-	-	-	-	-	-	753,316
Fund balances (deficits):							
Nonspendable	-	-	-	-	-	-	36,486
Restricted	222,345	100,221	676,195	1,477,446	2,476,207	-	3,153,620
Committed	-	-	-	-	-	886,560	3,611,354
Unassigned	-	-	-	-	-	-	(1,270,198)
<b>Total fund balances (deficits)</b>	<b>222,345</b>	<b>100,221</b>	<b>676,195</b>	<b>1,477,446</b>	<b>2,476,207</b>	<b>886,560</b>	<b>5,531,262</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 222,345</b>	<b>\$ 100,221</b>	<b>\$ 676,195</b>	<b>\$ 1,477,446</b>	<b>\$ 2,476,207</b>	<b>\$ 886,560</b>	<b>\$ 8,494,385</b>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2016**

	Special Revenue						
	School Lunch Program	Community Development	Education Federal and State Programs	Shellfish and Oysters	Counseling Center	Continuing Education	Redevelopment Agency
Revenues:							
Intergovernmental	\$ 1,726,185	\$ 672,726	\$ 3,517,032	\$ -	\$ -	\$ -	\$ -
Departmental revenue	1,748,436	-	-	18,620	7,116	506,420	-
Licenses and permits	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Other	-	-	295,844	-	62,782	-	-
<b>Total revenue</b>	<b>3,474,621</b>	<b>672,726</b>	<b>3,812,876</b>	<b>18,620</b>	<b>69,898</b>	<b>506,420</b>	<b>-</b>
Expenditures:							
Current:							
Education	3,377,925	-	3,847,645	-	-	590,703	-
Human development	-	-	-	-	75,703	-	-
Physical development	-	678,051	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,377,925</b>	<b>678,051</b>	<b>3,847,645</b>	<b>-</b>	<b>75,703</b>	<b>590,703</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>96,696</b>	<b>(5,325)</b>	<b>(34,769)</b>	<b>18,620</b>	<b>(5,805)</b>	<b>(84,283)</b>	<b>-</b>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances (deficits)</b>	<b>96,696</b>	<b>(5,325)</b>	<b>(34,769)</b>	<b>18,620</b>	<b>(5,805)</b>	<b>(84,283)</b>	<b>-</b>
Fund balances (deficits), beginning of year	(512,292)	(46,032)	220,623	71,491	57,242	428,026	418,074
Fund balances (deficits), end of year	\$ (415,596)	\$ (51,357)	\$ 185,854	\$ 90,111	\$ 51,437	\$ 343,743	\$ 418,074

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**

	Special Revenue					
	Railroad Property	Miscellaneous Grants	Department of Children and Family Services	Recreation	Town Aid Road	Senior Citizens
Revenues:						
Intergovernmental	\$ -	\$ 2,280,173	\$ 256,988	\$ -	\$ 597,168	\$ -
Departmental revenue	-	-	-	284,967	-	81,359
Licenses and permits	417,283	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenue</b>	<b>417,283</b>	<b>2,280,173</b>	<b>256,988</b>	<b>284,967</b>	<b>597,168</b>	<b>81,359</b>
Expenditures:						
Current:						
Education	-	-	-	-	-	-
Human development	279,964	2,629,601	-	-	-	93,595
Physical development	-	-	518,139	295,118	-	-
Public safety	-	-	-	-	-	-
Capital outlay	-	-	-	-	402,824	-
<b>Total expenditures</b>	<b>279,964</b>	<b>2,629,601</b>	<b>518,139</b>	<b>295,118</b>	<b>402,824</b>	<b>93,595</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>137,319</b>	<b>(349,428)</b>	<b>(261,151)</b>	<b>(10,151)</b>	<b>194,344</b>	<b>(12,236)</b>
Other financing sources (uses):						
Transfers in	-	-	181,000	-	-	-
Transfers out	(250,000)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(250,000)</b>	<b>-</b>	<b>181,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances (deficits)</b>	<b>(112,681)</b>	<b>(349,428)</b>	<b>(80,151)</b>	<b>(10,151)</b>	<b>194,344</b>	<b>(12,236)</b>
Fund balances (deficits), beginning of year	927,991	(417,331)	133,145	69,980	86,332	58,154
Fund balances (deficits), end of year	\$ 815,310	\$ (766,759)	\$ 52,994	\$ 59,829	\$ 280,676	\$ 45,918

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**

	Special Revenue Funds							
	Police Special Services	Harbor Management	Recycling	Gas Pipeline	Sewer Maintenance	Reserve	Totals	
<b>Revenues:</b>								
Intergovernmental	\$ -	\$ 28,720	\$ -	\$ -	\$ -	\$ -	\$ 9,078,992	
Departmental revenue	-	45,995	-	-	-	54,111	2,747,024	
Licenses and permits	-	-	-	-	-	-	417,283	
Investment income	896	-	-	-	-	-	896	
Other	55,113	-	-	-	-	-	413,739	
<b>Total revenue</b>	<b>56,009</b>	<b>74,715</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,111</b>	<b>12,657,934</b>	
<b>Expenditures:</b>								
<b>Current:</b>								
Education	-	-	-	-	-	-	7,816,273	
Human development	-	-	-	-	-	81,819	3,160,682	
Physical development	-	66,612	-	-	-	-	1,557,920	
Public safety	57,216	-	-	-	-	-	57,216	
Capital outlay	-	-	-	-	-	-	402,824	
<b>Total expenditures</b>	<b>57,216</b>	<b>66,612</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,819</b>	<b>12,994,915</b>	
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,207)</b>	<b>8,103</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,708)</b>	<b>(336,981)</b>	
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	181,000	
Transfers out	-	-	-	(307,547)	-	-	(557,547)	
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(307,547)</b>	<b>-</b>	<b>-</b>	<b>(376,547)</b>	
<b>Net change in fund balances (deficits)</b>	<b>(1,207)</b>	<b>8,103</b>	<b>-</b>	<b>(307,547)</b>	<b>-</b>	<b>(27,708)</b>	<b>(713,528)</b>	
Fund balances (deficits), beginning of year	414,178	153,047	13,117	463,647	11,529	331,102	2,882,023	
Fund balances (deficits), end of year	\$ 412,971	\$ 161,150	\$ 13,117	\$ 156,100	\$ 11,529	\$ 303,394	\$ 2,168,495	

