

**Town of Stratford
Connecticut**



**Comprehensive
Annual Financial Report**

Fiscal Year Ended June 30, 2019

**Town of Stratford, Connecticut
Comprehensive Annual Financial Report**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

**Finance Department
Jay Wahlberg
Finance Director**



Introductory Section

TOWN OF STRATFORD, CONNECTICUT
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Honorable Laura Hoydick, 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, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. The cost of the internal control should never exceed anticipated benefits; therefore, the objective is to provide a reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Town of Stratford, Connecticut’s financial statements for the year ended June 30, 2019. 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. 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 the Towns of 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 6,916 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 Sterling House Community Center which offers low cost, high quality programs.

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 52,500 residents offers world class employers, a highly skilled workforce, excellent transportation access and affordable living.

Economic activity is vibrant in the Town of Stratford, 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 choose the Town of Stratford for its diverse zoning , geographic advantages and as an affordable location in Fairfield County. The unemployment rate has dropped from 6.6% in October of 2014 as compared to 4.2% in October of 2019.

We continue to work with multiple Federal and State agencies in support of Sikorsky Aircraft, Stratford's largest employer, updating road infrastructure in preparation for the expected growth of more than 8,000 new workers within the next decade. Stratford will benefit from Lockheed's agreement to increase its spending of \$350,000,000 a year, solely with Connecticut suppliers. We are aggressively looking to market Sikorsky suppliers knowing they have a major positive economic impact for Stratford. Stratford obtained a \$1.5m Urban Action Grant from DECD to fund an infrastructure project on Route 110, at the Sikorsky entranceway. The project is currently ongoing and will be completed by June 2020.

Stratford's former Army Engine Plant, a 77 acre waterfront property, has received grants from the State of Connecticut for the "predevelopment planning and environmental compliance analysis" for the Point Stratford Renewal project. The Army Corps, Department of Defense and Connecticut's Department of Energy & Environmental Protection (DEEP) have a timeline for the remediation of the site and transfer of the property. A Special Tax District was created as well as a Waterfront Redevelopment District. The Army Corp will be hosting a Public Forum on December 9, 2019 to review the remediation plan with the public.

Stratford's Transit Oriented District (TOD) has a 3.6 acre property in the heart of downtown, next to the Metro North Railroad. The former school site has been demolished and abated and the Town is in the process of selecting a developer for this focal development. Lofts at 335 opened earlier this year and additionally three TOD projects have been approved for development. These projects will generate major tax revenues. The Exit 33 full interchange for I95 is underway up the road from these TOD developments providing easier access both north and southbound along the Ferry Boulevard corridor.

Two Roads Brewing Company is a major destination not only in Stratford but in the State of Connecticut. In 6 years they have added a second brewery, Area 2 and grown to over 100 employees.

Additionally, on Stratford Avenue where Two Roads is located, the Town has a streetscape project underway, creating a whole new corridor along the "doorway to Stratford" with improvements not seen since the industrial revolution.

The United States Environmental Protection Agency's comprehensive cleanup plan for Stratford's Raymark Industries Inc., Superfund Sites is underway with shovels in the ground. The EPA and State of Connecticut have committed to investing \$95,000,000 to clean up the community, opening up tax revenue opportunities for the first time in 25 years.

A 10.5 acre, Town owned brownfield property received a \$2.8M grant from Connecticut Department of Economic and Community Development (DECD) to remediate and demolish the site which lies within the TOD. This major site is being marketed for development.

Knotts Landing development is underway with a storage facility, and multiple retail spaces including Chipotle and Starbucks. The site on Sidney Street will go from a few residential houses to a large commercial property, providing significantly higher tax revenue for the town.

Ryder's Landing will be coming before zoning in January with a major development called Parkway Plaza, inclusive of a hotel/conference center and an open walkway along the Housatonic River. This upcoming project is located next to Lockheed Martin (Sikorsky).

Amazon recently chose Stratford for a "last mile delivery station". They plan to open in early 2020 and in addition to providing managerial and part-time positions will be requiring several Delivery Service Partners which are business owners that take over Amazon routes. The Delivery Service Partners program will generate significant job creation in the area.

The aforementioned major developments that have been highlighted in addition to the many businesses that continue to bypass lower Fairfield County and choose Stratford, will positively contribute to our Grand List in coming years.

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.

During budget meetings, every department head was asked to review each program, analyze expenditures and to justify all budget deviations from the prior year to the Chief Administrative Officer, Mayor, Director of Finance and Human Resources Director. On the revenue side of the budget, the final budget incorporated all the changes on the State Intergovernmental Revenues.

Annually the Town prepares a Five Year Capital Improvement & Equipment Program, which is reviewed by the Town Council. The Five Year Capital Improvement and Equipment Program that includes various projects and equipment purchases for the five-year period beginning with Fiscal Year 2019 and ending with Fiscal Year 2023.

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 \$126,000,000. The town's portion of the renovation will be \$52,600,000 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, 2019, the General Fund ended in a year-end operating surplus of \$800,951

The Town's cost control efforts include the continuance of monitoring all overtime and review of bi-weekly expenses with department heads in order to enhance fiscal operations. Although there are some unknowns heading into Fiscal Year 2019-2020, including ongoing union negotiations with Town's collective bargaining units and worker's compensation cases; however, the Town will endeavor to control spending, reach its collection goals, and strive to achieve balanced operations and to manage today into tomorrow.

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

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 Fiscal Year 2019, the Town continued to pay principal and interest payments on its Pension Obligation Bonds directly from the General Fund. On January 2, 2019, the Town issued \$70,000,000 of general obligation bonds and \$3,175,000 of general obligation bond anticipation notes. The bonds will mature through 2039 and the issue was all new money. The Bond Anticipation Note will redeem in 2020 with the issue designated funding of capital improvements.

Taxes

During the fiscal year ended 2019, the Town collected 97.68% of its current tax levy. Property taxes levied increased by \$2,642,387 over the prior year. The current year tax collections totaled \$178,033,540 with the arrear taxes and interest collected was \$4,680,963.

Acknowledgements

I would like to thank Blum, Shapiro & Company, P.C., and our independent auditors, for their professional guidance, assistance, and their helpful comments and suggestions. Also, I would like to give special thanks to my staff that put in numerous hours and assistance for 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,

Jay E. Wahlberg

Jay E. Wahlberg, Finance Director



Government Finance Officers Association

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**Town of Stratford
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

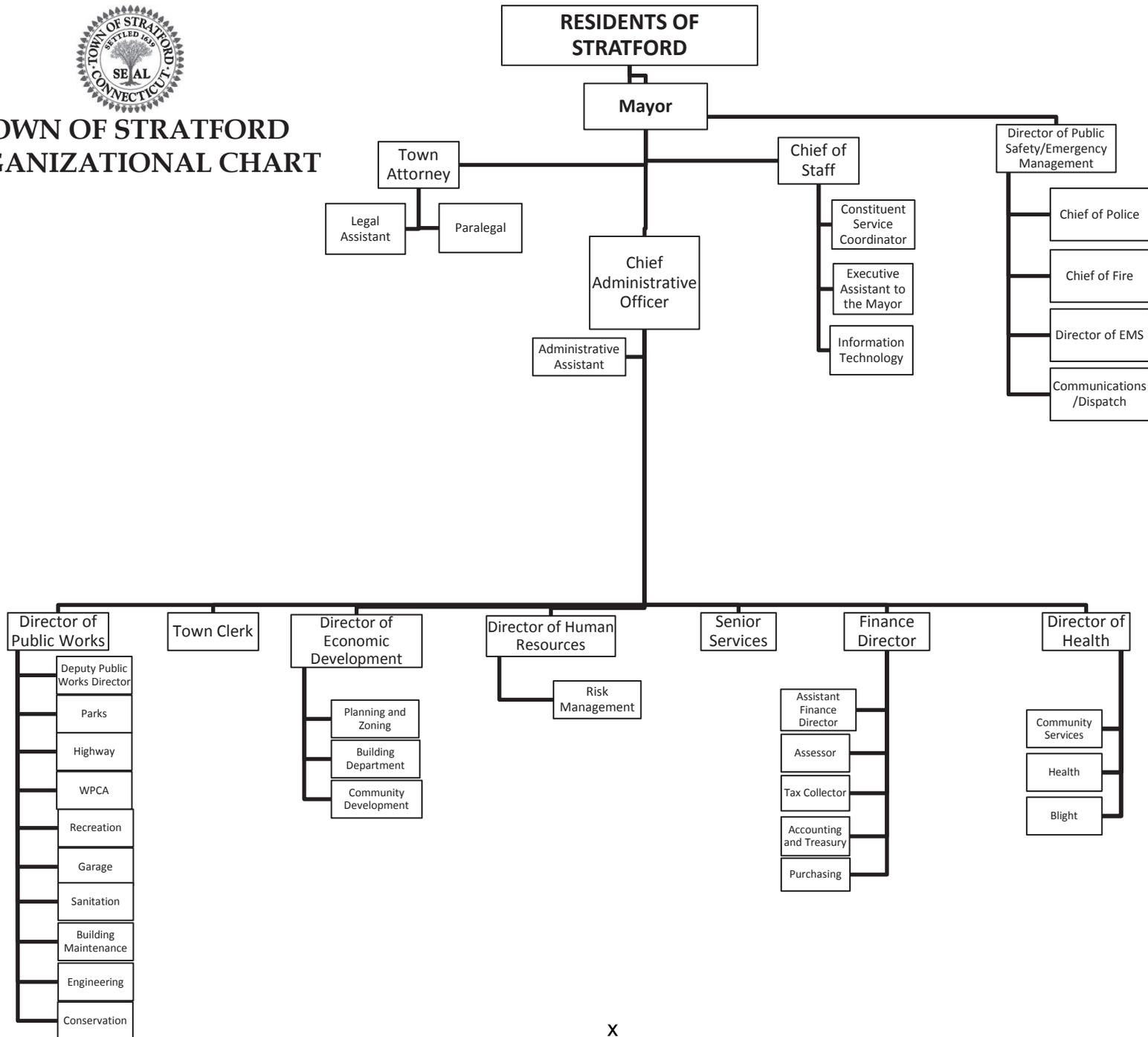
June 30, 2018

Christopher P. Morrill

Executive Director/CEO



TOWN OF STRATFORD ORGANIZATIONAL CHART



TOWN OF STRATFORD, CONNECTICUT

PRINCIPAL TOWN OFFICIALS

Laura R. Hoydick, Mayor

TOWN COUNCIL

Christopher Pia, Council Chair
Kaitlyn Shake
Paul Tavaras
David L. Harden
Gregory Cann
Ken Poisson
Bill Perillo
James Connor
William O'Brien
Laura Dancho

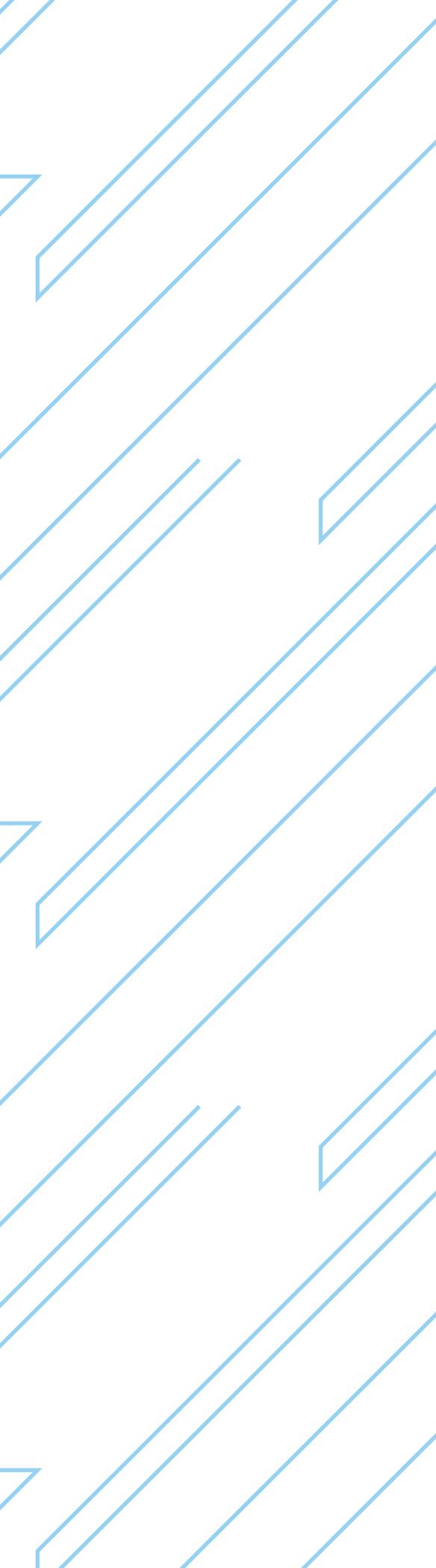
BOARD OF EDUCATION

Chairman Eric Lazaro
Vice-Chairman Susan Lance
Secretary Maria Buturla
Board Member Allison DelBene
Board Member Bob DeLorenzo
Board Member Vinnie Faggella
Board Member Karen Rodia

Dr. Janet M. Robinson,
Superintendent of Schools

ADMINISTRATION

Chief Administrative Officer Christopher Tymniak
Finance Director Jay Wahlberg
Town Clerk Susan Pawluk
Treasurer Vacant
Assessor Donna Otlowski
Tax Collector Selina Moschello
Town Attorney Christopher Hodgson



Financial Section

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stratford, Connecticut, as of and for the year ended June 30, 2019, 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 from 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, 2019 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 comparison information and the pension and OPEB 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2020 on our consideration of the Town of Stratford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Stratford, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Stratford, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
January 29, 2020

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

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, 2019. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to XI.

Financial Highlights

- In the Statement of Net Position, The Town's net position increased by \$16,000 inclusive of a change in net OPEB liability as a result of this year's operations. The net position of our business-type activities increased by \$908,000 inclusive of a change in long term liability as a result of this year's operations.
- During the year, the Town's governmental activities program expenses are \$400 thousand less than the \$263.5 million generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues from charges for services are \$15.4 million while operating expenses are \$13.3 million primarily due to the Water Treatment plant.
- Total cost of all of the Town's programs increased by \$13.7 million to \$276.4 million. The main increases were in general government, human development and physical development program expenses.
- The General Fund reported a fund balance this year of \$7.1 million, which is an increase of \$995 thousand from the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

These two statements report the Town's net position and changes in them. The Town's net position, the difference between assets and liabilities, are one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other 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 IV): Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

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

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

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

Government-Wide Financial Analysis

The Town's combined net position increased from a year ago from \$(387.1) million to \$(386.2) 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	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 83,436	\$ 76,138	\$ 1,772	\$ 1,391	\$ 85,208	\$ 77,529
Capital assets, net of depreciation	245,603	224,320	42,705	44,804	288,308	269,124
Total assets	<u>329,039</u>	<u>300,458</u>	<u>44,477</u>	<u>46,195</u>	<u>373,516</u>	<u>346,653</u>
Deferred outflows - pension	357	1,299			357	1,299
Deferred outflows - OPEB	11,057				11,057	-
Deferred charge on refunding	1,730	1,857			1,730	1,857
Total deferred outflows of resources	<u>13,143</u>	<u>3,156</u>	<u>-</u>	<u>-</u>	<u>13,143</u>	<u>3,156</u>
Current liabilities	43,147	81,877	1,268	1,262	44,415	83,139
Long-term debt outstanding	679,413	609,987	25,731	28,362	705,143	638,349
Total liabilities	<u>722,560</u>	<u>691,864</u>	<u>26,999</u>	<u>29,624</u>	<u>749,558</u>	<u>721,488</u>
Deferred inflows - pension	4,344	4,905			4,344	4,905
Deferred inflows - OPEB	18,929	10,512			18,929	10,512
Total deferred inflows of resources	<u>23,272</u>	<u>15,417</u>	<u>-</u>	<u>-</u>	<u>23,272</u>	<u>15,417</u>
Net Position:						
Net investment in capital assets	45,522	90,462	14,628	15,411	60,150	105,873
Restricted	2,719	2,755			2,719	2,755
Unrestricted	<u>(451,891)</u>	<u>(496,884)</u>	<u>2,851</u>	<u>1,160</u>	<u>(449,040)</u>	<u>(495,724)</u>
Total Net Position	\$ <u>(403,651)</u>	\$ <u>(403,667)</u>	\$ <u>17,479</u>	\$ <u>16,571</u>	\$ <u>(386,172)</u>	\$ <u>(387,096)</u>

Net position of the Town's governmental activities stabilized at \$(403.7) million as comparable to the prior year. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed from \$(496.9) million at June 30, 2018 to \$(451.9) million at the end of this year.