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**

	Permanent Funds					Debt Service	Total Nonmajor Governmental Funds
	Stratford High School	Bunnell High School	Stephen Boothe	David Boothe	Total	Debt Service Fund	
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,078,992
Departmental revenue	-	-	-	-	-	-	2,747,024
Licenses and permits	-	-	-	-	-	-	417,283
Investment income	68,028	2,337	(20,073)	(57,045)	(6,753)	-	(5,857)
Other	-	51,762	-	-	51,762	-	465,501
<b>Total revenue</b>	<b>68,028</b>	<b>54,099</b>	<b>(20,073)</b>	<b>(57,045)</b>	<b>45,009</b>	<b>-</b>	<b>12,702,943</b>
Expenditures:							
Current:							
Education	67,761	53,031	46,480	110,499	277,771	-	8,094,044
Human development	-	-	-	-	-	-	3,160,682
Physical development	-	-	-	-	-	-	1,557,920
Public safety	-	-	-	-	-	-	57,216
Capital outlay	-	-	-	-	-	-	402,824
<b>Total expenditures</b>	<b>67,761</b>	<b>53,031</b>	<b>46,480</b>	<b>110,499</b>	<b>277,771</b>	<b>-</b>	<b>13,272,686</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>267</b>	<b>1,068</b>	<b>(66,553)</b>	<b>(167,544)</b>	<b>(232,762)</b>	<b>-</b>	<b>(569,743)</b>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	181,000
Transfers out	-	-	-	-	-	(500,000)	(1,057,547)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(500,000)</b>	<b>(876,547)</b>
<b>Net change in fund balances (deficits)</b>	<b>267</b>	<b>1,068</b>	<b>(66,553)</b>	<b>(167,544)</b>	<b>(232,762)</b>	<b>(500,000)</b>	<b>(1,446,290)</b>
Fund balances (deficits), beginning of year	222,078	99,153	742,748	1,644,990	2,708,969	1,386,560	6,977,552
Fund balances (deficits), end of year	\$ 222,345	\$ 100,221	\$ 676,195	\$ 1,477,446	\$ 2,476,207	\$ 886,560	\$ 5,531,262

**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 sub-funds:

<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 sewer system
Water Hookup		Water main construction for Whipporwill Lane
Capital Equipment	General Fund	Equipment purchases

**Project Combining Balance Sheet  
Capital Projects Fund  
June 30, 2016**

	Capital Improvements	Capital Special Projects	Sidewalk and Roads	Sewer Revolving	Water Hookup	Capital Equipment	Totals
<b>Assets</b>							
Special assessments receivable	\$ -	\$ -	\$ 3,022	\$ 741,121	\$ 10,374	\$ -	\$ 754,517
Due from other funds	35,034,241	(27,985,355)	-	1,062,928	-	-	8,111,814
<b>Total assets</b>	<b>\$ 35,034,241</b>	<b>\$ (27,985,355)</b>	<b>\$ 3,022</b>	<b>\$ 1,804,049</b>	<b>\$ 10,374</b>	<b>\$ -</b>	<b>\$ 8,866,331</b>
<b>Liabilities and Fund Balances</b>							
Liabilities:							
Accounts payable	\$ 92,015	\$ 1,310,409	\$ -	\$ -	\$ -	\$ 190,398	\$ 1,592,822
Due to other funds	-	-	18,411	-	109,223	2,972,987	3,100,621
<b>Total liabilities</b>	<b>92,015</b>	<b>1,310,409</b>	<b>18,411</b>	<b>-</b>	<b>109,223</b>	<b>3,163,385</b>	<b>4,693,443</b>
Deferred inflows of resources:							
Unavailable resources	-	-	3,022	741,121	10,374	-	754,517
Fund balances:							
Committed	34,942,226	(29,295,764)	(18,411)	1,062,928	(109,223)	(3,163,385)	3,418,371
<b>Total liabilities and fund balances</b>	<b>\$ 35,034,241</b>	<b>\$ (27,985,355)</b>	<b>\$ 3,022</b>	<b>\$ 1,804,049</b>	<b>\$ 10,374</b>	<b>\$ -</b>	<b>\$ 8,866,331</b>

**Project Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Capital Projects Fund  
For the Year Ended June 30, 2016**

	Capital Improvements	Capital Special Projects	Sidewalk and Roads	Sewer Revolving	Water Hookup	Capital Equipment	Totals
<b>Revenues:</b>							
Property taxes and assessments	\$ -	\$ -	\$ 3,172	\$ 319,236	\$ 2,370	\$ -	\$ 324,778
Intergovernmental	-	826,340	-	-	-	-	826,340
Other Revenue	-	1,600	-	-	-	-	1,600
<b>Total revenues</b>	<b>-</b>	<b>827,940</b>	<b>3,172</b>	<b>319,236</b>	<b>2,370</b>	<b>-</b>	<b>1,152,718</b>
<b>Expenditures:</b>							
Capital outlay	(785,413)	14,899,897	-	-	-	2,192,517	16,307,001
<b>Total expenditures</b>	<b>(785,413)</b>	<b>14,899,897</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,192,517</b>	<b>16,307,001</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>785,413</b>	<b>(14,071,957)</b>	<b>3,172</b>	<b>319,236</b>	<b>2,370</b>	<b>(2,192,517)</b>	<b>(15,154,283)</b>
<b>Other financing sources:</b>							
Transfers in	-	989,035	-	-	-	405,000	1,394,035
Transfers out	-	-	-	(1,500,000)	-	-	(1,500,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>989,035</b>	<b>-</b>	<b>(1,500,000)</b>	<b>-</b>	<b>405,000</b>	<b>(105,965)</b>
<b>Net change in fund balances (deficits)</b>	<b>785,413</b>	<b>(13,082,922)</b>	<b>3,172</b>	<b>(1,180,764)</b>	<b>2,370</b>	<b>(1,787,517)</b>	<b>(15,260,248)</b>
Fund balances (deficits), beginning of year	34,156,813	(16,212,842)	(21,583)	2,243,692	(111,593)	(1,375,868)	18,678,619
Fund balances (deficits), end of year	<u>\$ 34,942,226</u>	<u>\$ (29,295,764)</u>	<u>\$ (18,411)</u>	<u>\$ 1,062,928</u>	<u>\$ (109,223)</u>	<u>\$ (3,163,385)</u>	<u>\$ 3,418,371</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.

**Emergency Medical Services** is used to account for the operations of ambulance services.

**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2016**

	Short Beach Golf Course	Emergency Medical Services	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ -	\$ 4,610,790	\$ 4,610,790
Receivables:			
Accounts and other	-	367,996	367,996
<b>Total current assets</b>	<u>-</u>	<u>4,978,786</u>	<u>4,978,786</u>
Capital assets:			
Assets being depreciated, net	201,999	2,528,788	2,730,787
<b>Total capital assets</b>	<u>201,999</u>	<u>2,528,788</u>	<u>2,730,787</u>
<b>Total assets</b>	<u>\$ 201,999</u>	<u>\$ 7,507,574</u>	<u>\$ 7,709,573</u>
Deferred inflows of resources:			
Deferred amounts on refunding	\$ -	\$ 29,425	\$ 29,425
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 28,297	\$ 142,696	\$ 170,993
Unearned revenue	679	-	679
Bond Payable	-	103,000	103,000
Capital lease	5,837	41,071	46,908
Due to other funds	-	4,661,142	4,661,142
Compensated absences	12,952	86,901	99,853
<b>Total current liabilities</b>	<u>47,765</u>	<u>5,034,810</u>	<u>5,082,575</u>
Noncurrent liabilities:			
Advance from other funds	916,459	-	916,459
Bonds payable	-	1,277,560	1,277,560
Capital lease	31,677	107,658	139,335
Compensated absences	31,364	76,198	107,562
<b>Total noncurrent liabilities</b>	<u>979,500</u>	<u>1,461,416</u>	<u>2,440,916</u>
<b>Total liabilities</b>	<u>1,027,265</u>	<u>6,496,226</u>	<u>7,523,491</u>
Net position:			
Net Investment in capital assets	170,322	1,143,570	1,313,892
Unrestricted	(995,588)	(102,797)	(1,098,385)
<b>Total net position</b>	<u>\$ (825,266)</u>	<u>\$ 1,040,773</u>	<u>\$ 215,507</u>

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Non-major Enterprise Funds**  
**For the Year Ended June 30, 2016**