Table 2
SUMMARY STATEMENT OF ACTIVITIES
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 8,339	\$ 7,676	\$ 13,625	\$ 13,406	\$ 21,964	\$ 21,082
Operating grants and contributions	35,952	46,589			35,952	46,589
Capital grants and contributions	29,461	26,657	1,780		31,241	26,657
General revenues:						
Property taxes	183,456	179,758			183,456	179,758
Grants and contributions not restricted to specific purposes	496	708			496	708
Unrestricted investment earnings	1,279	481			1,279	481
Miscellaneous	2,901	1,729			2,901	1,729
Total revenues	<u>261,884</u>	<u>263,598</u>	<u>15,405</u>	<u>13,406</u>	<u>277,290</u>	<u>277,004</u>
Program expenses:						
General government	48,930	42,394			48,930	42,394
Human development	11,084	7,731			11,084	7,731
Physical development	29,201	18,709			29,201	18,709
Public safety	27,261	26,839			27,261	26,839
Education	135,011	140,801			135,011	140,801
Interest expense	11,612	12,733			11,612	12,733
Waste operating			10,169	10,570	10,169	10,570
Short Beach Golf Course			202	325	202	325
Emergency Medical Services			2,897	2,577	2,897	2,577
Total program expenses	<u>263,098</u>	<u>249,207</u>	<u>13,268</u>	<u>13,472</u>	<u>276,366</u>	<u>262,679</u>
Excess before transfers	(1,214)	14,391	2,137	(66)	924	14,325
Transfers	<u>1,230</u>	<u>3,537</u>	<u>(1,230)</u>	<u>(3,537)</u>	<u>-</u>	<u>-</u>
Change in Net Position	16	17,928	907	(3,603)	924	14,325
Net Position at Beginning of Year	<u>(403,667)</u>	<u>(421,595)</u>	<u>16,571</u>	<u>20,174</u>	<u>(387,096)</u>	<u>(401,421)</u>
Net Position at End of Year	<u>\$ (403,651)</u>	<u>\$ (403,667)</u>	<u>\$ 17,478</u>	<u>\$ 16,571</u>	<u>\$ (386,172)</u>	<u>\$ (387,096)</u>

The Town's total revenues were \$277.3 million. The total cost of all programs and services was \$276.4 million. Our analysis below separately considers the operations of governmental and business-type activities.

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

Change in Net Pension Liability	\$(2,884)
Change in Deferred Outflows Related to Pension	(943)
Change in Deferred Inflows Related to Pension	561
Change in Total OPEB Liability	(10,469)
Change in Deferred Outflows Related to OPEB	11,057
Change in Deferred Inflows related to OPEB	<u>(8,417)</u>
Statement of Activities - Change in Pension/OPEB	<u>\$(11,095)*</u>

**The notes to the financial statements contain informative disclosures on the funding status & funding policy for the Town's Pension & OPEB Liabilities that should be referred to.*

Governmental Activities

Approximately 69.6% of the revenues were derived from property taxes; the remaining 30.4% of revenue is made up of operating and capital grants and investment earnings.

Major revenue factors include:

- Property taxes increased by \$3.0 million over the prior year. Current tax collections totaled \$178.7million or 98.24% of the collectible taxes. Arrear taxes and interest collected was \$4.9 million.
- Operating grants for governmental activities decreased by \$10.6 million over the prior year. The State of Connecticut Education Cost Sharing grant, Special education, and Municipal revenue sharing totaled \$27.7million of the Operating grants total.
- Governmental expenses increased from \$249.2 million to \$263.1 million this year. These increases consisted of \$6.5 million in general government, \$3.4 million in human development, \$10.5 in physical development and \$422 thousand in public safety. There was a corresponding decrease of \$5.8 million in education and \$1.1 million in interest expense.

Table 3 presents the cost of each of the Town's five largest programs - education, public safety, general administration, physical development, and human development - as well as each 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)**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General government	\$ 48,930	\$ 42,394	\$ 42,674	\$ 34,851
Public safety	27,261	26,839	25,208	26,026
Physical development	29,201	18,709	5,428	(1,229)
Education	135,011	140,801	94,674	89,986
Human development	11,084	7,731	9,750	5,917
All others	11,612	12,734	11,612	4,464
Total	\$ 263,098	\$ 249,208	\$ 189,346	\$ 160,015

Business-Type Activities

Business-type activities increased the Town's net position by \$900 thousand. The key factors were decreases in operating expenses in Waste Operating fund and Short Beach golf course.

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 \$52.7 million, an increase of \$50.1 million in comparison with the prior year. This is due to other financing net sources of \$78.0 million and the deficiency of revenues over expenditures of \$27.9 million.

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 \$6.1 million.

General Fund mirrors the general fund activities analysis highlighted in RSI-1 and RSI-2. The fund balance of the Town's General Fund increased by \$75,000 during the current fiscal year.

The Capital Projects Fund has a fund balance of \$33.5 million at the end of the year, an increase of \$41.6 million from the prior year. The Town has issued general obligation bonds on January 2, 2019 for \$70 million to cover the outstanding notes and future remaining funding for the Stratford High School project. Major projects in 2019 are as follows:

- The Stratford High School Project of \$33.6 million.
- Road Resurfacing, sidewalk improvement, street improvement, and bridge improvement of \$2.9 million.
- Other school Improvements, equipment and technology infrastructure Projects have expenditures for \$2.6 million.
- Capital equipment purchases for public works, police and fire of \$4.9 million.

Other nonmajor governmental funds have a total fund balance of \$12.2 million, an increase of \$7.6 million from the prior year. The increase was attributed to a bond premium on a recent bond issuance for \$6.8 million.

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 \$17.5 million at the end of 2019, increasing by \$1.0 million from the previous year.

Net position of the Waste Operating Fund at the end of the year is \$19.4 million, 111% of total net position of the proprietary funds. Other non-major activities have net deficit of \$2.0 million or -11% 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.

The internal service funds net position at the end of 2019 totaled (\$8.2) million; thereby, increasing the deficit by \$2.4 million from the previous year.

Net position of the Health Benefit Fund and Workers’ compensation as of June 30, 2019 is \$1.3 million and (\$9.5) million, respectively. Decrease in Health Benefit fund net position is due to health claim activity. Decrease in Workers’ Compensation fund net position is due to an increase in risk management claim liability.

General Fund Budgetary Highlights

During the year, revenues were under budgetary estimates by \$1.3 million and expenditures were under budgetary estimates by \$0.8 million. The town had a negative revenue variance that was the result of \$1.4 million intergovernmental and tax collector’s revenue estimated shortfall \$1.1 million. Expenditures were under budget estimates due to decrease in education, debt service, and Town general government costs.

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, 2019 amounted to \$245.6 million and \$42.7 million, respectively. This investment in capital assets included land, buildings and system improvements, machinery and equipment, park facilities, roads, highways and bridges. The total increase in the Town’s investment in capital assets for the current fiscal year was \$19.2 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 15,855	\$ 15,855	\$	\$	\$ 15,855	\$ 15,855
Land improvements	8,286	9,809	32	101	8,318	9,910
Buildings and improvements	100,983	102,758	31,104	34,580	132,087	137,338
Infrastructure	27,757	32,219	6,968	7,073	34,725	39,292
Machinery and equipment	11,680	12,699	1,314	1,722	12,994	14,421
Construction in progress	81,042	50,980	3,287	1,328	84,329	52,308
Total	\$ 245,603	\$ 224,320	\$ 42,705	\$ 44,804	\$ 288,308	\$ 269,124

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

Long-Term Debt. At June 30, 2019 the Town had \$356.9 million in bonds and notes outstanding versus \$303.0 million last year, an increase of 17.8% as shown in Table 5.

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General and pension obligation bonds	\$ 328,238	\$ 271,210	\$ 1,338	\$ 1,513	\$ 329,576	\$ 272,723
Capital leases	538	1,155	74	146	612	1,301
Notes payable			26,666	28,993	26,666	28,993
Totals	<u>\$ 328,776</u>	<u>\$ 272,365</u>	<u>\$ 28,078</u>	<u>\$ 30,652</u>	<u>\$ 356,853</u>	<u>\$ 303,017</u>

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior years’ tax collections. The current debt limitation for the Town amounts to \$1,259 million, significantly more than the Town’s outstanding general obligation debt.

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

Economic Factors and Next Year’s Budgets and Rates

- Inflationary trends in the region are comparable to the national indices.
- The Town’s unemployment rate has dropped from 6.6% in October of 2014 as compared to 4.2% in October 2018.

All of these factors were considered in preparing the Town’s budget for fiscal year 2020. The fiscal year 2020 General Fund budget calls for \$228,072,359 in revenues with matching expenditures resulting in an increase of \$7,160,984 over fiscal year 2019 or a 3.22% increase. The Grand List increased by 1.40% from 2019; thereby, resulting in a mill rate decrease of 0.08%.

During the current fiscal year, unassigned fund balance in the General Fund increased by \$734,629 for an unassigned balance of \$4,325,422. The Town did not utilize general fund balance for the fiscal year 2020 budget.

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) If you have questions about this report or need additional financial information, contact the Finance Director, Town of Stratford at 2725 Main Street, Stratford, Connecticut 06615.



Basic Financial Statements

**TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 66,876,163	\$ 285,103	\$ 67,161,266
Investments	2,625,713		2,625,713
Receivables, net	12,276,620	2,713,982	14,990,602
Inventories and prepaids	429,981		429,981
Advance to other funds	1,227,942	(1,227,942)	-
Capital assets:			
Assets not being depreciated	96,896,940	3,287,330	100,184,270
Assets being depreciated, net	148,705,947	39,418,107	188,124,054
Total assets	<u>329,039,306</u>	<u>44,476,580</u>	<u>373,515,886</u>
Deferred Outflows of Resources:			
Deferred outflows related to pension	356,730		356,730
Deferred outflows related to OPEB	11,056,708		11,056,708
Deferred charges on refunding	1,729,552		1,729,552
Total deferred outflows of resources	<u>13,142,990</u>	<u>-</u>	<u>13,142,990</u>
Liabilities:			
Accounts and other payables	9,153,212	233,385	9,386,597
Accrued liabilities	6,284,371	93,579	6,377,950
Unearned revenue	417,669	2,517	420,186
Internal balances	1,770,166	(1,770,166)	-
Bond anticipation notes	3,175,000		3,175,000
Noncurrent liabilities:			
Due within one year	22,347,285	2,707,980	25,055,265
Due in more than one year	679,412,793	25,730,504	705,143,297
Total liabilities	<u>722,560,496</u>	<u>26,997,799</u>	<u>749,558,295</u>
Deferred Inflows of Resources:			
Deferred inflows related to pension	4,343,715		4,343,715
Deferred inflows related to OPEB	18,928,739		18,928,739
Total deferred inflows of resources	<u>23,272,454</u>	<u>-</u>	<u>23,272,454</u>
Net Position:			
Net investment in capital assets	45,521,826	14,627,733	60,149,559
Restricted for:			
Nonexpendable trust	2,718,639		2,718,639
Unrestricted	<u>(451,891,119)</u>	<u>2,851,048</u>	<u>(449,040,071)</u>
Total Net Position	<u>\$ (403,650,654)</u>	<u>\$ 17,478,781</u>	<u>\$ (386,171,873)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 48,929,723	\$ 2,498,408	\$ 249,395	\$ 3,507,689	\$ (42,674,231)		\$ (42,674,231)
Human development	11,083,779	884,567	449,088		(9,750,124)		(9,750,124)
Physical development	29,201,292	1,460,018		22,313,224	(5,428,050)		(5,428,050)
Public safety	27,260,547	1,466,921	586,016		(25,207,610)		(25,207,610)
Education	135,011,063	2,029,222	34,667,890	3,640,091	(94,673,860)		(94,673,860)
Debt service	11,611,633				(11,611,633)		(11,611,633)
Total governmental activities	<u>263,098,037</u>	<u>8,339,136</u>	<u>35,952,389</u>	<u>29,461,004</u>	<u>(189,345,508)</u>	<u>-</u>	<u>(189,345,508)</u>
Business-type activities:							
Waste Operating	10,168,037	11,112,190		1,780,227		2,724,380	2,724,380
Emergency Medical Services	2,896,761	2,297,230				(599,531)	(599,531)
Short Beach Golf Course	202,160	215,592				13,432	13,432
Total business-type activities	<u>13,266,958</u>	<u>13,625,012</u>	<u>-</u>	<u>1,780,227</u>	<u>-</u>	<u>2,138,281</u>	<u>2,138,281</u>
Total	<u>\$ 276,364,995</u>	<u>\$ 21,964,148</u>	<u>\$ 35,952,389</u>	<u>\$ 31,241,231</u>	<u>(189,345,508)</u>	<u>2,138,281</u>	<u>(187,207,227)</u>
General revenues:							
Property taxes					183,455,751		183,455,751
Grants and contributions not restricted to specific programs					495,915		495,915
Unrestricted investment earnings					1,278,904		1,278,904
Miscellaneous					2,901,400		2,901,400
Total general revenues					<u>188,131,970</u>	<u>-</u>	<u>188,131,970</u>
Transfers					1,230,000	(1,230,000)	-
Total					<u>189,361,970</u>	<u>(1,230,000)</u>	<u>188,131,970</u>
Change in net position					16,462	908,281	924,743
Net Position - Beginning of Year					<u>(403,667,116)</u>	<u>16,570,500</u>	<u>(387,096,616)</u>
Net Position - End of Year					<u>\$ (403,650,654)</u>	<u>\$ 17,478,781</u>	<u>\$ (386,171,873)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF STRATFORD, CONNECTICUT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 65,901,692	\$	\$ 894,471	\$ 66,796,163
Investments			2,625,713	2,625,713
Receivables, net	10,465,306	715,706	1,095,608	12,276,620
Inventories and prepaids	391,396		38,585	429,981
Advance to other funds	1,227,942			1,227,942
Due from other funds	8,013,327	47,704,007	9,530,980	65,248,314
Total Assets	<u>\$ 85,999,663</u>	<u>\$ 48,419,713</u>	<u>\$ 14,185,357</u>	<u>\$ 148,604,733</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts and other payables	\$ 2,980,606	\$ 4,869,617	\$ 1,281,982	\$ 9,132,205
Accrued liabilities	574,660		21,381	596,041
Unearned revenue		303,963	113,706	417,669
Bond anticipation notes		3,175,000		3,175,000
Due to other funds	66,003,746	5,900,623	515,708	72,420,077
Total liabilities	<u>69,559,012</u>	<u>14,249,203</u>	<u>1,932,777</u>	<u>85,740,992</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	6,459,805			6,459,805
Unavailable revenue - property taxes interest	2,896,133			2,896,133
Unavailable revenue - other receivables	28,934		88,012	116,946
Unavailable revenue - special assessments		715,706		715,706
Total deferred inflows of resources	<u>9,384,872</u>	<u>715,706</u>	<u>88,012</u>	<u>10,188,590</u>
Fund Balances:				
Nonspendable	1,619,338		38,585	1,657,923
Restricted			3,571,262	3,571,262
Committed		38,734,962	8,823,885	47,558,847
Assigned	190,623			190,623
Unassigned	5,245,818	(5,280,158)	(269,164)	(303,504)
Total fund balances	<u>7,055,779</u>	<u>33,454,804</u>	<u>12,164,568</u>	<u>52,675,151</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 85,999,663</u>	<u>\$ 48,419,713</u>	<u>\$ 14,185,357</u>	<u>\$ 148,604,733</u>