	Short Beach Golf Course	Emergency Medical Services	Total
Operating revenues:			
Charges for services	\$ 282,535	\$ 2,056,407	\$ 2,338,942
<b>Total operating revenues</b>	<u>282,535</u>	<u>2,056,407</u>	<u>2,338,942</u>
Operating expenses:			
Operating and maintenance	457,770	2,072,121	2,529,891
Depreciation	26,427	264,449	290,876
<b>Total operating expenses</b>	<u>484,197</u>	<u>2,336,570</u>	<u>2,820,767</u>
<b>Operating income (loss)</b>	<u>(201,662)</u>	<u>(280,163)</u>	<u>(481,825)</u>
Nonoperating revenues:			
Interest expense	-	(53,717)	(53,717)
<b>Total nonoperating revenues (expenses)</b>	<u>-</u>	<u>(53,717)</u>	<u>(53,717)</u>
<b>Net loss before transfers</b>	<u>(201,662)</u>	<u>(333,880)</u>	<u>(535,542)</u>
Transfers out	-	(400,000)	(400,000)
<b>Net transfers</b>	<u>-</u>	<u>(400,000)</u>	<u>(400,000)</u>
<b>Change in net position (deficit)</b>	<u>(201,662)</u>	<u>(733,880)</u>	<u>(935,542)</u>
Fund net position (deficit), beginning	<u>(623,604)</u>	<u>1,774,653</u>	<u>1,151,049</u>
Fund net position (deficit), ending	<u>\$ (825,266)</u>	<u>\$ 1,040,773</u>	<u>\$ 215,507</u>

**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2016**

	Short Beach Golf Course	Emergency Medical Services	Total
Cash flows from operating activities:			
Cash received from customers and users	\$ 282,545	\$ 2,084,896	\$ 2,367,441
Cash payments to suppliers	(254,256)	(685,176)	(939,432)
Cash payments to employees	(174,162)	(1,318,230)	(1,492,392)
Payments for interfund services used	158,762	2,719,605	2,878,367
<b>Net cash provided by operating activities</b>	<b>12,889</b>	<b>2,801,095</b>	<b>2,813,984</b>
Cash flows from noncapital financing activities:			
Transfers to/from other funds	-	(400,000)	(400,000)
<b>Net cash used in noncapital financing activities</b>	<b>-</b>	<b>(400,000)</b>	<b>(400,000)</b>
Cash flows from capital and related financing activities:			
Principal payments on debt	(12,889)	(104,000)	(116,889)
Principal payments on capital lease	-	(63,324)	(63,324)
Interest paid on debt	-	(53,850)	(53,850)
Purchase of capital assets	-	(110,194)	(110,194)
<b>Net cash used in capital and related financing activities</b>	<b>(12,889)</b>	<b>(331,368)</b>	<b>(344,257)</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>2,069,727</b>	<b>2,069,727</b>
Cash and cash equivalents, beginning	-	2,541,063	2,541,063
Cash and cash equivalents, ending	\$ -	\$ 4,610,790	\$ 4,610,790
Reconciliation of operating loss to net cash provided by operating activities:			
Operating income (loss)	\$ (201,662)	\$ (108,163)	\$ (309,825)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	26,426	264,449	290,875
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable and deferred charges	-	28,489	28,489
Increase (decrease) in accounts payable and accrued expenses	29,352	68,714	98,066
Increase in unearned revenues	11	-	11
Increase (decrease) in due to other funds	158,762	2,547,606	2,706,368
<b>Net cash provided by operating activities</b>	<b>\$ 12,889</b>	<b>\$ 2,801,095</b>	<b>\$ 2,813,984</b>
Supplemental schedule of noncash financing activities:			
Amortization of gain on refunded debt	\$ -	\$ 3,462	\$ 3,462
Amortization of premium on refunded debt	\$ -	\$ (3,595)	\$ (3,595)

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**Internal Service Funds**

## **Internal Service Funds**

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

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

**Statement of Net Position (Deficit)**  
**Internal Service Funds**  
**June 30, 2016**

---

**Assets**

Cash	\$ 80,000
Due from other funds	8,212,445
Other current assets	<u>368,500</u>
<b>Total assets</b>	<b><u>\$ 8,660,945</u></b>

**Liabilities and Fund Equity**

Current liabilities:	
Accounts payable	\$ 15,263
Risk management claims	<u>728,000</u>
<b>Total current liabilities</b>	<b><u>743,263</u></b>
Noncurrent liabilities:	
Risk management claims	<u>12,097,324</u>
Fund equity:	
Net Position:	
Unrestricted (deficit)	<u>(4,179,642)</u>
<b>Total net position (deficit)</b>	<b><u>\$ (4,179,642)</u></b>

**Statement of Revenues, Expenses and Changes in Net Position (Deficit)**  
**Internal Service Funds**  
**For the Year Ended June 30, 2016**

---

Operating revenues:	
Charges for services	<u>\$ 6,057,258</u>
Operating expenses:	
Operating and maintenance	<u>9,605,707</u>
<b>Change in net position (deficit)</b>	(3,548,449)
Fund net position (deficit), beginning	<u>(631,193)</u>
Fund net position (deficit), ending	<u><u>\$ (4,179,642)</u></u>

**Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2016**

Cash flows from operating activities:	
Cash received from customer and users	\$ 2,877,958
Cash payments to suppliers	(7,709,543)
Payments for interfund services used	4,831,585
<b>Net cash used in by operating activities</b>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	-
Cash and cash equivalents, beginning	<u>80,000</u>
Cash and cash equivalents, ending	<u><u>\$ 80,000</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (3,548,449)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in assets and liabilities:	
Decrease in due from other funds	2,118,784
Increase in receivables	(368,500)
Decrease in accounts payable	(136,159)
Increase in risk management claim liability	1,934,324
<b>Net cash used in operating activities</b>	<u><u>\$ -</u></u>

**Combining Statement of Net Position (Deficit)**  
**Internal Service Funds**  
**June 30, 2016**

	Health Benefit	Workers' Compensation	Total
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 80,000	\$ 80,000
Due from other funds	2,373,485	5,838,960	8,212,445
Other current assets	368,500	-	368,500
<b>Total assets</b>	<b>\$ 2,741,985</b>	<b>\$ 5,918,960</b>	<b>\$ 8,660,945</b>
<b>Liabilities and Net Position (Deficit)</b>			
Current liabilities:			
Accounts payable	\$ 1,706	\$ 13,557	\$ 15,263
Risk management claims	728,000	-	728,000
<b>Total liabilities</b>	<b>729,706</b>	<b>13,557</b>	<b>743,263</b>
Noncurrent liabilities:			
Risk management claims	-	12,097,324	12,097,324
Net position:			
Unrestricted (deficit)	2,012,279	(6,191,921)	(4,179,642)
<b>Total net position (deficit)</b>	<b>\$ 2,012,279</b>	<b>\$ (6,191,921)</b>	<b>\$ (4,179,642)</b>

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)**  
**Internal Service Funds**  
**For the Year Ended June 30, 2016**

	Health Benefit	Workers' Compensation	Total
Operating revenues:			
Charges for services	\$ 3,202,423	\$ 2,854,835	\$ 6,057,258
Operating expenses:			
Operating and maintenance	4,460,537	5,145,170	9,605,707
<b>Operating income</b>	(1,258,114)	(2,290,335)	(3,548,449)
<b>Change in net position (deficit)</b>	(1,258,114)	(2,290,335)	(3,548,449)
Fund net position (deficit), beginning	3,270,393	(3,901,586)	(631,193)
Fund net position (deficit), ending	\$ 2,012,279	\$ (6,191,921)	\$ (4,179,642)

**Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2016**

	Health Benefit	Workers' Compensation	Total
Cash flows from operating activities:			
Cash received from customers and users	\$ 2,273,123	\$ 604,835	\$ 2,877,958
Cash payments to suppliers	(4,596,352)	(3,113,191)	(7,709,543)
Payments for interfund services used	2,323,229	2,508,356	4,831,585
<b>Net cash used in operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents, beginning	-	80,000	80,000
Cash and cash equivalents, ending	\$ -	\$ 80,000	\$ 80,000
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (1,258,114)	\$ (2,290,335)	\$ (3,548,449)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Changes in assets and liabilities:			
Decrease (increase) in due from other funds	1,860,429	258,355	2,118,784
Decrease (increase) in receivables	(368,500)	-	(368,500)
Increase (decrease) in accounts payable	(135,815)	(344)	(136,159)
Increase (decrease) in risk management claim liability	(98,000)	2,032,324	1,934,324
<b>Net cash used in operating activities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Fiduciary Funds**

## **Fiduciary Funds**

### ***Agency Funds***

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

**Senior Taxpayer Escrow** – established to account for senior citizen tax payments.

**Planning & Zoning Performance Bonds** – established to account for planning & zoning performance bonds.

**Inland/Wetland Performance Bonds** – established to account for inland/wetland performance bonds.

**Teacher's Retiree Fund** – established to offset medical expenses of the Stratford Board of Education's retiree population

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended June 30, 2016**

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
<b>Student Activity Fund</b>				
Assets				
Cash and cash equivalents	\$ 377,471	\$ 1,225,793	\$ 1,260,988	\$ 342,276
Liabilities				
Due to student groups	\$ 377,471	\$ 1,225,793	\$ 1,260,988	\$ 342,276
<b>Senior Taxpayer Escrow</b>				
Assets				
Cash and cash equivalents	\$ 12,227	\$ 39,920	\$ 31,619	\$ 20,528
Liabilities				
Payable to others	\$ 12,227	\$ 39,920	\$ 31,619	\$ 20,528
<b>Planning &amp; Zoning Performance Bonds</b>				
Assets				
Cash and cash equivalents	\$ 298,483	\$ 181,635	\$ 86,600	\$ 393,518
Liabilities				
Payable to others	\$ 298,483	\$ 181,635	\$ 86,600	\$ 393,518
<b>Inland/Wetland Performance Bonds</b>				
Assets				
Cash and cash equivalents	\$ 303,806	\$ 24,469	\$ 124,473	\$ 203,802
Liabilities				
Payable to others	\$ 303,806	\$ 24,469	\$ 124,473	\$ 203,802
<b>Teacher's Retiree Fund</b>				
Assets				
Cash and cash equivalents	\$ 41,229	\$ 1,772,004	\$ 1,594,696	\$ 218,537
Liabilities				
Payable to others	\$ 41,229	\$ 1,772,004	\$ 1,594,696	\$ 218,537
<b>Total Agency Funds</b>				
Assets				
Cash and cash equivalents	\$ 1,033,216	\$ 3,243,821	\$ 3,098,376	\$ 1,178,661
Liabilities				
Due to student groups	\$ 377,471	\$ 1,225,793	\$ 1,260,988	\$ 342,276
Payable to others	655,745	2,018,028	1,837,388	836,385
	\$ 1,033,216	\$ 3,243,821	\$ 3,098,376	\$ 1,178,661

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**Statistical Section**

## **Statistical Section Information**

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

Statistical section information is presented in the following categories:

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

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

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

Town of Stratford, Connecticut

TABLE 1

**Net Position By Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)**

	Fiscal Year (\$ in 000's)									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities:										
Net investment in capital assets	\$ 81,259	\$ 78,329	\$ 82,429	\$ 58,172	\$ 57,747	\$ 49,667	\$ 46,587	\$ 45,101	\$ 51,011	\$ 51,351
Restricted	2,476	2,709	2,793	2,527	2,407	2,543	2,279	2,187	2,611	3,018
Unrestricted	(293,903)	(271,442)	(69,279)	(37,138)	(47,371)	(46,500)	(36,777)	(20,284)	(35,633)	(42,043)
<b>Total governmental activities   net position (deficit)</b>	<b>\$ (210,168)</b>	<b>\$ (190,404)</b>	<b>\$ 15,943</b>	<b>\$ 23,561</b>	<b>\$ 12,783</b>	<b>\$ 5,710</b>	<b>\$ 12,089</b>	<b>\$ 27,004</b>	<b>\$ 17,989</b>	<b>\$ 12,326</b>
Business-type activities:										
Net investment in capital assets	\$ 15,720	\$ 14,577	\$ 18,134	\$ 19,149	\$ 19,806	\$ 20,691	\$ 21,674	\$ 26,998	\$ 29,187	\$ 37,156
Unrestricted	5,746	7,676	6,094	6,710	6,615	8,475	12,145	9,200	6,419	(9,414)
<b>Total business-type activities   net position</b>	<b>\$ 21,466</b>	<b>\$ 22,253</b>	<b>\$ 24,228</b>	<b>\$ 25,859</b>	<b>\$ 26,421</b>	<b>\$ 29,166</b>	<b>\$ 33,819</b>	<b>\$ 36,198</b>	<b>\$ 35,606</b>	<b>\$ 27,742</b>
Total primary government:										
Net investment in capital assets	\$ 96,979	\$ 92,906	\$ 100,563	\$ 77,321	\$ 77,553	\$ 70,358	\$ 68,261	\$ 72,099	\$ 80,198	\$ 88,507
Restricted	2,476	2,709	2,793	2,527	2,407	2,543	2,279	2,187	2,611	3,018
Unrestricted	(288,156)	(263,765)	(63,185)	(30,428)	(40,756)	(38,025)	(24,632)	(11,084)	(29,214)	(51,457)
<b>Total net position (deficit)</b>	<b>\$ (188,701)</b>	<b>\$ (168,150)</b>	<b>\$ 40,171</b>	<b>\$ 49,420</b>	<b>\$ 39,204</b>	<b>\$ 34,876</b>	<b>\$ 45,908</b>	<b>\$ 63,202</b>	<b>\$ 53,595</b>	<b>\$ 40,068</b>

Town of Stratford, Connecticut

**Changes In Net Position  
Last Ten Fiscal Years  
(In Thousands)  
(Unaudited)**

	Fiscal Year				
	2016	2015	2014	2013	2012
<b>Expenses:</b>					
Governmental activities:					
General government	\$ (31,845)	\$ (33,728)	\$ (30,840)	\$ (38,354)	\$ (38,445)
Human development	(10,145)	(8,277)	(8,518)	(8,852)	(9,029)
Physical development	(22,908)	(20,537)	(15,320)	(18,900)	(15,466)
Public safety	(35,826)	(28,289)	(35,654)	(24,111)	(23,712)
Education	(136,979)	(129,334)	(127,895)	(115,002)	(114,759)
Debt service	(12,058)	(12,530)	(9,636)	(4,548)	(3,484)
<b>Total governmental activities expenses</b>	<b>(249,761)</b>	<b>(232,695)</b>	<b>(227,863)</b>	<b>(209,767)</b>	<b>(204,895)</b>
Business-type activities:					
Waste operating	(11,394)	(11,768)	(10,560)	(10,106)	(9,654)
Other	(2,874)	(2,451)	(2,324)	(2,225)	(1,745)
<b>Total business-type activities expenses</b>	<b>(14,269)</b>	<b>(14,219)</b>	<b>(12,884)</b>	<b>(12,331)</b>	<b>(11,399)</b>
<b>Total primary government expenses</b>	<b>(264,030)</b>	<b>(246,914)</b>	<b>(240,747)</b>	<b>(222,098)</b>	<b>(216,294)</b>
<b>Program revenues:</b>					
Governmental activities:					
Charges for services:					
General Government	2,267	2,264	2,238	1,997	2,201
Human development	3,440	3,709	3,907	3,811	3,844
Physical development	2,052	1,940	1,810	749	619
Public safety	1,023	1,468	1,412	1,512	1,462
Education	1,975	1,932	2,668	2,232	2,294
Operating grants and contributions:	45,266	43,875	42,140	41,710	43,581
Capital grants and contributions:	4,965	12,886	4,813	3,206	-
<b>Total governmental activities program revenue</b>	<b>60,988</b>	<b>68,074</b>	<b>58,988</b>	<b>55,217</b>	<b>54,001</b>
Business-type activities:					
Charges for services:	14,181	12,944	11,932	11,998	9,215
Capital grants and contributions	-	-	-	348	13
<b>Total business-type activities program revenues</b>	<b>14,181</b>	<b>12,944</b>	<b>11,932</b>	<b>12,346</b>	<b>9,228</b>
<b>Total primary government program revenues</b>	<b>75,169</b>	<b>81,018</b>	<b>70,920</b>	<b>67,563</b>	<b>63,229</b>

	Fiscal Year				
	2016	2015	2014	2013	2012
Net (Expense) Revenue					
Governmental activities	\$ (188,773)	\$ (164,621)	\$ (168,875)	\$ (154,550)	\$ (150,894)
Business-type activities	(87)	(1,275)	(951)	15	(2,171)
<b>Total primary government net expense</b>	<b>(188,860)</b>	<b>(165,896)</b>	<b>(169,826)</b>	<b>(154,535)</b>	<b>(153,065)</b>
General Revenues and Other					
Changes in Net Position					
Governmental activities:					
Property taxes	166,649	163,847	158,477	156,673	152,523
Grants and contributions not restricted to specific programs	1,593	1,550	1,750	6,152	3,948
Unrestricted investment earnings	67	159	349	209	1
Miscellaneous	-	-	-	1,695	894
Transfers	700	700	681	600	600
<b>Total governmental activities</b>	<b>169,009</b>	<b>166,256</b>	<b>161,257</b>	<b>165,329</b>	<b>157,966</b>
Business-type activities:					
Property transfer	-	-	-	-	-
Unrestricted investment earnings	-	-	-	23	27
Grants and contributions not restricted	-	-	-	-	-
Transfers	(700)	(700)	(681)	(600)	(600)
<b>Total business-type activities</b>	<b>(700)</b>	<b>(700)</b>	<b>(681)</b>	<b>(577)</b>	<b>(573)</b>
<b>Total primary government</b>	<b>168,309</b>	<b>165,556</b>	<b>160,576</b>	<b>164,752</b>	<b>157,393</b>
Changes in Net Position					
Governmental activities	(19,764)	1,634	(7,618)	10,779	7,072
Business-type activities	(787)	(1,975)	(1,632)	(562)	(2,744)
<b>Total primary government</b>	<b>\$ (20,551)</b>	<b>\$ (341)</b>	<b>\$ (9,250)</b>	<b>\$ 10,217</b>	<b>\$ 4,328</b>

(Continued)

Town of Stratford, Connecticut

**Changes In Net Position**  
**Last Ten Fiscal Years**  
*(In Thousands)*  
*(Unaudited)*

	Fiscal Year				
	2011	2010	2009	2008	2007
<b>Expenses</b>					
Governmental activities:					
General government	\$ (38,499)	\$ (35,722)	\$ (27,808)	\$ (32,424)	\$ (33,510)
Human development	(8,033)	(7,227)	(7,347)	(6,426)	(6,628)
Physical development	(15,099)	(15,466)	(16,734)	(15,742)	(15,483)
Public safety	(29,459)	(23,314)	(23,053)	(22,943)	(21,777)
Education	(115,686)	(113,161)	(111,307)	(123,854)	(91,018)
Debt service	(6,033)	(7,470)	(7,242)	(7,588)	(7,605)
<b>Total governmental activities expenses</b>	<b>(212,809)</b>	<b>(202,360)</b>	<b>(193,491)</b>	<b>(208,977)</b>	<b>(176,021)</b>
Business-type activities:					
Waste operating	(11,685)	(9,864)	(8,490)	(5,624)	(3,842)
Other	(1,739)	(1,559)	(1,590)	(1,449)	(2,755)
<b>Total business-type activities expenses</b>	<b>(13,424)</b>	<b>(11,423)</b>	<b>(10,080)</b>	<b>(7,073)</b>	<b>(6,597)</b>
<b>Total primary government expenses</b>	<b>(226,233)</b>	<b>(213,783)</b>	<b>(203,571)</b>	<b>(216,050)</b>	<b>(182,618)</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General Government	1,652	1,239	1,010	1,646	8,994
Human development	4,132	4,087	2,783	4,376	-
Physical development	876	936	1,148	448	-
Public safety	1,422	1,262	1,117	2,072	-
Education	2,135	2,251	1,929	2,208	-
Operating grants and contributions:	40,374	38,694	39,737	61,968	28,496
Capital grants and contributions:	146	226	100	109	1,027
<b>Total governmental activities program revenue</b>	<b>50,737</b>	<b>48,695</b>	<b>47,824</b>	<b>72,827</b>	<b>38,517</b>
Business-type activities:					
Charges for services:					
	8,890	8,277	8,268	8,182	7,836
Capital grants and contributions	518	1,285	2,741	7,031	2,755
<b>Total business-type activities program revenues</b>	<b>9,408</b>	<b>9,562</b>	<b>11,009</b>	<b>15,213</b>	<b>10,591</b>
<b>Total primary government program revenues</b>	<b>60,145</b>	<b>58,257</b>	<b>58,833</b>	<b>88,040</b>	<b>49,108</b>