(Continued on next page)

TOWN OF STRATFORD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 52,675,151
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	\$ 455,532,102
Less accumulated depreciation	<u>(209,929,215)</u>
Net capital assets	245,602,887
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:	
Property tax receivables greater than 60 days	6,459,805
Interest receivable on property taxes	2,896,133
Assessments receivable	715,706
Other receivables and deferred amounts	116,946
Deferred outflows related to Pension	356,730
Deferred outflows related to OPEB	11,056,708
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.	(8,225,791)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable	(312,477,435)
Bond premium	(15,760,487)
Capital lease	(537,691)
Interest payable on bonds and notes	(5,685,407)
Compensated absences	(9,564,394)
Landfill closure	(7,800,000)
Deferred charges on refunding	1,729,552
Claims and judgments	(1,000,000)
Net pension liability	(57,052,218)
Net OPEB liability	(283,884,395)
Deferred inflows related to Pension	(4,343,715)
Deferred inflows related to OPEB	<u>(18,928,739)</u>
Net Position of Governmental Activities (Exhibit I)	<u>\$ (403,650,654)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF STRATFORD, CONNECTICUT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes and assessments	\$ 183,916,324	\$ 246,953	\$	\$ 184,163,277
State and Federal governments	36,258,221	21,757,854	8,879,297	66,895,372
Department revenue	2,821,562	231,619	4,883,518	7,936,699
Licenses and permits	786,372		259,982	1,046,354
Investment income	1,082,636		196,268	1,278,904
Other	2,351,047		550,362	2,901,409
Total revenues	<u>227,216,162</u>	<u>22,236,426</u>	<u>14,769,427</u>	<u>264,222,015</u>
Expenditures:				
Current:				
General government:				
Administration	5,910,487		535	5,911,022
Contingency	4,431,445			4,431,445
Employee benefits	19,302,656			19,302,656
Finance	1,882,833			1,882,833
Human development	6,155,899		1,284,963	7,440,862
Physical development	13,009,037		1,670,872	14,679,909
Public safety	25,599,474		1,862,997	27,462,471
Education	120,596,747		8,432,850	129,029,597
Debt service:				
Principal retirements	24,095,092			24,095,092
Interest and other charges	5,795,366			5,795,366
Capital outlay	654,190	50,942,109	506,684	52,102,983
Total expenditures	<u>227,433,226</u>	<u>50,942,109</u>	<u>13,758,901</u>	<u>292,134,236</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(217,064)</u>	<u>(28,705,683)</u>	<u>1,010,526</u>	<u>(27,912,221)</u>
Other Financing Sources (Uses):				
Issuance of bonds		70,000,000		70,000,000
Premium on bond issuance			6,815,242	6,815,242
Transfers in	1,970,397	1,088,000		3,058,397
Transfers out	(758,000)	(820,397)	(250,000)	(1,828,397)
Total other financing sources	<u>1,212,397</u>	<u>70,267,603</u>	<u>6,565,242</u>	<u>78,045,242</u>
Net Change in Fund Balances	995,333	41,561,920	7,575,768	50,133,021
Fund Balances at Beginning of Year	<u>6,060,446</u>	<u>(8,107,116)</u>	<u>4,588,800</u>	<u>2,542,130</u>
Fund Balances at End of Year	<u>\$ 7,055,779</u>	<u>\$ 33,454,804</u>	<u>\$ 12,164,568</u>	<u>\$ 52,675,151</u>

(Continued on next page)

**TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 50,133,021
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	35,743,796
Depreciation expense	(10,150,920)

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

Thus the change in net position differs from the change in fund balance by the cost of the assets sold.	(4,309,780)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax receivable	(629,103)
Property tax interest receivable	98,089
Assessments	(176,511)
Housing loans	(20,468)
Other receivables and deferred amounts	(1,629,982)
Change in deferred outflows related to Pension	(942,614)
Change in deferred outflows related to OPEB	11,056,708

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

General obligation bonds issued	(70,000,000)
Bond premiums issued	(6,815,242)
Bond principal payments	19,125,238
Amortization of premiums and discounts	661,814
Capital lease payments	617,724

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

Compensated absences	2,401,644
Accrued interest	(1,380,986)
Amortization of deferred amount on refunding	(127,252)
Change in net pension liability	(2,884,067)
Change in net OPEB liability	(10,468,676)
Change in deferred inflows related to Pension	561,016
Change in deferred inflows related to OPEB	(8,416,699)

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

(2,430,288)

Change in Net Positions of Governmental Activities (Exhibit II)	<u>\$ 16,462</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF STRATFORD, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2019**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Major Fund</u>			<u>Activities</u>
	<u>Waste Operating Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>	<u>Internal Service Fund</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$	\$ 285,103	\$ 285,103	\$ 80,000
Receivables:				
Accounts and other		404,052	404,052	
Sewer usage receivable	2,309,930		2,309,930	
Due from other funds	7,600,016	46,502	7,646,518	5,448,099
Total current assets	<u>9,909,946</u>	<u>735,657</u>	<u>10,645,603</u>	<u>5,528,099</u>
Capital assets:				
Assets not being depreciated	3,287,330		3,287,330	
Assets being depreciated, net	<u>37,457,211</u>	<u>1,960,896</u>	<u>39,418,107</u>	
Total capital assets	<u>40,744,541</u>	<u>1,960,896</u>	<u>42,705,437</u>	<u>-</u>
Total assets	<u>50,654,487</u>	<u>2,696,553</u>	<u>53,351,040</u>	<u>5,528,099</u>
Liabilities:				
Current:				
Accounts payable	111,555	121,830	233,385	23,930
Accrued wages and benefits	93,579		93,579	
Unearned revenue		2,517	2,517	
Advance from other funds		1,227,942	1,227,942	
Due to other funds	3,860,575	2,015,777	5,876,352	46,502
Risk management claims			-	746,000
Bonds payable	30,122	147,000	177,122	
Serial notes payable	2,374,115		2,374,115	
Capital lease	6,646	41,863	48,509	
Compensated absences	38,488	69,746	108,234	
Total current liabilities	<u>6,515,080</u>	<u>3,626,675</u>	<u>10,141,755</u>	<u>816,432</u>
Noncurrent liabilities:				
Bonds payable	308,754	852,000	1,160,754	
Serial notes payable	24,291,614		24,291,614	
Capital lease payable	19,391	6,199	25,590	
Risk management claims				12,937,458
Compensated absences	89,805	162,741	252,546	
Total noncurrent liabilities	<u>24,709,564</u>	<u>1,020,940</u>	<u>25,730,504</u>	<u>12,937,458</u>
Total liabilities	<u>31,224,644</u>	<u>4,647,615</u>	<u>35,872,259</u>	<u>13,753,890</u>
Net Position:				
Net investment in capital assets	13,713,899	913,834	14,627,733	
Unrestricted	<u>5,715,944</u>	<u>(2,864,896)</u>	<u>2,851,048</u>	<u>(8,225,791)</u>
Total Net Position	<u>\$ 19,429,843</u>	<u>\$ (1,951,062)</u>	<u>\$ 17,478,781</u>	<u>\$ (8,225,791)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF STRATFORD, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2019**

	Business-Type Activities - Enterprise Funds			Governmental
	Major Fund			Activities
	Waste Operating Fund	Nonmajor Funds	Total	Internal Service Funds
Operating Revenues:				
Charges for services	\$ 11,052,473	\$ 2,512,822	\$ 13,565,295	\$ 7,136,205
Other	59,717		59,717	
Total operating revenues	<u>11,112,190</u>	<u>2,512,822</u>	<u>13,625,012</u>	<u>7,136,205</u>
Operating Expenses:				
Operating and maintenance	6,013,441	2,761,501	8,774,942	9,566,493
Depreciation	3,583,716	294,150	3,877,866	
Total operating expenses	<u>9,597,157</u>	<u>3,055,651</u>	<u>12,652,808</u>	<u>9,566,493</u>
Operating Income (Loss)	1,515,033	(542,829)	972,204	(2,430,288)
Nonoperating Expenses:				
Interest expense	<u>(570,880)</u>	<u>(43,270)</u>	<u>(614,150)</u>	
Income (Loss) Before Contributions and Transfers	944,153	(586,099)	358,054	(2,430,288)
Capital Contributions	1,780,227		1,780,227	
Transfers Out	<u>(1,230,000)</u>		<u>(1,230,000)</u>	
Change in Net Position	1,494,380	(586,099)	908,281	(2,430,288)
Net Position - Beginning of Year	<u>17,935,463</u>	<u>(1,364,963)</u>	<u>16,570,500</u>	<u>(5,795,503)</u>
Net Position - End of Year	<u>\$ 19,429,843</u>	<u>\$ (1,951,062)</u>	<u>\$ 17,478,781</u>	<u>\$ (8,225,791)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF STRATFORD, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Major Fund</u>			<u>Activities</u>
	<u>Waste</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Internal</u>
	<u>Operating</u>	<u>Funds</u>		<u>Service Fund</u>
	<u>Fund</u>			
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 11,112,190	\$ 2,457,245	\$ 13,569,435	\$ 7,136,205
Cash payments to suppliers	(3,597,782)	(667,236)	(4,265,018)	(9,059,279)
Cash payments to employees	(2,554,478)	(2,114,177)	(4,668,655)	
Payments for interfund services	(797,526)	756,475	(41,051)	1,923,074
Net cash provided by (used in) operating activities	<u>4,162,404</u>	<u>432,307</u>	<u>4,594,711</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities:				
Transfers to other funds	<u>(1,230,000)</u>		<u>(1,230,000)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Principal payments on debt	(2,357,265)	(212,116)	(2,569,381)	
Principal payments on capital lease	(4,716)	(43,270)	(47,986)	
Acquisition and construction of capital assets	(1,779,770)		(1,779,770)	
Capital contributions	1,780,227			
Interest paid on debt	(570,880)		(570,880)	
Net cash provided by (used in) capital and related financing activities	<u>(2,932,404)</u>	<u>(255,386)</u>	<u>(4,968,017)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	176,921	(1,603,306)	-
Cash and Cash Equivalents at Beginning of Year	<u>-</u>	<u>108,182</u>	<u>108,182</u>	<u>80,000</u>
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 285,103</u>	<u>\$ 285,103</u>	<u>\$ 80,000</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 1,515,033	\$ (542,829)	\$ 972,204	\$ (2,430,288)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	3,583,716	294,150	3,877,866	
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	26,507	(55,577)	(29,070)	88,405
(Increase) decrease in due from other funds	(4,658,101)	161,085	(4,497,016)	1,876,572
Increase (decrease) in accounts payable and accrued expenses	(114,275)	15,576	(98,699)	16,668
Increase (decrease) in risk management claim liability		428	428	402,141
Increase (decrease) in unearned revenues	(41,345)		(41,345)	
Increase (decrease) in compensated absences	(9,706)	(35,916)	(45,622)	
Increase (decrease) in due to other funds	3,860,575	595,390	4,455,965	46,502
Net Cash Provided by (Used in) Operating Activities	<u>\$ 4,162,404</u>	<u>\$ 432,307</u>	<u>\$ 4,594,711</u>	<u>\$ -</u>
Noncash Investing and Capital Financing Activities:				
Contributions of Capital Assets from Town	<u>\$ 1,780,227</u>	<u>\$ -</u>	<u>\$ 1,780,227</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Plan members	\$ 1,309,166
Employer	14,417,875
Total contributions	<u>15,727,041</u>
Investment income:	
Net change in fair market value of investments	11,981,731
Interest and dividends	4,153,943
Total investment income	<u>16,135,674</u>
Investment fee	(483,373)
Net investment income	<u>15,652,301</u>
Total additions	<u>31,379,342</u>
Deductions:	
Benefits	31,934,991
Other	100,806
Total deductions	<u>32,035,797</u>
Change in net position	(656,455)
Net Position - Beginning of Year	<u>264,977,601</u>
Net Position - End of Year	<u>\$ 264,321,146</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Basis of Presentation

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

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus.

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

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

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

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

The Town reports the following major governmental funds:

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

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

The Town reports the following major proprietary fund:

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

Additionally, the Town reports the following fund types:

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

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

The Agency Funds are 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 charges between the enterprise funds and various other function of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

C. Cash Equivalents

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

D. Investments

Investments are stated at fair value.

E. Inventories

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

F. Receivables and Payables

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

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

G. Capital Assets

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

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

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

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

H. Deferred Outflows/Inflows of Resources

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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 deferred inflows related to pensions and OPEB in the government-wide statement of net position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). 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 two sources: 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.

I. Long-Term Obligations

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

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

J. 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.

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

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

L. Equity

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

This component consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Unassigned Fund Balance

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

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.

M. Property Taxes

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

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

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

N. Accounting Estimates

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

O. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 29, 2020.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

General Fund

The Town's general budget policies are as follows:

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

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

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

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

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

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

Budgeted amounts reported are as originally adopted, or as amended by the Town Council during the course of the year. No supplemental appropriations were approved for year ended June 30, 2019; however, the original budget was decreased by \$2,818,429.

B. Expenditures Exceeding Appropriations

The following line items exceeded appropriations for the year ended June 30, 2019:

Town Attorney	\$	37,551
Town buildings		146,533
Contingency		279,567
Building inspection		41,736
Town garage		1,632
Sanitation/refuse		45,572
Fire prevention		264,202
Investigation		237,955
Patrol		592,798
Traffic		6,120

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

C. Deficit Fund Equity

The following funds had fund deficits at June 30, 2019:

Nonmajor and Other Funds:		
School Lunch Program*	\$	266,460
Community Development*		22,277
Short Beach Golf Course*		1,121,547
Emergency Medical Services*		829,515
Internal Service - Workers' Compensation**		9,531,713

* Deficit will be eliminated through future charges for services.