TABLE 2

	Fiscal Year				
	2011	2010	2009	2008	2007
Net (Expense) Revenue					
Governmental activities	\$ (162,072)	\$ (153,665)	\$ (145,667)	\$ (136,150)	\$ (137,504)
Business-type activities	(4,016)	(1,861)	929	8,140	3,994
<b>Total primary government net expense</b>	<b>(166,088)</b>	<b>(155,526)</b>	<b>(144,738)</b>	<b>(128,010)</b>	<b>(133,510)</b>
General Revenues and Other					
Changes in Net Position					
Governmental activities:					
Property taxes	150,503	143,292	139,086	135,680	128,772
Grants and contributions not restricted to specific programs	3,986	4,209	4,203	4,269	6,170
Unrestricted investment earnings	453	619	830	1,311	2,719
Miscellaneous	72	29	-	-	-
Transfers	680	602	562	553	229
<b>Total governmental activities</b>	<b>155,694</b>	<b>148,751</b>	<b>144,681</b>	<b>141,813</b>	<b>137,890</b>
Business-type activities:					
Property transfer	-	-	-	-	-
Unrestricted investment earnings	42	85	225	277	402
Grants and contributions not restricted	-	-	-	-	-
Transfers	(680)	(602)	(562)	(553)	(229)
<b>Total business-type activities</b>	<b>(638)</b>	<b>(517)</b>	<b>(337)</b>	<b>(276)</b>	<b>173</b>
<b>Total primary government</b>	<b>155,056</b>	<b>148,234</b>	<b>144,344</b>	<b>141,537</b>	<b>138,063</b>
Changes in Net Position					
Governmental activities	(6,378)	(4,914)	(986)	5,663	386
Business-type activities	(4,654)	(2,378)	592	7,864	4,167
<b>Total primary government</b>	<b>\$ (11,032)</b>	<b>\$ (7,292)</b>	<b>\$ (394)</b>	<b>\$ 13,527</b>	<b>\$ 4,553</b>

Town of Stratford, Connecticut

TABLE 3

**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(in thousands)*

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,894	\$ 2,363	\$ 3,469	\$ 1,696
Unreserved	-	-	-	-	-	-	6,604	8,438	8,220	8,148
Nonspendable	1,071	770	670	-	-	-	-	-	-	-
Restricted	-	116	116	-	-	-	-	-	-	-
Assigned	17	127	612	1,666	2,284	2,322	-	-	-	-
Unassigned	7,238	7,985	9,006	9,497	8,790	6,261	-	-	-	-
<b>Total general fund</b>	<b>\$ 8,326</b>	<b>\$ 8,998</b>	<b>\$ 10,404</b>	<b>\$ 11,163</b>	<b>\$ 11,074</b>	<b>\$ 8,583</b>	<b>\$ 8,498</b>	<b>\$ 10,801</b>	<b>\$ 11,689</b>	<b>\$ 9,844</b>
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24	\$ 24	\$ 24	\$ 24
Unreserved	-	-	-	-	-	-	23,026	19,292	17,650	11,563
Nonspendable	36	34	29	28	32	33	-	-	-	-
Restricted	3,154	3,356	3,344	3,011	2,784	2,777	-	-	-	-
Committed	7,030	23,275	8,953	20,612	18,045	24,116	-	-	-	-
Unassigned	(1,270)	(1,009)	(569)	(595)	(338)	(419)	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 8,950</b>	<b>\$ 25,656</b>	<b>\$ 11,757</b>	<b>\$ 23,056</b>	<b>\$ 20,523</b>	<b>\$ 26,507</b>	<b>\$ 23,050</b>	<b>\$ 19,316</b>	<b>\$ 17,674</b>	<b>\$ 11,587</b>

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

Note: Fund balance classifications were modified beginning in fiscal year 2011 with the adoption of GASB Statement No. 54.

**Changes In Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(In Thousands)  
(Unaudited)**

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues:</b>										
Property taxes and assessments	\$ 165,013	\$ 163,967	\$ 158,063	\$ 154,248	\$ 153,069	\$ 150,408	\$ 140,553	\$ 139,446	\$ 135,778	\$ 131,776
Intergovernmental	51,818	57,375	49,273	50,978	47,876	45,050	43,636	42,929	69,422	36,908
Department revenue	5,642	5,320	5,445	4,935	5,028	4,949	5,154	4,564	5,445	5,452
Licenses and permits	1,309	1,215	1,076	961	760	831	653	685	755	895
Investment income	67	159	349	209	1	454	351	830	1,310	2,838
Other	4,600	5,443	5,513	5,842	5,661	4,543	4,265	4,694	4,452	3,990
<b>Total revenues</b>	<b>228,449</b>	<b>233,479</b>	<b>219,719</b>	<b>217,173</b>	<b>212,395</b>	<b>206,235</b>	<b>194,612</b>	<b>193,148</b>	<b>217,162</b>	<b>181,859</b>
<b>Expenditures:</b>										
Administration	4,591	4,821	4,247	4,115	4,421	4,354	4,534	4,369	4,207	3,566
Contingency	3,688	4,013	4,203	2,853	3,031	2,087	2,256	2,137	2,545	3,212
Employee benefits	19,573	21,433	181,535	27,030	26,010	25,324	21,169	19,096	18,522	122,928
Finance	2,120	2,075	2,219	1,956	2,115	2,015	1,890	1,969	1,825	1,729
Human development	8,828	7,427	7,375	8,087	8,554	7,762	7,032	7,082	6,184	6,310
Physical development	13,351	13,891	14,228	16,260	13,222	13,422	13,644	15,337	14,557	13,361
Public safety	25,428	23,936	23,789	23,630	22,487	22,389	21,673	22,025	22,001	21,148
Education	120,859	118,380	115,647	112,560	110,889	107,915	104,512	102,140	122,241	90,911
Capital outlay	17,124	32,595	20,305	23,392	19,134	11,143	8,056	8,800	6,421	5,825
Debt service:										
Principal retirement	12,955	13,004	16,672	14,275	13,683	12,336	12,131	11,276	14,506	12,536
Interest and other charges	18,425	18,327	5,812	4,828	3,614	7,013	7,452	7,455	7,569	8,646
<b>Total expenditures</b>	<b>246,942</b>	<b>259,902</b>	<b>396,032</b>	<b>238,986</b>	<b>227,160</b>	<b>215,760</b>	<b>204,349</b>	<b>201,686</b>	<b>220,578</b>	<b>290,172</b>
<b>Excess of revenue over (under) expenditures</b>	<b>(18,493)</b>	<b>(26,423)</b>	<b>(176,313)</b>	<b>(21,813)</b>	<b>(14,765)</b>	<b>(9,525)</b>	<b>(9,737)</b>	<b>(8,538)</b>	<b>(3,416)</b>	<b>(108,313)</b>
<b>Other financing sources (uses):</b>										
Transfers in	6,533	4,982	6,482	2,580	2,091	2,402	2,587	2,790	1,958	1,747
Transfers out	(5,833)	(4,282)	(5,801)	(1,980)	(1,491)	(1,722)	(1,985)	(2,229)	(1,405)	(1,518)
Proceeds from capital leases	414	1,263	253	2,097	2,300	-	-	-	-	-
Payments to escrow agents	-	(9,995)	(18,139)	-	(19,325)	(66,088)	(22,906)	-	-	-
Proceeds from refunding bonds	-	8,945	16,418	-	18,062	65,572	21,825	-	-	-
Premiums on refunding	-	4,207	-	-	1,424	935	1,262	-	-	-
Bonds issued	-	33,795	163,137	21,475	8,212	11,700	10,385	8,730	10,795	-
Premiums on bonds	-	-	1,905	263	-	267	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,114</b>	<b>38,915</b>	<b>164,255</b>	<b>24,435</b>	<b>11,273</b>	<b>13,066</b>	<b>11,168</b>	<b>9,291</b>	<b>11,348</b>	<b>229</b>
<b>Net changes in fund balances</b>	<b>\$ (17,379)</b>	<b>\$ 12,492</b>	<b>\$ (12,058)</b>	<b>\$ 2,622</b>	<b>\$ (3,492)</b>	<b>\$ 3,541</b>	<b>\$ 1,431</b>	<b>\$ 753</b>	<b>\$ 7,932</b>	<b>\$ (108,084)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>13.4%</b>	<b>13.6%</b>	<b>6.0%</b>	<b>8.7%</b>	<b>9.0%</b>	<b>10.5%</b>	<b>11.1%</b>	<b>10.8%</b>	<b>11.5%</b>	<b>8.0%</b>

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

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

Fiscal Year	Grand List Year	Real Property					FYI [Exemptions*]	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Assessed Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
		Residential	Commercial	Personal Property	Motor Vehicle	Vacant Land					
2016	2014	\$ 2,971,201,570	\$ 844,890,450	\$ 469,248,532	\$ 329,035,740	\$ 71,197,880	\$ 242,736,347	\$ 4,442,837,825	36.98	\$ 4,685,574,172	95%
2015	2013	3,166,610,661	770,298,898	470,025,485	322,740,590	69,325,260	240,770,110	4,558,230,784	35.63	4,799,000,894	95%
2014	2012	3,596,965,670	768,877,270	459,170,270	314,680,673	68,079,820	676,320,015	4,531,453,688	34.64	5,207,773,703	87%
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%

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.