** Deficit will be eliminated through future appropriations.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). 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
 JUNE 30, 2019**

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*, \$65,642,733 of the Town's bank balance of \$66,472,722 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 59,003,460
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>6,639,273</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 65,642,733</u></u>

Cash Equivalents

At June 30, 2019, the Town's cash equivalents amounted to \$9,733,450. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	Standard & Poor's
Wells Fargo Money Market	AAAm
Fairfield County Bank Money Market	AAAm
Milford Bank Money Market	AAAm
State Short-Term Investment Fund (STIF)	AAAm

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Investments

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2019:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level:				
Mutual funds	\$ 87,159,363	\$ 87,159,363	\$ -	\$ -
Pooled, common and collective funds	<u>91,471,891</u>	<u>91,471,891</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	178,631,254	<u>\$ 178,631,254</u>	<u>\$ -</u>	<u>\$ -</u>
Investments not recorded at net asset value (NAV):				
Equity hedge funds	26,053,556			
Real estate investment funds	<u>59,907,068</u>			
Total Investments	<u>\$ 264,591,878</u>			

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

Venture capital investments classified in Level 3 are valued using either a discounted cash flow or market comparable companies technique.

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

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Equity hedge funds	\$ 26,053,556	\$ -	Quarterly	Various
Real estate investment funds	<u>59,907,068</u>	<u>-</u>	Quarterly	Various
Total Investments Measured at NAV	<u>\$ 85,960,624</u>	<u>\$ -</u>		

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Interest Rate Risk

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

Credit Risk - Investments

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

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2019, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent, that were not in the Town's name.

4. RECEIVABLES

Receivables as of June 30, 2019 for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Waste Operating</u>	<u>Nonmajor Enterprise Funds</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Taxes and interest	\$ 10,858,347					\$ 10,858,347
Accounts and other	192,369			612,200	545,082	1,349,651
Special assessments		715,706				715,706
Sewer usage			2,309,930			2,309,930
Intergovernmental	<u>64,590</u>				<u>550,526</u>	<u>615,116</u>
Gross receivables	11,115,306	715,706	2,309,930	612,200	1,095,608	15,848,750
Less allowance for uncollectibles	<u>650,000</u>			<u>208,148</u>		<u>858,148</u>
Net Total Receivables	<u>\$ 10,465,306</u>	<u>\$ 715,706</u>	<u>\$ 2,309,930</u>	<u>\$ 404,052</u>	<u>\$ 1,095,608</u>	<u>\$ 14,990,602</u>

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

5. CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers/ Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 15,854,529	\$	\$	\$ 15,854,529
Construction in progress	<u>50,980,082</u>	<u>34,246,608</u>	<u>4,184,279</u>	<u>81,042,411</u>
Total capital assets not being depreciated	<u>66,834,611</u>	<u>34,246,608</u>	<u>4,184,279</u>	<u>96,896,940</u>
Capital assets being depreciated:				
Land improvements	17,914,494		13,441	17,901,053
Buildings and improvements	180,389,378		360,408	180,028,970
Machinery and equipment	43,946,620	1,497,188	650,604	44,793,204
Infrastructure	<u>115,911,935</u>			<u>115,911,935</u>
Total capital assets being depreciated	<u>358,162,427</u>	<u>1,497,188</u>	<u>1,024,453</u>	<u>358,635,162</u>
Less accumulated depreciation for:				
Land improvements	8,105,657	765,621	(743,781)	9,615,059
Buildings and improvements	77,631,009	4,929,253	3,513,789	79,046,473
Machinery and equipment	31,247,551	1,935,681	70,020	33,113,212
Infrastructure	<u>83,693,030</u>	<u>2,520,365</u>	<u>(1,941,076)</u>	<u>88,154,471</u>
Total accumulated depreciation	<u>200,677,247</u>	<u>10,150,920</u>	<u>898,952</u>	<u>209,929,215</u>
Total capital assets being depreciated, net	<u>157,485,180</u>	<u>(8,653,732)</u>	<u>125,501</u>	<u>148,705,947</u>
Governmental Activities Capital Assets, Net	<u>\$ 224,319,791</u>	<u>\$ 25,592,876</u>	<u>\$ 4,309,780</u>	<u>\$ 245,602,887</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ <u>1,327,816</u>	\$ <u>1,959,514</u>	\$	\$ <u>3,287,330</u>
Capital assets being depreciated:				
Land improvements	2,179,777		30,835	2,148,942
Buildings and improvements	71,582,497		221,500	71,360,997
Machinery and equipment	14,532,970		41,992	14,490,978
Infrastructure	<u>21,705,140</u>	<u>41</u>		<u>21,705,181</u>
Total capital assets being depreciated	<u>110,000,384</u>	<u>41</u>	<u>294,327</u>	<u>109,706,098</u>
Less accumulated depreciation for:				
Land improvements	2,078,911	6,947	(30,834)	2,116,692
Buildings and improvements	37,003,021	3,254,551		40,257,572
Machinery and equipment	12,810,675	324,418	(41,728)	13,176,821
Infrastructure	<u>14,632,060</u>	<u>291,950</u>	<u>187,104</u>	<u>14,736,906</u>
Total accumulated depreciation	<u>66,524,667</u>	<u>3,877,866</u>	<u>114,542</u>	<u>70,287,991</u>
Total capital assets being depreciated, net	<u>43,475,717</u>	<u>(3,877,825)</u>	<u>179,785</u>	<u>39,418,107</u>
Business-Type Activities Capital Assets, Net	<u>\$ 44,803,533</u>	<u>\$ (1,918,311)</u>	<u>\$ 179,785</u>	<u>\$ 42,705,437</u>

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Governmental activities:		
General government		\$ 462,372
Human development		371,080
Physical development		3,365,876
Public safety		1,446,709
Education		<u>4,504,883</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 10,150,920</u>
Business-type activities:		
Waste operating		\$ 3,583,716
Short Beach Golf Course		24,780
Emergency medical services		<u>269,370</u>
Total Depreciation Expense - Business-Type Activities		<u>\$ 3,877,866</u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects	General Fund	\$ 43,625,941
Capital Projects	Waste Operating	3,674,180
Capital Projects	Nonmajor Governmental	403,886
General Fund	Nonmajor Governmental	96,927
General Fund	Nonmajor Enterprise	3,243,719
General Fund	Capital Projects	5,900,623
Internal Service Funds	General Fund	5,246,998
Internal Service Funds	Nonmajor Governmental	14,706
Internal Service Funds	Waste Operating	186,395
Nonmajor Governmental	General Fund	9,530,980
Waste Operating	General Fund	7,600,016
Nonmajor Enterprise	Internal Service Funds	<u>46,502</u>
Total		<u>\$ 79,570,873</u>

Interfund balances are a result of temporary loans to various funds. Included in above is an interfund from the General Fund to the Emergency Medical Services Fund in the amount of \$1,227,942. This amount is shown as an advance to/from other funds due to a lack of commitment to pay by the Emergency Medical Services Fund.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Interfund transfers for the year ended June 30, 2019 are as follows:

	Transfers In		
	General	Capital Projects	Total Transfers Out
Transfers out:			
General Fund	\$	\$ 758,000	\$ 758,000
Capital Projects	820,397		820,397
Waste Operating Fund	900,000	330,000	1,230,000
Nonmajor Governmental Funds	250,000		250,000
Total Transfers In	\$ <u>1,970,397</u>	\$ <u>1,088,000</u>	\$ <u>3,058,397</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
JUNE 30, 2019**

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds and notes	\$ 261,602,673	\$ 70,000,000	\$ 19,125,238	\$ 312,477,435	\$ 18,528,239
Premium on general obligation bonds	9,607,059	6,815,242	661,814	15,760,487	
Capital leases	1,155,415		617,724	537,691	203,728
Claims and judgments	1,000,000			1,000,000	
Compensated absences	11,966,038	2,534,830	4,936,474	9,564,394	2,869,318
Landfill monitoring closure and postclosure costs	7,800,000			7,800,000	
Net pension liability	54,168,151	2,884,067		57,052,218	
Net OPEB liability	273,415,719	10,468,676		283,884,395	
Risk management	13,281,317	402,141		13,683,458	746,000
	<u>\$ 633,996,372</u>	<u>\$ 93,104,956</u>	<u>\$ 25,341,250</u>	<u>\$ 701,760,078</u>	<u>\$ 22,347,285</u>
Governmental Activities Long-Term Liabilities					
Business-Type activities:					
General obligation bonds payable	\$ 1,512,998		\$ 175,122	\$ 1,337,876	\$ 177,122
Notes payable	28,992,872		2,327,143	26,665,729	2,374,115
Capital leases	145,931		71,832	74,099	48,509
Compensated absences	406,402	266,051	311,673	360,780	108,234
	<u>\$ 31,058,203</u>	<u>\$ 266,051</u>	<u>\$ 2,885,770</u>	<u>\$ 28,438,484</u>	<u>\$ 2,707,980</u>
Business-Type Activities Long-Term Liabilities					

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

General Obligation Bonds

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

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

<u>Description</u>	<u>Balance Outstanding June 30, 2019</u>
Governmental Activities:	
School bonds with interest rates ranging from 2.0% to 5.125% and varying expiration dates ranging from July 2024 to January 2039	\$ 103,099,150
General obligation pension bonds with interest rates ranging from 0.5% to 5.037% and varying expiration dates from June 2019 to August 2038	130,140,000
General obligation bonds with interest rates ranging from 2.0% to 5.125% and expiration dates from July 2024 to January 2039	<u>79,238,285</u>
Total Governmental Activities	<u>\$ 312,477,435</u>
Business-Type Activities:	
EMS Bonds with interest rates ranging from 2.0% to 5.125% and varying expiration dates ranging from August 2021 to January 2026	\$ 999,000
WPCA Bonds with interest rates ranging from 1.0% to 5.0% and an expiration date of June 2030	<u>338,876</u>
Total Business-Type Activities	<u>\$ 1,337,876</u>

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Governmental Activities:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 18,528,239	\$ 11,237,389	\$ 29,765,628
2021	17,886,239	10,580,452	28,466,691
2022	21,473,239	13,155,000	34,628,239
2023	21,596,239	12,201,387	33,797,626
2024	21,285,239	11,251,411	32,536,650
2025-2029	81,164,193	43,936,073	125,100,266
2030-2034	72,889,047	24,658,417	97,547,464
2035-2039	<u>57,655,000</u>	<u>7,538,175</u>	<u>65,193,175</u>
Total	<u>\$ 312,477,435</u>	<u>\$ 134,558,304</u>	<u>\$ 447,035,739</u>

Business-type Activities:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 177,122	\$ 47,736	\$ 224,858
2021	169,122	40,820	209,942
2022	187,122	33,734	220,856
2023	189,122	26,048	215,170
2024	190,122	18,112	208,234
2025-2029	387,611	27,499	415,110
2030-2034	<u>37,655</u>	<u>976</u>	<u>38,631</u>
Total	<u>\$ 1,337,876</u>	<u>\$ 194,925</u>	<u>\$ 1,532,801</u>

Bonds Authorized but Unissued

The total of authorized but unissued bonds at June 30, 2019 are as follows:

General Purpose	\$ 3,592,040
School	12,758,556
Sewers	<u>1,327,141</u>
Total	<u>\$ 17,677,737</u>

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Waste Operating Fund Notes Payable

Clean Water Fund Notes

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

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

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,374,115	\$ 511,630	\$ 2,885,745
2021	2,422,035	463,710	2,885,745
2022	2,470,922	414,823	2,885,745
2023	2,520,796	364,949	2,885,745
2024	2,571,677	314,069	2,885,746
2025-2029	13,384,939	776,779	14,161,718
2030-2034	<u>921,245</u>	<u>3,842</u>	<u>925,087</u>
Total	\$ <u>26,665,729</u>	\$ <u>2,849,802</u>	\$ <u>29,515,531</u>

Debt Limitation

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 408,611,023	\$ 83,579,325	\$ 325,031,698
Schools	817,222,046	83,365,172	733,856,874
Sewer and Water	681,018,371	28,581,746	652,436,625
Urban Renewal	590,215,922	-	590,215,922
Unfunded Pension Benefit Obligation	544,814,697	130,140,000	414,674,697

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

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Bond Anticipation Notes Payable

Bond anticipation notes outstanding at June 30, 2019 were as follows:

	<u>Amount</u>
Notes payable, July 1, 2018	\$ 40,000,000
Notes Issued	3,175,000
Notes retired	<u>(40,000,000)</u>
Notes Payable, June 30, 2019	<u>\$ 3,175,000</u>

During the year, the Town issued \$3,175,000 in notes dated January 2, 2019, which matured on December 19, 2019. The notes carry an interest rate of 3%. These notes serve as temporary financing for various public improvements and school projects.

Capital Leases

The Town has entered into lease agreements as lessee for financing the acquisition of building improvements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Building and improvements	\$ 1,334,379	\$ 104,051
Machinery and equipment	1,597,468	185,735
Less accumulated depreciation	<u>(1,850,892)</u>	<u>(137,137)</u>
Net Book Value	<u>\$ 1,080,955</u>	<u>\$ 152,649</u>

**TOWN OF STRATFORD, CONNECTICUT
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The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

Year Ending June 30	Governmental Activities	Business-Type Activities
2020	\$ 214,732	\$ 49,529
2021	170,343	15,346
2022	171,247	10,855
Total minimum lease payments	556,322	75,730
Less amount representing interest	(18,631)	(1,631)
Present Value of Minimum Lease Payments	\$ 537,691	\$ 74,099

Landfill Post-Closure Care Costs

State and federal laws and regulations require that the Town place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The estimated total current cost of the landfill closure and postclosure 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, 2019. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through the issuance of general obligation bonds and state and federal grants. The Town is currently in discussions with the Department of Environmental Protection to develop and implement a superfund site plan, which needs to occur prior to the capping process. Therefore, there is no current portion of the liability reflected in the financial statements. Once an agreement is established the current portion will be reported.

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8. FUND BALANCE

The components of fund balance for the governmental funds as of June 30, 2019 are as follows:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory and prepaids	\$ 391,396	\$	\$ 38,585	\$ 429,981
Advances to other funds	1,227,942			1,227,942
Restricted for:				
Grants			60,496	60,496
Education			3,051,257	3,051,257
Physical development			459,509	459,509
Committed to:				
Human development			873,951	873,951
Physical development			336,148	336,148
Public safety			269,960	269,960
Education			240,352	240,352
Capital projects		38,734,962	288,232	39,023,194
Debt service			6,815,242	6,815,242
Assigned to:				
Education encumbrances	190,623			190,623
Unassigned	<u>5,245,818</u>	<u>(5,280,158)</u>	<u>(269,164)</u>	<u>(303,504)</u>
Total Fund Balances	<u>\$ 7,055,779</u>	<u>\$ 33,454,804</u>	<u>\$ 12,164,568</u>	<u>\$ 52,675,151</u>

Encumbrances of \$190,623, \$70,146,119 and \$220,087 at June 30, 2019 are contained in the above table in the assigned category of the General Fund, the committed category of the Capital Projects Fund and the restricted and committed categories of the Nonmajor Governmental funds, respectively.

9. EMPLOYEE RETIREMENT PLAN

Employee Defined Benefit Pension Plan

A. Plan Description

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

As of July 1, 2018, the date of the most recent actuarial valuation, membership consisted of the following:

Actives	217
Terminated vested and other inactive	14
Retirees and beneficiaries	<u>667</u>
Total	<u><u>898</u></u>

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

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Method Used to Value Investments

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

C. Funding Policy

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

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

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required to contribute 8% of their salaries to the defined benefit plan except for Police hired after October 17, 1996 who contribute 7%. If an employee leaves covered employment or dies before 10 years of service, accumulated employee contributions and related investment earnings are refunded. The Town is required to contribute the remaining amounts necessary to finance the coverage for its employees. Benefits and contributions are established by the Town and may be amended only by the Town Council and Union negotiations.

D. Investments

Investment Policy

The pension plan's policy, in regard to the allocation of invested assets, is established and may be amended by the Pension Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation as of June 30, 2019, and are also summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
U.S. Core Fixed Income	30.0%	2.65%
U.S. Large Caps	22.5%	4.57%
U.S. MidCap Growth	10.0%	5.99%
U.S. MidCap Value	10.0%	4.78%
Non-U.S. Equity	10.0%	6.06%
Private Real Estate Property	15.0%	3.85%
Timber	2.5%	4.06%
	<u>100%</u>	

Concentrations

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

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

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.11%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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E. Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2019 were as follows:

Total pension liability	\$	315,879,001
Plan fiduciary net position		<u>258,826,783</u>
Net Pension Liability	\$	<u><u>57,052,218</u></u>
Plan fiduciary net position as a percentage of the total pension liability		81.94%

F. Actuarial Assumptions

The total pension liability for the plan was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	4.00% for Police and Fire, rates that vary by age for all others
Investment rate of return	6.75%

Pension plan mortality rates were based on the RP-2000 Combined Healthy Mortality Table with generational projection per scale AA; other mortality assumptions apply to disabled lives and pre-retirement.

G. Discount Rate

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

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H. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2018	\$ 314,123,128	\$ 259,954,977	\$ 54,168,151
Changes for the year:			
Service cost	3,008,774		3,008,774
Interest on total pension liability	20,643,923		20,643,923
Effect of economic/demographic gains or losses	1,070,191		1,070,191
Employer contributions		5,399,899	(5,399,899)
Member contributions		1,309,166	(1,309,166)
Net investment income		15,456,214	(15,456,214)
Benefit payments, including refund of employee contributions	(22,967,015)	(22,967,015)	
Administrative expenses		(326,458)	326,458
Net changes	<u>1,755,873</u>	<u>(1,128,194)</u>	<u>2,884,067</u>
Balances as of June 30, 2019	<u>\$ 315,879,001</u>	<u>\$ 258,826,783</u>	<u>\$ 57,052,218</u>

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 90,736,403	\$ 57,052,218	\$ 28,622,025

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

For the year ended June 30, 2019, the Town recognized pension expense of \$8,665,564. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 356,730	\$ 306,220
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>4,037,495</u>
Total	<u>\$ 356,730</u>	<u>\$ 4,343,715</u>

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

<u>Year Ending June 30,</u>	
2020	\$ 112,252
2021	(3,526,959)
2022	(879,390)
2023	<u>307,112</u>
Total	<u>\$ (3,986,985)</u>

Connecticut Teachers Retirement System - Pension

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement

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

Disability Retirement

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

C. Contributions

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

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Employer (School Districts)

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

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

Employees

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

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

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

At June 30, 2019, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>170,634,027</u>
Total	\$	<u>170,634,027</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2019, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2019, the Town recognized pension expense and revenue of \$19,150,654 in Exhibit II for on-behalf amounts for the benefits provided by the State.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25%-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

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Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Large Cap U.S. Equities	21%	5.80%
Developed Non-U.S.	18%	6.60%
Emerging Markets (non-U.S.)	9%	8.30%
Real Estate	7%	5.10%
Private Equity	11%	7.60%
Alternative Investments	8%	4.10%
Core Fixed Income	7%	1.30%
High Yield Bonds	5%	3.90%
Emerging Market Bond	5%	3.70%
Inflation Linked Bond Fund	3%	1.00%
Cash	6%	0.40%
	<u>100%</u>	

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F. Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

H. Other Information

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

Defined Contribution Pension Plan

The Town administers a defined contribution pension plan that was opened to new members and contributions beginning in 1999. In a defined contribution plan, benefits depend solely on the amounts contributed to the plan plus investment earnings. Employees are vested after five years of service with the Town and contribute between 6-8% annually, depending on the union. Plan investments are reported at fair value. Benefits and contributions are established by the Town and may be amended by the Town Council and union negotiations. The Town's contribution for the fiscal year ended June 30, 2019 was \$1,407,591.

10. OTHER POST EMPLOYMENT BENEFITS PLAN

A. Plan Description

The Town, in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The single-employer plan covers Town, Board of Education, Police and Fire employees as further defined in collective bargaining agreements and other written materials. Eligibility and premium sharing information is detailed in the various collective bargaining agreements. The Town does not issue separate stand-alone financial statements for the plan. At July 1, 2018, plan membership consisted of the following:

Active members	967
Retired members	896
Beneficiaries	75
Spouses of retired members	<u>289</u>
Total Participants	<u><u>2,227</u></u>

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B. Funding Policy

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

Town Hall

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

Medical Benefits:

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

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

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

Life Insurance:

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

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

Police

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

Medical Benefits:

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

Life Insurance:

\$5,000 until age 65.

Firefighters

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

Medical Benefits:

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

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

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

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Public Works

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

Medical Benefits:

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

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

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

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

Life Insurance:

\$5,000 until age 65.

Supervisors

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

Medical Benefits:

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

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

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

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

Life Insurance:

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

BOE Custodians

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

Medical and Dental Benefits:

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

Life Insurance:

\$15,000.

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BOE Nurses

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

Medical and Dental Benefits:

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

BOE Administrators

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

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

Medical and Dental Benefits:

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

BOE Paraprofessional/Cafeteria Workers

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

Medical and Dental Benefits:

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

Life Insurance:

\$7,000

BOE Secretaries

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

Medical and Dental Benefits:

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

Life Insurance:

\$15,000.

BOE Teachers

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

Medical and Dental Benefits:

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

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C. Investments

Investment Policy

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

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 8.54%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net OPEB Liability of the Town

The components of the net OPEB liability of the Town at June 30, 2019, were as follows:

Total OPEB Liability	\$	289,378,757
Plan fiduciary net position		<u>5,494,362</u>
Net OPEB Liability	\$	<u><u>283,884,395</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		1.90%

E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Discount rate	3.87%
Healthcare cost trend rates	5.50% to 4.60% over 60 years

Mortality rates were based on the RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, separate tables for nonannuitants and annuitants, projected to the valuation date with Scale AA, and separate tables for healthy and disabled lives.

The actuarial assumptions used in the July 1, 2018 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. A full actuarial experience study has not been completed.

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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
U.S. Core Fixed Income	30%	2.40%
U.S. Large Caps	20%	4.33%
U.S. Midcap Growth	10%	5.74%
U.S. Midcap Value	10%	4.53%
Non-U.S. Equity	10%	5.81%
Private Real Estate Property	15%	3.85%
Timber	5%	4.06%
	<u>100%</u>	

F. Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

G. Changes in OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2018	\$ 278,438,343	\$ 5,022,624	\$ 273,415,719
Changes for the year:			
Service cost	9,058,667		9,058,667
Interest on total OPEB liability	10,954,251		10,954,251
Effect of economic/demographic gains or losses	(13,464,717)		(13,464,717)
Effect of assumptions/changes or inputs	13,360,189		13,360,189
Employer contributions		9,017,976	(9,017,976)
Net investment income		432,544	(432,544)
Benefit payments, including refund of employee contributions	(8,967,976)	(8,967,976)	-
Administrative expenses		(10,806)	10,806
Net changes	<u>10,940,414</u>	<u>471,738</u>	<u>10,468,676</u>
Balances as of June 30, 2019	<u>\$ 289,378,757</u>	<u>\$ 5,494,362</u>	<u>\$ 283,884,395</u>

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

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

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB Liability	\$ 344,060,461	\$ 283,884,395	\$ 234,977,301

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

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

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 238,212,202	\$ 283,884,395	\$ 342,888,531

**TOWN OF STRATFORD, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019**

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

For the year ended June 30, 2019, the Town recognized OPEB expense of \$16,846,643. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$	\$ 11,143,214
Changes of assumptions	11,056,708	7,363,695
Net difference between projected and actual earnings on OPEB plan investments		<u>421,830</u>
Total	<u>\$ 11,056,708</u>	<u>\$ 18,928,739</u>

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

Year Ending June 30,

2020	\$ (2,975,429)
2021	(2,975,429)
2022	(1,842,553)
2023	(64,202)
2024	<u>(14,418)</u>
Total	<u>\$ (7,872,031)</u>

Other Post Employment Benefit - Connecticut State Teachers Retirement Plan

A. Plan Description

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

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

B. Benefit Provisions

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

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

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

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

Survivor Health Care Coverage

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

C. Eligibility

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

Credited Service

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

Normal Retirement

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

**TOWN OF STRATFORD, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019**

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

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

Employer (School Districts)

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

Employees

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

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

At June 30, 2019, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		<u>34,110,853</u>
Total	\$	<u><u>34,110,853</u></u>

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2019, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2019, the Town recognized OPEB expense and revenue of (\$11,331,605) in Exhibit II for on-behalf amounts for the benefits provided by the State.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.27%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

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

I. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

11. PENSION AND OPEB TRUST FUNDS COMBINING SCHEDULES

Combining Schedule of Net Position - Trust Funds

	Pension Trust Fund	OPEB Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 2,155,237	\$ 199,744	\$ 2,354,981
Investments:			
Mutual funds	79,239,031	5,294,618	84,533,649
Pooled, common and collective trusts	91,471,891		91,471,891
Real estate investment funds	59,907,068		59,907,068
Equity hedge funds	<u>26,053,556</u>		<u>26,053,556</u>
Total assets	<u>258,826,783</u>	<u>5,494,362</u>	<u>264,321,145</u>
Net Position:			
Restricted for Pension and OPEB Benefits	<u>\$ 258,826,783</u>	<u>\$ 5,494,362</u>	<u>\$ 264,321,145</u>

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Combining Schedule of Changes in Net Position - Trust Funds

	Pension Trust Fund	OPEB Trust Fund	Total
Additions:			
Contributions:			
Plan members	\$ 1,309,166	\$	\$ 1,309,166
Employer	<u>5,399,899</u>	<u>9,017,976</u>	<u>14,417,875</u>
Total contributions	<u>6,709,065</u>	<u>9,017,976</u>	<u>15,727,041</u>
Investment income:			
Net appreciation in fair market value of investments	11,549,187	432,544	11,981,731
Interest and dividends	<u>4,153,943</u>	<u></u>	<u>4,153,943</u>
Total investment income	<u>15,703,130</u>	<u>432,544</u>	<u>16,135,674</u>
Investment fee	<u>(483,373)</u>	<u></u>	<u>(483,373)</u>
Net investment income	<u>15,219,757</u>	<u>432,544</u>	<u>15,652,301</u>
Total additions	<u>21,928,822</u>	<u>9,450,520</u>	<u>31,379,342</u>
Deductions:			
Benefits	22,967,016	8,967,976	31,934,992
Other	<u>90,000</u>	<u>10,806</u>	<u>100,806</u>
Total deductions	<u>23,057,016</u>	<u>8,978,782</u>	<u>32,035,798</u>
Net Increase (Decrease)	(1,128,194)	471,738	(656,456)
Net Position - Beginning of Year	<u>259,954,977</u>	<u>5,022,624</u>	<u>264,977,601</u>
Net Position - End of Year	<u>\$ 258,826,783</u>	<u>\$ 5,494,362</u>	<u>\$ 264,321,145</u>

12. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Town purchases commercial property, boiler, and machinery insurance for losses in excess of \$50,000 to the Town's real estate, third party liability insurance up to \$10,000,000 for claims above a \$1,000,000 self-insured retention. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2019.

The Town is self-insured for medical, dental, workers' compensation and heart and hypertension. The Town has opted to manage certain of its risks internally and has set aside assets for claim settlement in its Internal Service Fund. The Internal Service Fund services employee health and workers' compensation claims for risk of loss. Under the program, the Town is obligated for claim payments. The Town has purchased a stop loss policy for individual claims exceeding \$500,000 for hospital and major medical. All departments of the Town participate in the program and make payments to the Internal Service Fund based on estimates of the amount needed to provide for normal occurrence of claims.

**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Health Benefit Fund:

<u>Fiscal Year</u>	<u>Claims Payable July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Payment of Claims</u>	<u>Claims Payable June 30,</u>
2018	\$ 737,000	\$ 3,912,355	\$ 3,972,355	\$ 677,000
2019	677,000	5,095,763	5,026,763	746,000

Workers Compensation Fund:

<u>Fiscal Year</u>	<u>Claims Payable July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Payment of Claims</u>	<u>Claims Payable June 30,</u>
2018	\$ 12,992,157	\$ 2,124,770	\$ 2,512,610	\$ 12,604,317
2019	12,604,317	4,872,871	4,539,730	12,937,458

B. Contingent Liabilities and Commitments

Lawsuits

There are several personal injury, negligence and personnel related lawsuits pending against the Town. The outcome and eventual liability of the Town, if any, in these cases is not known at this time. Based upon consultation with legal counsel, the Town's management estimates that potential claims against the Town not covered by insurance resulting from such litigation would not materially affect the financial position of the Town. The Town has recorded in the government-wide financial statements \$1,00,000 to cover claims not covered by insurance. At this time, the Town has determined that none of the claims outstanding are due within the next 12 months.

Municipal Solid Waste Service Agreement

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

Federal and State Assistance Programs - Compliance Audits

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

13. SUBSEQUENT EVENTS

On December 19, 2019, the Town issued bond anticipation notes in the amount of \$5,440,000. The notes are due on September 17, 2020 and have an interest rate of 2%.