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Grand List Year (1)	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years(2)	Total Collections To Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2016	2014	\$ 164,459,920	\$ 160,243,285	97.44%	\$ -	\$ 160,243,285	97.44%
2015	2013	162,727,443	158,559,699	97.44%	2,270,908	160,830,607	98.83%
2014	2012	156,748,314	152,760,084	97.46%	2,290,831	155,050,915	98.92%
2013	2011	155,392,622	151,858,937	97.73%	2,791,583	154,650,520	99.52%
2012	2010	152,921,577	150,227,449	98.24%	2,467,439	152,694,888	99.85%
2011	2009	150,248,842	146,798,179	97.70%	3,290,284	150,088,463	99.89%
2010	2008	139,908,592	136,920,401	97.86%	2,921,812	139,842,213	99.95%
2009	2007	137,961,016	135,494,537	98.21%	2,448,606	137,943,143	99.99%
2008	2006	134,121,083	131,726,602	98.21%	2,325,809	134,052,411	99.95%
2007	2005	129,744,920	127,684,116	98.41%	2,052,232	129,736,348	99.99%

Source: Town of Stratford Tax Records

Notes: (1) Taxes are collectible in the year after they are levied.

(2) Adjusted for lawful corrections and transfers to suspense.

Town of Stratford, Connecticut

TABLE 7

Principal Property Taxpayers  
Current Year and Nine Years Ago

<u>Taxpayer</u>	FY2016			<u>Taxpayer</u>	FY2007		
	Taxable Assessed Value * (\$000's)	Rank	Percentage of Total Town Taxable Assessed Value		Taxable Assessed Value * (\$000's)	Rank	Percentage of Total Town Taxable Assessed Value
Sikorsky Aircraft	\$ 106,757	1	2.40%	Sikorsky Aircraft	\$ 161,451	1	6.14%
United Illuminating	77,132	2	1.74%	Dock Incorporated	34,339	2	1.31%
Second Avenue Development LLC	21,192	3	0.48%	Exxon Mobil Oil Corp.	23,558	3	0.90%
Southern Connecticut Gas	21,091	4	0.47%	Stratford Land Development	19,749	4	0.75%
Stonybrook Gardens Cooperative	19,084	5	0.43%	Stonybrook Gardens Inc.	19,127	5	0.73%
UB Dockside LLC (Urstadt Biddle Prop)	16,643	6	0.37%	Walmart	18,290	6	0.66%
Merritt 8 Acquisitions, LLC	16,311	7	0.37%	Home Depot	17,256	7	0.65%
Avalon at Stratford LLC	16,277	8	0.37%	Kramont Operating Partnership	16,520	8	0.63%
Kramont Operating Partnership	14,511	9	0.33%	Southern Connecticut Gas	16,125	9	0.61%
UB Railside LLC (Urstadt Biddle Prop)	13,724	10	0.31%	Dresser Industries	15,038	10	0.57%
<b>TOTAL</b>	<b>\$ 322,722</b>		<b>7.27%</b>	<b>TOTAL</b>	<b>\$ 341,453</b>		<b>12.95%</b>

Source: Town of Stratford, Office of Tax Assessor

\* Net taxable assessed value

TABLE 8

Town of Stratford, Connecticut

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(In Thousands)

Fiscal Year	Governmental		Business-Type			Total Primary Government	Ratio of Debt to Taxable Assessed Value	Debt Per Capita	Total Debt Outstanding as a percentage of Personal Income
	General Obligation Bonds (1)	Leases	Operating	Notes	Leases				
2016	\$ 285,472	\$ 2,260	\$ 1,810	\$ 33,510	\$ 221	\$ 323,273	6.90 %	\$ 5	17.7%
2015	305,060	2,418	1,948	35,702	46	345,174	6.20	5	19.1%
2014	287,215	1,214	2,086	37,983	51	328,549	6.20	6	18.9%
2013	138,865	1,841	2,159	40,431	-	183,296	4.05	3	10.6%
2012	131,846	2,300	2,038	42,682	-	178,866	4.74	3	10.8%
2011	136,829	-	2,069	44,976	-	183,874	4.01	3	11.1%
2010	134,394	-	2,182	2,756	-	139,332	3.01	3	10.5%
2009	136,817	3	2,276	3,095	-	142,191	3.11	3	10.5%
2008	139,373	13	2,370	3,427	-	145,183	3.19	3	10.8%
2007	143,071	26	599	1,963	-	145,659	3.17	3	10.8%

(1) Presented net of related premiums

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2016**

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None

TABLE 10

## Town of Stratford, Connecticut

**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(In Thousands)**

Fiscal Year Ended June 30	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Debt Per Capita
2016	\$ 285,472	\$ 887	\$ 284,585	6.10 %	\$ 5
2015	305,060	1,387	303,673	5.87	5
2014	287,215	3,887	283,328	6.22	5
2013	138,865	-	138,865	3.11	3
2012	131,846	-	131,846	2.92	3
2011	136,829	-	136,829	3.02	3
2010	134,394	-	134,394	2.95	3
2009	136,817	-	136,817	3.04	3
2008	139,373	-	139,373	3.13	3
2007	143,071	-	143,071	3.16	3

(1) Presented net of related premiums

**Computation of Legal Debt Limitation  
June 30, 2016  
(In Thousands)**

Total tax collections (including interest and lien fees) for the year ended June 30, 2016					\$ 164,975,354
Reimbursement for revenue loss on:					
Tax relief for elderly					4,000
BASE					<u>\$ 164,979,354</u>
	General Purpose	Schools	Sewer & Water	Urban Renewal	Unfunded Pension Benefit Obligation
Debt limitation:					
2-1/4 times base	\$ 371,203,547	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	742,407,093	-	-	-
3-3/4 times base	-	-	618,672,578	-	-
3-1/4 times base	-	-	-	536,182,901	-
3 times base	-	-	-	-	494,938,062
<b>Total debt limitation</b>	<u>371,203,547</u>	<u>742,407,093</u>	<u>618,672,578</u>	<u>536,182,901</u>	<u>494,938,062</u>
Indebtedness:					
Bonds payable	72,598,314	42,463,837	429,243	-	165,110,000
Bonds authorized, unissued	10,796,669	132,202,348	1,327,141	-	-
Clean Water Fund notes	-	-	33,509,942	-	-
Grant commitments	-	398,893	-	-	-
<b>Total indebtedness</b>	<u>83,394,983</u>	<u>175,065,078</u>	<u>35,266,326</u>	<u>-</u>	<u>165,110,000</u>
Debt Limitation in Excess of Outstanding and Authorized Indebtedness	<u>\$ 287,808,564</u>	<u>\$ 567,342,015</u>	<u>\$ 583,406,252</u>	<u>\$ 536,182,901</u>	<u>\$ 329,828,062</u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$1,154.86 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.