**Required
Supplementary
Information**

**TOWN OF STRATFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Property taxes:				
Current levy	\$ 178,806,144	\$ 178,806,144	\$ 178,838,454	\$ 32,310
Arrears	3,000,000	3,000,000	3,618,852	618,852
Interest and lien fees	2,250,000	2,250,000	1,918,632	(331,368)
Tax refunds and adjustments			(459,614)	(459,614)
Payments in lieu of taxes	200,000	200,000	133,929	(66,071)
Total property taxes	<u>184,256,144</u>	<u>184,256,144</u>	<u>184,050,253</u>	<u>(205,891)</u>
Intergovernmental revenues:				
State:				
Education equalization grant	21,887,270	21,887,270	21,908,704	21,434
School bond principal	188,843	188,843		(188,843)
School bond interest	4,518	4,518		(4,518)
Special education	2,300,000	2,300,000	2,236,988	(63,012)
Veterans' additional relief	145,000	145,000	116,267	(28,733)
In lieu of State property tax	111,926	111,926	213,514	101,588
State disability exemption	9,900	9,900	7,776	(2,124)
Elderly exemption and circuit breaker	560,000	560,000		(560,000)
Elderly freeze	6,000	6,000		(6,000)
State health CGS	83,530	83,530	66,296	(17,234)
State telecom personal property	145,000	145,000	97,798	(47,202)
Municipal sales tax sharing	117,569	117,569		(117,569)
Municipal revenue sharing	3,507,689	3,507,689	3,507,689	-
Airplane registration	55,000	55,000	52,525	(2,475)
Mashantucket grant	160,760	160,760	30,567	(130,193)
Motor vehicle property tax grant	327,746	327,746		(327,746)
Total state	<u>29,610,751</u>	<u>29,610,751</u>	<u>28,238,124</u>	<u>(1,372,627)</u>
Federal:				
Civil preparedness	19,200	19,200		(19,200)
In lieu of Federal property tax	1,500	1,500	1,638	138
Total federal	<u>20,700</u>	<u>20,700</u>	<u>1,638</u>	<u>(19,062)</u>
Total intergovernmental revenues	<u>29,631,451</u>	<u>29,631,451</u>	<u>28,239,762</u>	<u>(1,391,689)</u>

(Continued on next page)

**TOWN OF STRATFORD, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Departmental revenues:				
Education	\$ 25,200	\$ 25,200	\$ 182,135	\$ 156,935
Finance	375,000	375,000	134,133	(240,867)
Fire Department	55,000	55,000	40,303	(14,697)
Health Department	217,980	217,980	96,606	(121,374)
Inland Wetlands	16,000	16,000	13,236	(2,764)
Planning and Zoning	160,000	160,000	108,176	(51,824)
Police Department	398,000	398,000	267,229	(130,771)
Public Works	530,000	530,000	520,460	(9,540)
Recreation	255,000	255,000	151,717	(103,283)
Sanitation	330,000	330,000	352,933	22,933
Senior services	9,000	9,000	7,616	(1,384)
Town Attorney			78,656	78,656
Town Clerk	1,009,200	1,009,200	1,049,433	40,233
Total departmental revenues	<u>3,380,380</u>	<u>3,380,380</u>	<u>3,002,633</u>	<u>(377,747)</u>
Licenses and permits:				
Building permits	741,400	741,400	644,070	(97,330)
Boothe Memorial Park income	36,000	36,000	31,620	(4,380)
Street and sewer permits	12,500	12,500	26,328	13,828
Beach stickers/concessions	90,000	90,000	103,476	13,476
Total licenses and permits	<u>879,900</u>	<u>879,900</u>	<u>805,494</u>	<u>(74,406)</u>
Investment income	<u>350,000</u>	<u>350,000</u>	<u>1,082,636</u>	<u>732,636</u>
Other:				
Miscellaneous rental:				
Cell tower rentals	162,000	162,000	163,576	1,576
Baldwin rental	3,000	3,000	4,300	1,300
Beach house rental	25,000	25,000	27,000	2,000
Medicare reimbursement	125,000	125,000		(125,000)
Social Security reimbursements	147,500	147,500		(147,500)
Medical examination reimbursements	16,000	16,000		(16,000)
Workers' compensation recovery	50,000	50,000		(50,000)

(Continued on next page)

TOWN OF STRATFORD, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Other (continued):				
Insurance recovery	\$ 50,000	\$ 50,000	\$ 1,287,880	\$ 1,237,880
Miscellaneous	318,000	318,000	584,489	266,489
Police special duty - administration	100,000	100,000	21,055	(78,945)
Town property sales	200,000	200,000		(200,000)
Boothe Estates	67,000	67,000	98,703	31,703
Total other	<u>1,263,500</u>	<u>1,263,500</u>	<u>2,187,003</u>	<u>923,503</u>
Total revenues	219,761,375	219,761,375	219,367,781	(393,594)
Other financing sources:				
Transfers in	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,150,000</u>	<u>-</u>
Total	<u>\$ 220,911,375</u>	<u>\$ 220,911,375</u>	220,517,781	<u>\$ (393,594)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut pension expense relative to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted	19,150,654
State of Connecticut OPEB revenue relative to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted	(11,331,605)
Transfers consolidated for GASB Statement No. 54	(560,714)
Revenues consolidated for GASB Statement No. 54	<u>1,410,443</u>

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

\$ 229,186,559

**TOWN OF STRATFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Administration:				
Council Clerk	\$ 86,804	\$ 86,804	\$ 76,503	\$ 10,301
Office of the Mayor	296,540	296,540	293,120	3,420
Human resources	701,528	701,528	699,499	2,029
Town Attorney	1,402,587	1,402,587	1,440,138	(37,551)
Chief Administrative Officer	328,925	328,925	320,016	8,909
Department of Planning	354,462	354,462	352,269	2,193
Registrar of Voters	302,450	302,450	302,307	143
Town Clerk	379,360	379,360	377,382	1,978
Town buildings	1,201,800	1,201,800	1,348,333	(146,533)
Agencies	214,015	214,015	194,075	19,940
Information Technology	534,112	534,112	506,843	27,269
Total	<u>5,802,583</u>	<u>5,802,583</u>	<u>5,910,485</u>	<u>(107,902)</u>
Contingency	<u>4,156,877</u>	<u>4,151,877</u>	<u>4,431,444</u>	<u>(279,567)</u>
Employee benefits	<u>32,991,216</u>	<u>32,991,216</u>	<u>32,866,904</u>	<u>124,312</u>
Finance:				
Administration	185,307	185,307	183,638	1,669
Accounting	549,432	549,432	486,431	63,001
Purchasing	177,053	177,053	168,879	8,174
Tax Assessor	516,783	516,783	469,122	47,661
Tax Collector	482,161	482,161	476,215	5,946
Total	<u>1,910,736</u>	<u>1,910,736</u>	<u>1,784,285</u>	<u>126,451</u>
Human development:				
Community services	481,538	481,538	480,446	1,092
Economic Community Development	274,718	274,718	223,636	51,082
Health Department	701,016	706,016	704,481	1,535
Recreation Department	722,225	722,225	719,363	2,862
Senior Services	544,585	544,585	540,085	4,500
Sterling House	167,008	167,008	167,008	-
Stratford Library Association	3,160,561	3,160,561	3,095,506	65,055
Visiting Nurses Association	53,500	53,500	53,000	500
Short Beach	172,485	172,485	172,381	104
Total	<u>6,277,636</u>	<u>6,282,636</u>	<u>6,155,906</u>	<u>126,730</u>

(Continued on next page)

TOWN OF STRATFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Physical development:				
Public works:				
Administration	\$ 605,709	\$ 605,709	\$ 586,718	\$ 18,991
Building inspection	270,193	270,193	311,929	(41,736)
Building maintenance	1,831,121	1,831,121	1,760,973	70,148
Engineering	375,726	375,726	288,359	87,367
Parks	2,292,086	2,292,086	2,279,226	12,860
Highways	2,546,501	2,546,501	2,530,158	16,343
Town garage	727,819	727,819	729,451	(1,632)
Sanitation/refuse	4,393,138	4,393,138	4,438,710	(45,572)
Total	<u>13,042,293</u>	<u>13,042,293</u>	<u>12,925,524</u>	<u>116,769</u>
Public safety:				
Fire Department:				
Administration	386,206	386,206	356,676	29,530
Fire prevention	11,810,798	11,810,798	12,075,000	(264,202)
Fire suppression	380,416	380,416	377,079	3,337
Communications center	1,109,579	1,109,579	1,092,392	17,187
Police Department:				
Administration	662,615	662,615	587,865	74,750
Investigation	1,925,506	1,925,506	2,163,461	(237,955)
Patrol	6,452,934	6,452,934	7,045,732	(592,798)
Traffic	676,302	676,302	682,422	(6,120)
Professional Standards	679,407	679,407	581,185	98,222
Police records	401,749	401,749	353,586	48,163
Total	<u>24,485,512</u>	<u>24,485,512</u>	<u>25,315,398</u>	<u>(829,886)</u>
Board of Education	<u>111,878,542</u>	<u>111,878,542</u>	<u>111,878,542</u>	<u>-</u>
Debt service:				
Bonds payable:				
Principal and interest	<u>19,805,266</u>	<u>19,805,266</u>	<u>17,738,398</u>	<u>2,066,868</u>
Total	<u>19,805,266</u>	<u>19,805,266</u>	<u>17,738,398</u>	<u>2,066,868</u>
Total expenditures	<u>220,350,661</u>	<u>220,350,661</u>	<u>219,006,886</u>	<u>1,343,775</u>

(Continued on next page)

**TOWN OF STRATFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing uses:				
Transfers out	\$ <u>560,714</u>	\$ <u>560,714</u>	\$ <u>560,714</u>	\$ <u>-</u>
Total	\$ <u>220,911,375</u>	\$ <u>220,911,375</u>	219,567,600	\$ <u>1,343,775</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut pension expense relative to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted	19,150,654
State of Connecticut OPEB revenue relative to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted	(11,331,605)
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	899,155
Transfers consolidated for GASB Statement No. 54	(560,714)
Expenditures consolidated for GASB Statement No. 54	<u>466,136</u>

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

\$ 228,191,226

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total pension liability:						
Service cost	\$ 3,739	\$ 3,386	\$ 3,338	\$ 3,169	\$ 3,143	\$ 3,009
Interest	19,881	19,991	20,161	20,268	20,662	20,644
Effect of economic/demographic gains or losses	(462)	(1,301)	1,019	4,548	(1,327)	1,070
Benefit payments	(20,286)	(20,807)	(21,504)	(22,019)	(22,252)	(22,967)
Net change in total pension liability	2,872	1,269	3,014	5,966	226	1,756
Total pension liability - beginning	300,776	303,648	304,917	307,931	313,897	314,123
Total pension liability - ending	<u>303,648</u>	<u>304,917</u>	<u>307,931</u>	<u>313,897</u>	<u>314,123</u>	<u>315,879</u>
Plan fiduciary net position:						
Contributions - employer	162,209	5,221	5,393	5,385	5,644	5,400
Contributions - member	1,683	1,578	1,661	1,447	1,387	1,309
Net investment income (loss)	26,333	9,918	(1,004)	28,887	22,479	15,456
Benefit payments, including refunds of member contributions	(20,286)	(20,807)	(21,504)	(22,019)	(22,252)	(22,967)
Administrative expense	(239)	(400)	(264)	(295)	(305)	(326)
Net change in plan fiduciary net position	169,700	(4,490)	(15,718)	13,405	6,953	(1,128)
Plan fiduciary net position - beginning	90,105	259,805	255,315	239,597	253,002	259,955
Plan fiduciary net position - ending	<u>259,805</u>	<u>255,315</u>	<u>239,597</u>	<u>253,002</u>	<u>259,955</u>	<u>258,827</u>
Net Pension Liability - Ending	<u>\$ 43,843</u>	<u>\$ 49,602</u>	<u>\$ 68,334</u>	<u>\$ 60,895</u>	<u>\$ 54,168</u>	<u>\$ 57,052</u>
Plan fiduciary net position as a percentage of the total pension liability	85.56%	83.73%	77.81%	80.60%	82.76%	81.94%
Covered payroll	\$ 22,771	\$ 22,237	\$ 20,317	\$ 19,912	\$ 18,756	\$ 18,713
Net pension liability as a percentage of covered payroll	192.54%	223.06%	336.34%	305.82%	288.80%	304.88%

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$ 7,233,412	\$ 8,526,398	\$ 8,521,128	\$ 10,264,676	\$ 12,720,477	\$ 5,185,559	\$ 5,212,079	\$ 5,470,701	\$ 5,830,217	\$ 6,088,400
Contributions in relation to the actuarially determined contribution	<u>7,233,452</u>	<u>8,526,398</u>	<u>8,493,774</u>	<u>9,778,500</u>	<u>162,209,000</u>	<u>5,220,969</u>	<u>5,393,200</u>	<u>5,385,385</u>	<u>5,643,634</u>	<u>5,399,899</u>
Contribution Deficiency (Excess)	\$ <u>(40)</u>	\$ <u>-</u>	\$ <u>27,354</u>	\$ <u>486,176</u>	\$ <u>(149,488,523)</u>	\$ <u>(35,410)</u>	\$ <u>(181,121)</u>	\$ <u>85,316</u>	\$ <u>186,583</u>	\$ <u>688,501</u>
Covered payroll	\$ 24,001,108	\$ 24,238,011	\$ 23,991,550	\$ 23,551,913	\$ 22,770,569	\$ 22,237,216	\$ 20,317,247	\$ 19,912,480	\$ 18,755,885	\$ 18,713,339
Contributions as a percentage of covered payroll	30.14%	35.18%	35.40%	41.52%	712.36%	23.48%	26.54%	27.05%	30.09%	28.86%

Notes to Schedule

Valuation date: July 1, 2018
Measurement date: June 30, 2019

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	4% for Police and Fire; rates vary by age for all others
Investment rate of return	6.75%
Retirement age	Rates vary by length of service for Police and Fire; rates vary by age for all others
Mortality	Based on RP-2000 Combined Healthy Mortality with generational projection Scale AA

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	13.03%	3.91%	-0.40%	12.38%	9.11%	6.11%

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>127,624,060</u>	<u>138,076,507</u>	<u>179,093,051</u>	<u>169,755,214</u>	<u>170,634,027</u>
Total	<u>\$ 127,624,060</u>	<u>\$ 138,076,507</u>	<u>\$ 179,093,051</u>	<u>\$ 169,755,214</u>	<u>\$ 170,634,027</u>
Town's covered payroll	\$ 47,921,000	\$ 49,711,000	\$ 51,654,000	\$ 53,337,000	\$ 53,913,000
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%	57.69%

Notes to Schedule

Changes in benefit terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary.
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Single equivalent amortization period	17.6 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.00%, net of investment related expense

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

TOWN OF STRATFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OPEB
LAST THREE FISCAL YEARS*

(In Thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB liability:			
Service cost	\$ 10,903	\$ 9,287	\$ 9,059
Interest	8,890	10,221	10,954
Economic/demographic (gains) or losses			(13,465)
Changes of assumptions	(36,171)	(13,028)	13,360
Benefit payments	(8,447)	(8,427)	(8,968)
Net change in total OPEB liability	<u>(24,825)</u>	<u>(1,947)</u>	<u>10,940</u>
Total OPEB liability - beginning	<u>305,210</u>	<u>280,385</u>	<u>278,438</u>
Total OPEB liability - ending	<u>280,385</u>	<u>278,438</u>	<u>289,378</u>
Plan fiduciary net position:			
Contributions - employer	8,497	8,477	9,018
Net investment income	611	573	433
Benefit payments	(8,447)	(8,427)	(8,968)
Administrative expense	(2)	(43)	(11)
Net change in plan fiduciary net position	<u>659</u>	<u>580</u>	<u>472</u>
Plan fiduciary net position - beginning	<u>3,784</u>	<u>4,443</u>	<u>5,023</u>
Plan fiduciary net position - ending	<u>4,443</u>	<u>5,023</u>	<u>5,495</u>
Net OPEB Liability - Ending	<u>\$ 275,942</u>	<u>\$ 273,415</u>	<u>\$ 283,884</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.58%	1.80%	1.90%
Covered payroll	\$ 71,201	\$ 71,201	\$ 79,532
Net OPEB liability as a percentage of covered payroll	387.55%	384.00%	356.94%

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution (1)	\$ 14,021,800	\$ 14,651,000	\$ 10,901,300	\$ 11,643,400	\$ 13,330,000	\$ 20,482,200	\$ 19,699,700	\$ 21,050,753	\$ 20,679,264	\$ 22,133,340
Contributions in relation to the actuarially determined contribution	5,132,500	5,339,800	6,518,400	7,012,000	3,076,900	7,635,300	8,139,200	8,496,506	8,477,088	9,017,976
Contribution Deficiency	\$ 8,889,300	\$ 9,311,200	\$ 4,382,900	\$ 4,631,400	\$ 10,253,100	\$ 12,846,900	\$ 11,560,500	\$ 12,554,247	\$ 12,202,176	\$ 13,115,364
Covered payroll	\$ N/A	\$ 75,985,000	\$ 75,985,000	\$ 71,200,894	\$ 71,200,894	\$ 79,531,950				
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	10.05%	10.71%	11.93%	11.91%	11.34%

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

Notes to Schedule

Valuation date: July 1, 2018

Measurement date: June 30, 2019

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Healthcare cost trend rates	5.50 %, 4.60% over 60 years
Salary increases	4.0% for Police and Fire, graded by age for teachers and administrators, 3.0% for all others
Investment rate of return	3.87%
Retirement age	Retirement ages and rates vary
Mortality	Teachers and Administrators: RP-2000 Combined Healthy Mortality Table for males and females projected forward 19 years using Scale AA, with a two-year age setback. All others pre-retirement: 1994 Group Annuity Mortality. 80% of deaths among active Firefighters and Police are assumed to occur in the line of duty. 5% of deaths among all others are assumed to occur in the line of duty. All others post-retirement: RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA, with separate tables for males and females.