**TABLE 12**

**Town of Stratford, Connecticut**

**Legal Debt Margin Information  
Last Ten Fiscal Years  
(In Thousands)**

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt limitation	\$ 1,154,855	\$ 1,144,289	\$ 1,098,867	\$ 1,077,251	\$ 1,074,213	\$ 1,049,881	\$ 980,203	\$ 970,067	\$ 939,939	\$ 919,149
Total net debt applicable to limit	458,836	407,698	430,861	257,927	253,557	260,439	203,804	189,096	142,126	189,828
Legal Debt Margin	\$ 696,019	\$ 736,591	\$ 668,006	\$ 819,324	\$ 820,656	\$ 789,442	\$ 776,399	\$ 780,971	\$ 797,813	\$ 729,321
Total net debt applicable to the limit as a percentage of debt limit	39.73%	35.63%	39.21%	23.94%	23.60%	24.81%	20.79%	19.49%	15.12%	20.65%

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

Note: See Table 9 for calculation of current year debt limitation.

**Demographic and Economic Statistics  
Last Ten Calendar Years**

Calendar Year	Population(1)	Per Capita Income(2)	Median Age(3)	School Enrollment(4)	Unemployment Rate(5)	Personal Income
2016	52,609	\$ 34,775	43.0	7,016	6.4%	\$ 1,829,477,975
2015	52,734	34,215	42.5	6,997	6.3%	1,804,293,810
2014	51,384	33,805	42.5	7,198	6.4%	1,737,036,120
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

(1) Source: U.S. Census Bureau

(2) Source: U.S. Census Bureau

(3) Source: U.S. Census Bureau

(4) Source: Town of Stratford, BOE

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

**Principal Employers  
2016 and 2007  
(Unaudited)**

Business Name	Nature of Business	2016			2007		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Sikorsky Aircraft	Manufacturer of Helicopters	6,082	1	23.16%	7,800	1	31.53%
Town of Stratford	Government/Education	1,332	2	5.07%	1,400	2	5.66%
United Parcel Service	Package Delivery	521	3	1.98%	415	3	1.68%
Lord Chamberlain	Skilled Nursing Facility	470	4	1.79%	360	4	1.46%
Ashcroft Holdings	Manufacturer of Gauges, Valves	422	5	1.61%	475	5	1.92%
Burns Construction	Construction	380	6	1.45%	6	6	0.02%
Cablevision	Cable Television, Internet, Telecom.	300	7	1.14%	300	7	NA
Connecticut Distributor	Manufacturer Pump Atomizers	277	8	1.05%	NA	8	NA
Aptar	Liquor Distributor	271	9	1.03%	N/A	9	NA
Applied Tech Products	Health and Beauty Care	267	10	1.02%	10	10	0.04%
Yale New Haven Technology Center	Electronic Storage	222	11	0.85%	8	11	0.03%
Bridgeport Fittings	Manufacture Electrical Fittings	206	12	0.78%	N/A	12	N/A
Stratford Retailers Condo Assoc. LLC Retailers	Retail Chains	-	13	NA	586	13	2.37%
Dianon Systems Inc.	Laboratory Testing	-	14	NA	385	14	1.56%
EMSAR	Manufacturer Pump Atomizers	-	15	NA	350	15	1.41%
<b>Total</b>		<u>10,750</u>		<u>40.93%</u>	<u>12,095</u>		<u>47.68%</u>
<b>Total Employment</b>		<u>26,262</u>			<u>24,737</u>		

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

Town of Stratford, Connecticut

TABLE 15

**Full-Time Equivalent Town Government Employees by Function/Program  
Last Ten Fiscal Years  
(Unaudited)**

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government	81	79	78	83	64	89	90	86	75	71
Police	104	113	111	106	117	116	116	108	111	112
Fire	107	111	109	117	111	100	100	104	111	117
Refuse collection	29	31	29	28	29	32	32	31	33	33
Other public works	76	76	74	67	76	64	64	65	76	77
Parks	22	22	23	16	21	24	26	23	25	27
Recreation	4	4	5	3	6	7	7	7	7	7
<b>Total Non-Education</b>	<b>423</b>	<b>436</b>	<b>429</b>	<b>420</b>	<b>424</b>	<b>432</b>	<b>435</b>	<b>424</b>	<b>438</b>	<b>444</b>
Education	882	891	891	890	864	847	844	843	864	838
<b>Total Including Education</b>	<b>1,305</b>	<b>1,327</b>	<b>1,320</b>	<b>1,310</b>	<b>1,288</b>	<b>1,279</b>	<b>1,279</b>	<b>1,267</b>	<b>1,302</b>	<b>1,282</b>

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

Town of Stratford, Connecticut

TABLE 16

Operating Indicators by Function/Program  
Last Ten Fiscal Years  
(Unaudited)

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government:										
Building permits issued	687	739	736	749	709	669	649	634	690	760
Building inspections conducted	3,665	3,889	3,426	3,151	3,090	3,188	3,136	3,186	3,475	2,947
Police:										
Physical arrests	1,704	1,566	1,144	1,403	1,520	1,419	1,597	1,233	1,363	1,483
Parking violations	7,567	397	468	464	631	431	369	519	994	665
Traffic violations	1,558	1,386	1,767	2,158	2,595	2,969	4,009	4,259	3,611	3,033
Fire:										
Emergency responses	6,092	5,749	5,749	6,772	5,556	5,707	4,577	5,307	5,196	5,146
Fires extinguished	219	208	208	318	304	311	435	530	367	325
Inspections	2,180	1,941	1,941	1,992	1,747	1,216	665	1,200	1,111	1,112
Refuse collection:										
Refuse collected (tons per year)	20,522	21,571	21,961	23,100	24,035	24,636	26,747	25,657	27,073	27,615
Recyclables collected (tons per year)	3,297	3,232	3,196	3,126	3,173	3,365	3,487	3,718	4,047	4,079
Parks and recreation:										
Athletic field permits issued	7,987	8,801	9,304	9,570	9,379	10,192	8,851	8,781	9,437	8,939
Community center admissions	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wastewater:										
Average daily sewage treatment (thousands of gallons)	6,501	7,669	7,669	7,896	6,700	8,826	8,413	8,182	9,290	7,690

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

TABLE 17

**Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years  
(Unaudited)**

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	-	-	-	-	-	-	-	-	-	-
Patrol units (Number of Vehicles)	31	33	33	32	32	30	30	29	28	25
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	2	2	2	-	-	-	-
Parks and recreation:										
Acreage	795	795	795	795	795	795	795	795	774	774
Playgrounds	30	30	27	27	27	27	27	27	23	23
Baseball/softball diamonds	38	38	42	45	45	45	45	45	45	45
Soccer/football fields	14	14	13	13	13	13	13	13	13	13
Community centers	2	2	2	2	2	2	2	2	2	2
Wastewater:										
Sanitary sewers (miles)	170	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	14,500	14,500	14,500	11,500	11,500

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