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	15.98%	12.83%	8.54%

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

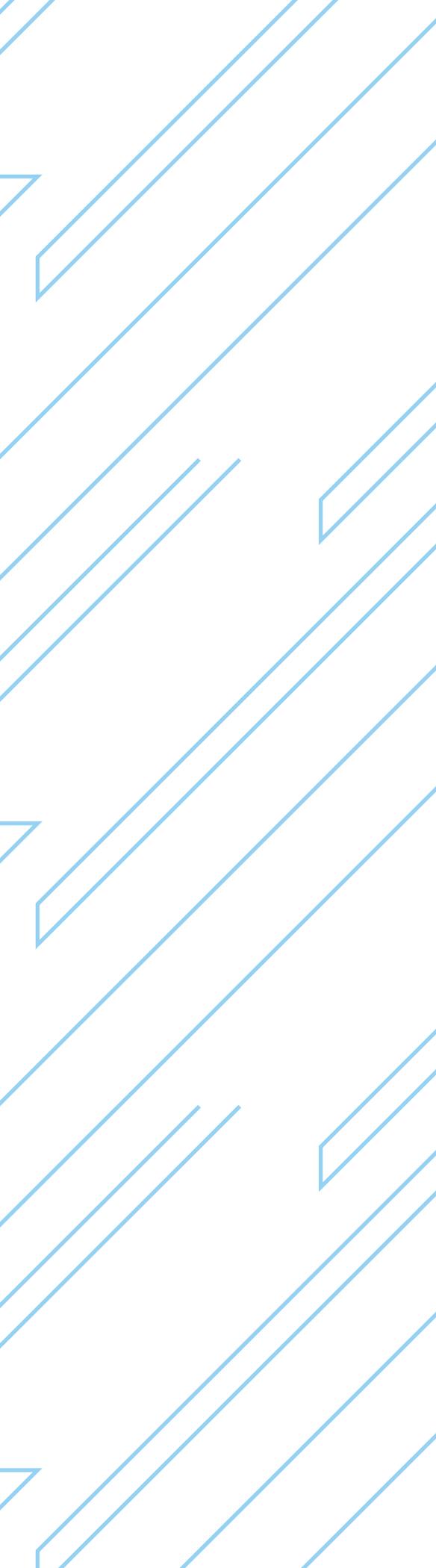
**TOWN OF STRATFORD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST TWO FISCAL YEARS***

	<u>2018</u>	<u>2019</u>
Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>43,693,067</u>	<u>34,110,853</u>
Total	<u>\$ 43,693,067</u>	<u>\$ 34,110,853</u>
Town's covered payroll	\$ 53,337,000	\$ 53,913,000
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%

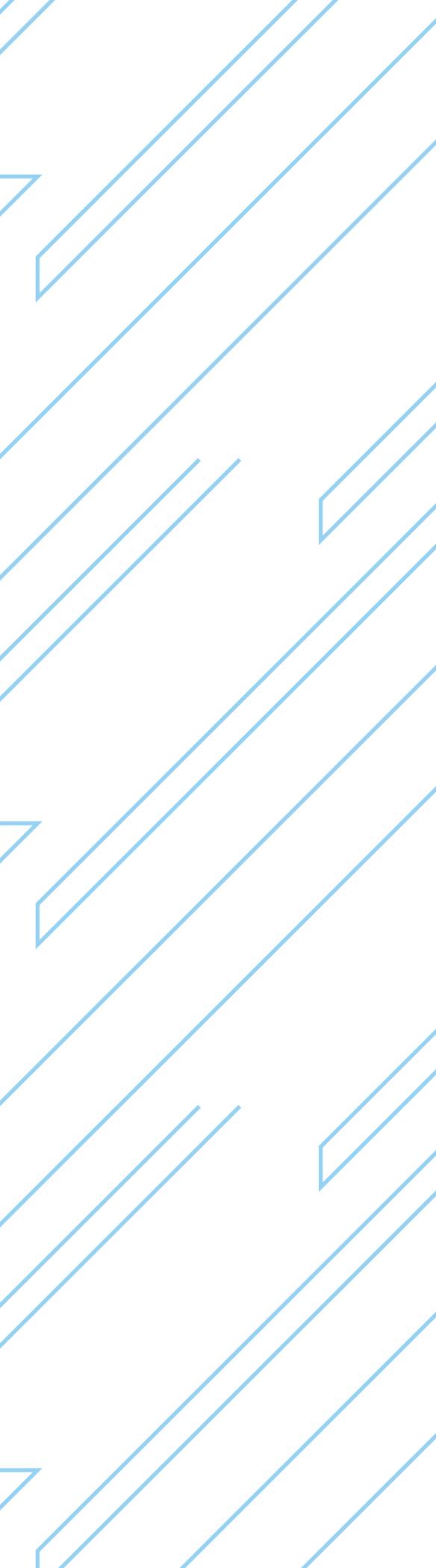
Notes to Schedule

Changes in benefit terms	Effective July 1, 2018, Medicare Advantage Plan was added to available options, changed the base plan to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amounts, and introduced a two-year waiting period for re-enrollment in a System-sponsored Plan for those who cancel their coverage or choose not to enroll after the effective date.
Changes of assumptions	<p>The expected rate of return on assets was changed from 2.75% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments.</p> <p>Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2018 was updated to equal the Municipal Bond Index Rate as of June 30, 2018. The System selected the 3.87% discount rate used to measure the Total OPEB Liability as of the June 30, 2018 measurement date</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2018.</p> <p>The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated to better reflect the expected differences between the Medicare Supplement and Medicare Advantage Plan amounts as part of the plan change that became effective on July 1, 2018.</p> <p>Long-term health care cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods.</p> <p>The percentage of retired members who are not currently participating in the Plan, but are expected to elect coverage for themselves and their spouses under a System-sponsored health care plan option in the future, was updated to better reflect anticipated plan experience.</p> <p>The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options, as well as the portion who are expected to migrate to the Medicare Advantage Plan over the next several years, were updated to better reflect anticipated plan experience after the plan change that became effective on July 1, 2018.</p> <p>The post-disability mortality table was updated to extend the period of projected mortality improvements from 2017 to 2020. This change was made to better reflect anticipated post-disablement plan experience.</p> <p>The percentages of deferred, vested members who will become ineligible for future health care benefits because they are expected to withdraw their contributions from the System was updated to better reflect anticipated plan experience.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

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



Combining and Individual Fund Statements and Schedules



General Fund

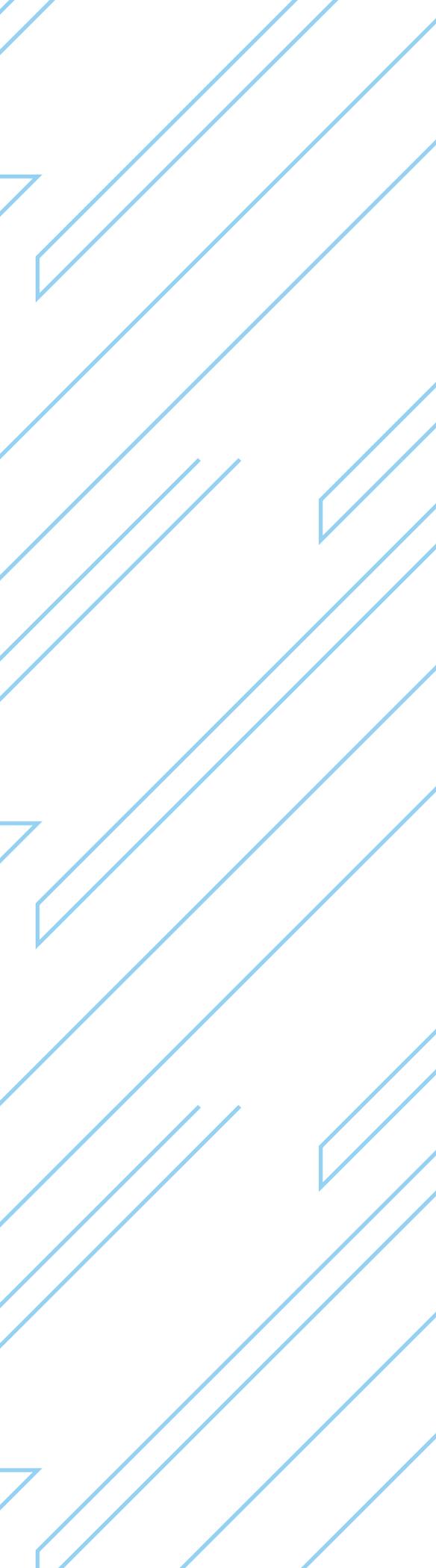
GENERAL FUND

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

**TOWN OF STRATFORD, CONNECTICUT
GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2019**

Grand List	Uncollected Taxes July 1, 2018	Current Levy	Lawful Corrections	Transfers To Suspense	Adjusted Taxes Collectible	Collections				Total Collected	Uncollected Taxes June 30, 2019
						Taxes Paid	Interest	Lien	Other		
2017	\$	\$ 182,825,341	\$ (915,549)	\$ (1,424)	\$ 181,908,368	\$ 178,033,540	\$ 677,588	\$ 600	\$ 585	\$ 178,712,313	\$ 3,874,828
2016	4,562,247		(110,561)	(56,372)	4,395,314	2,557,727	520,280	5,758	137,982	3,221,747	1,837,587
2015	1,824,926		(33,349)	(1,392)	1,790,185	555,516	268,982	2,428	29,105	856,031	1,234,669
2014	1,263,581		40,619	(616,537)	687,663	280,695	158,697	1,296	7,048	447,736	406,968
2013	347,987		(35,317)	(1,332)	311,338	119,318	90,583	504		210,405	192,020
2012	212,946		(34,140)	(902)	177,904	38,777	29,542	144		68,463	139,127
2011	144,995		(34,631)	(898)	109,466	19,705	20,016	48		39,769	89,761
2010	108,200		(29,757)	(889)	77,554	1,820	(3,278)	(48)		(1,506)	75,734
2009	96,367		(30,324)	(9,544)	56,499	(5,506)	1,400	(120)		(4,226)	62,005
2008	48,303		(18,379)	(4,399)	25,525	3,305	10,082	24		13,411	22,220
2007	30,481		(13,673)	(4,421)	12,387						12,387
2006	11,622			(4,365)	7,257						7,257
2005	6,955				6,955						6,955
2004	168				168						168
2003	528				528						528
	<u>\$ 8,659,306</u>	<u>\$ 182,825,341</u>	<u>\$ (1,215,061)</u>	<u>\$ (702,475)</u>	<u>\$ 189,567,111</u>	<u>\$ 181,604,897</u>	<u>\$ 1,773,892</u>	<u>\$ 10,634</u>	<u>\$ 174,720</u>	<u>\$ 183,564,143</u>	<u>\$ 7,962,214</u>

* Operation of law



Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Fund	Funding Source	Function
School Lunch Program	Sale of food and grants	School lunch program
Community Development	Federal grant - DHUD and program income	Community development programs
Education Federal and State Programs	State and Federal grant	Education programs
Shellfish and Oysters	Grants and local contributions	Activities of Shellfish Commission
Counseling Center	State grants and contributions	Drug addiction counseling
Continuing Education	State and Federal grants	Continuing education
Redevelopment Agency	Grants and local contributions	Stratford Redevelopment Agency
Railroad Property	Collection of fees	Railroad station parking
Miscellaneous Grants	Federal and state grants	Health and social services program
Department of Children and Family Services	Grants and local contributions	Department of Children and Families
Recreation	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
Sewer Maintenance	Collection of fees	Miscellaneous maintenance of sewer functions
Reserve	Donations	Miscellaneous reserve funds
Police Private Duty	Charges for police services	Police private duty activity
Debt Service	Town contributions, long term debt and bond premiums	Various projects

Permanent Funds

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

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

**TOWN OF STRATFORD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds							
	<u>School Lunch Program</u>	<u>Community Development</u>	<u>Education Federal and State Programs</u>	<u>Shellfish and Oysters</u>	<u>Counseling Center</u>	<u>Continuing Education</u>	<u>Redevelopment Agency</u>	<u>Railroad Property</u>
Assets								
Cash and cash equivalents	\$ 340,952	\$	\$ 10,787	\$	\$	\$ 306,204	\$	\$
Investments								
Accounts receivable			288,267	4,248		47,943		25
Intergovernmental	462,514							
Due from other funds				269,173	55,476		77,525	415,847
Inventory	38,585							
Total Assets	<u>\$ 842,051</u>	<u>\$ -</u>	<u>\$ 299,054</u>	<u>\$ 273,421</u>	<u>\$ 55,476</u>	<u>\$ 354,147</u>	<u>\$ 77,525</u>	<u>\$ 415,872</u>
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities:								
Accounts payable	\$ 1,108,511	\$ 762	\$	\$	\$ 5,976	\$ 21,529	\$ 22,999	\$ 5,020
Accrued liabilities		495						3,094
Unearned revenue			58,702					
Due to other funds		21,020						
Total liabilities	<u>1,108,511</u>	<u>22,277</u>	<u>58,702</u>	<u>-</u>	<u>5,976</u>	<u>21,529</u>	<u>22,999</u>	<u>8,114</u>
Deferred Inflows of Resources:								
Unavailable resources - other receivables								
Fund balances:								
Nonspendable	38,585							
Restricted						332,618		
Committed			240,352	273,421	49,500		54,526	407,758
Unassigned	(305,045)	(22,277)						
Total fund balances	<u>(266,460)</u>	<u>(22,277)</u>	<u>240,352</u>	<u>273,421</u>	<u>49,500</u>	<u>332,618</u>	<u>54,526</u>	<u>407,758</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 842,051</u>	<u>\$ -</u>	<u>\$ 299,054</u>	<u>\$ 273,421</u>	<u>\$ 55,476</u>	<u>\$ 354,147</u>	<u>\$ 77,525</u>	<u>\$ 415,872</u>

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**TOWN OF STRATFORD, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds							
	Miscellaneous Grants	Department of Children and Family Services	Recreation	Town Aid Road	Senior Citizens	Police Special Services	Harbor Management	Sewer Maintenance
Assets								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$ 143,602	\$	\$
Investments								
Accounts receivable							2,145	
Intergovernmental	88,012							
Due from other funds	508,069	68,810	133,746	459,510	92,770		208,212	35,576
Inventory								
Total Assets	<u>\$ 596,081</u>	<u>\$ 68,810</u>	<u>\$ 133,746</u>	<u>\$ 459,510</u>	<u>\$ 92,770</u>	<u>\$ 143,602</u>	<u>\$ 210,357</u>	<u>\$ 35,576</u>
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities:								
Accounts payable	\$ 26,286	\$ 2,058	\$ 15,983	\$ 1	\$ 3,652	\$	\$ 21,417	\$
Accrued liabilities	5,033	6,256	4,887		372		1,244	
Unearned revenue								
Due to other funds	418,592							
Total liabilities	<u>449,911</u>	<u>8,314</u>	<u>20,870</u>	<u>1</u>	<u>4,024</u>	<u>-</u>	<u>22,661</u>	<u>-</u>
Deferred Inflows of Resources:								
Unavailable resources - other receivables	<u>88,012</u>							
Fund balances:								
Nonspendable								
Restricted		60,496		459,509				
Committed			112,876		88,746	143,602	187,696	35,576
Unassigned	58,158							
Total fund balances	<u>58,158</u>	<u>60,496</u>	<u>112,876</u>	<u>459,509</u>	<u>88,746</u>	<u>143,602</u>	<u>187,696</u>	<u>35,576</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 596,081</u>	<u>\$ 68,810</u>	<u>\$ 133,746</u>	<u>\$ 459,510</u>	<u>\$ 92,770</u>	<u>\$ 143,602</u>	<u>\$ 210,357</u>	<u>\$ 35,576</u>

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**TOWN OF STRATFORD, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds			Permanent Funds				Total Nonmajor Governmental Funds
	Reserve	Police Private Duty	Debt Service	Stratford High School	Bunnell High School	Stephen Boothe	David Boothe	
Assets								
Cash and cash equivalents	\$	\$	\$	\$ 21,502	\$ 37,920	\$ 12,557	\$ 20,947	\$ 894,471
Investments				201,080	90,500	733,068	1,601,065	2,625,713
Accounts receivable		202,454						545,082
Intergovernmental								550,526
Due from other funds	391,024		6,815,242					9,530,980
Inventory								38,585
Total Assets	\$ 391,024	\$ 202,454	\$ 6,815,242	\$ 222,582	\$ 128,420	\$ 745,625	\$ 1,622,012	\$ 14,185,357
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities:								
Accounts payable	\$ 47,788	\$	\$	\$	\$	\$	\$	\$ 1,281,982
Accrued liabilities								21,381
Unearned revenue	55,004							113,706
Due to other funds		76,096						515,708
Total liabilities	102,792	76,096	-	-	-	-	-	1,932,777
Deferred Inflows of Resources:								
Unavailable resources - other receivables								88,012
Fund balances:								
Nonspendable								38,585
Restricted				222,582	128,420	745,625	1,622,012	3,571,262
Committed	288,232	126,358	6,815,242					8,823,885
Unassigned								(269,164)
Total fund balances	288,232	126,358	6,815,242	222,582	128,420	745,625	1,622,012	12,164,568
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 391,024	\$ 202,454	\$ 6,815,242	\$ 222,582	\$ 128,420	\$ 745,625	\$ 1,622,012	\$ 14,185,357

**TOWN OF STRATFORD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds							
	School Lunch Program	Community Development	Education Federal and State Programs	Shellfish and Oysters	Counseling Center	Continuing Education	Redevelopment Agency	
Revenues:								
Intergovernmental	\$ 2,119,333	\$ 219,536	\$ 3,640,091	\$ 37,316	\$ 11,847	\$ 583,816	\$	\$
Departmental revenue	1,907,297				46,838			277,596
Licenses and permits								259,982
Investment income								
Other			302,316				116	
Total revenues	<u>4,026,630</u>	<u>219,536</u>	<u>3,942,407</u>	<u>37,316</u>	<u>58,685</u>	<u>583,816</u>	<u>116</u>	<u>537,578</u>
Expenditures:								
Current:								
General government				535				
Education	3,793,840		3,799,744			501,924		
Human development					63,973			
Physical development		211,605					23,000	492,544
Public safety								
Capital outlay								
Total expenditures	<u>3,793,840</u>	<u>211,605</u>	<u>3,799,744</u>	<u>535</u>	<u>63,973</u>	<u>501,924</u>	<u>23,000</u>	<u>492,544</u>
Excess (Deficiency) of Revenues over Expenditures	<u>232,790</u>	<u>7,931</u>	<u>142,663</u>	<u>36,781</u>	<u>(5,288)</u>	<u>81,892</u>	<u>(22,884)</u>	<u>45,034</u>
Other Financing Uses:								
Transfers out								(250,000)
Premium on bond issuance								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>
Net Change in Fund Balances	232,790	7,931	142,663	36,781	(5,288)	81,892	(22,884)	(204,966)
Fund Balances at Beginning of Year	<u>(499,250)</u>	<u>(30,208)</u>	<u>97,689</u>	<u>236,640</u>	<u>54,788</u>	<u>250,726</u>	<u>77,410</u>	<u>612,724</u>
Fund Balances at End of Year	<u>\$ (266,460)</u>	<u>\$ (22,277)</u>	<u>\$ 240,352</u>	<u>\$ 273,421</u>	<u>\$ 49,500</u>	<u>\$ 332,618</u>	<u>\$ 54,526</u>	<u>\$ 407,758</u>

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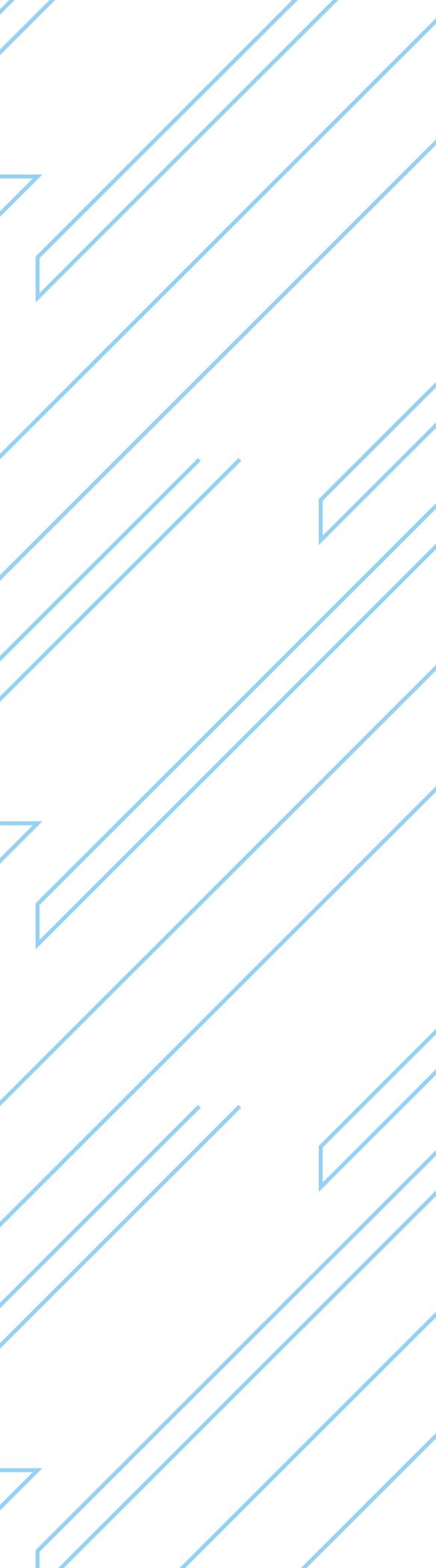
**TOWN OF STRATFORD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds							
	Miscellaneous Grants	Department of Children and Family Services	Recreation	Town Aid Road	Senior Citizens	Police Special Services	Harbor Management	Sewer Maintenance
Revenues:								
Intergovernmental	\$ 2,040,797	\$ 145,340	\$	\$ 599,920	\$ 4,369	\$	\$ 21,396	\$
Departmental revenue	76,721	234,668	248,692		74,043		42,706	
Licenses and permits								
Investment income						381		
Other	90		5,830			137,039		
Total revenues	<u>2,117,608</u>	<u>380,008</u>	<u>254,522</u>	<u>599,920</u>	<u>78,412</u>	<u>137,420</u>	<u>64,102</u>	<u>-</u>
Expenditures:								
Current:								
General government								
Education								
Human development	577,090	388,049	198,818		57,033			
Physical development	754,176	575					102,988	
Public safety	383,116					289,790		
Capital outlay				506,684				
Total expenditures	<u>1,714,382</u>	<u>388,624</u>	<u>198,818</u>	<u>506,684</u>	<u>57,033</u>	<u>289,790</u>	<u>102,988</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>403,226</u>	<u>(8,616)</u>	<u>55,704</u>	<u>93,236</u>	<u>21,379</u>	<u>(152,370)</u>	<u>(38,886)</u>	<u>-</u>
Other Financing Uses:								
Transfers out								
Premium on bond issuance								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	403,226	(8,616)	55,704	93,236	21,379	(152,370)	(38,886)	-
Fund Balances at Beginning of Year	<u>(345,068)</u>	<u>69,112</u>	<u>57,172</u>	<u>366,273</u>	<u>67,367</u>	<u>295,972</u>	<u>226,582</u>	<u>35,576</u>
Fund Balances at End of Year	<u>\$ 58,158</u>	<u>\$ 60,496</u>	<u>\$ 112,876</u>	<u>\$ 459,509</u>	<u>\$ 88,746</u>	<u>\$ 143,602</u>	<u>\$ 187,696</u>	<u>\$ 35,576</u>

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**TOWN OF STRATFORD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds			Permanent Funds				Total Nonmajor Governmental Funds
	Reserve	Police Private Duty	Debt Service	Stratford High School	Bunnell High School	Stephen Boothe	David Boothe	
Revenues:								
Intergovernmental	\$ 76,668	\$	\$	\$	\$	\$	\$	\$ 8,879,297
Departmental revenue	37,376	1,316,449						4,883,518
Licenses and permits								259,982
Investment income				13,294	5,907	91,788	84,898	196,268
Other				24,782	80,189			550,362
Total revenues	<u>114,044</u>	<u>1,316,449</u>	<u>-</u>	<u>38,076</u>	<u>86,096</u>	<u>91,788</u>	<u>84,898</u>	<u>14,769,427</u>
Expenditures:								
Current:								
General government								535
Education				73,306	81,247	92,148	90,641	8,432,850
Human development								1,284,963
Physical development	85,984							1,670,872
Public safety		1,190,091						1,862,997
Capital outlay								506,684
Total expenditures	<u>85,984</u>	<u>1,190,091</u>	<u>-</u>	<u>73,306</u>	<u>81,247</u>	<u>92,148</u>	<u>90,641</u>	<u>13,758,901</u>
Excess (Deficiency) of Revenues over Expenditures	<u>28,060</u>	<u>126,358</u>	<u>-</u>	<u>(35,230)</u>	<u>4,849</u>	<u>(360)</u>	<u>(5,743)</u>	<u>1,010,526</u>
Other Financing Uses:								
Transfers out								(250,000)
Premium on bond issuance			6,815,242					6,815,242
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,815,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,565,242</u>
Net Change in Fund Balances	28,060	126,358	6,815,242	(35,230)	4,849	(360)	(5,743)	7,575,768
Fund Balances at Beginning of Year	<u>260,172</u>	<u>-</u>	<u>-</u>	<u>257,812</u>	<u>123,571</u>	<u>745,985</u>	<u>1,627,755</u>	<u>4,588,800</u>
Fund Balances at End of Year	<u>\$ 288,232</u>	<u>\$ 126,358</u>	<u>\$ 6,815,242</u>	<u>\$ 222,582</u>	<u>\$ 128,420</u>	<u>\$ 745,625</u>	<u>\$ 1,622,012</u>	<u>\$ 12,164,568</u>



Capital Projects Fund

CAPITAL PROJECTS FUND

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

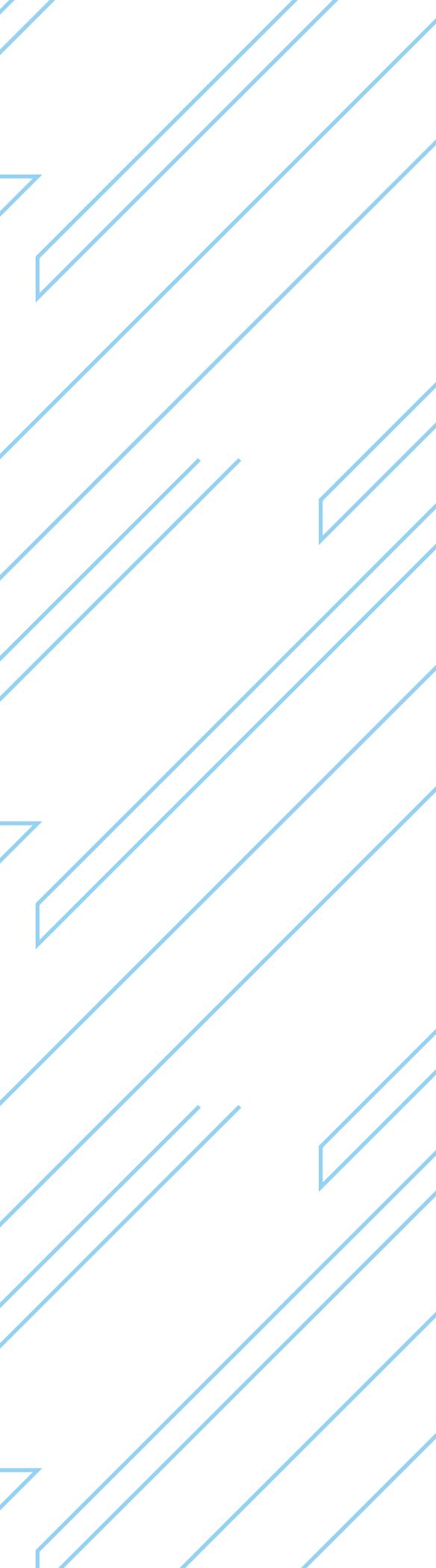
Fund	Funding Source	Function
Capital Improvements	Other financing sources	Construction and renovation projects
Capital Special Projects	Bonds	Construction and renovation projects
Sidewalk and Roads	Special assessments	Construction and improvements to sidewalks and streets
Sewer Revolving	Special assessments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

**TOWN OF STRATFORD, CONNECTICUT
CAPITAL PROJECTS FUND
PROJECT COMBINING BALANCE SHEET
JUNE 30, 2019**

	<u>Capital Improvements</u>	<u>Capital Special Projects</u>	<u>Sidewalk and Roads</u>	<u>Sewer Revolving</u>	<u>Water Hookup</u>	<u>Capital Equipment</u>	<u>Total</u>
Assets							
Special assessments	\$	\$	\$ 1,157	\$ 711,443	\$ 3,106	\$	\$ 715,706
Due from other funds	<u>34,711,150</u>	<u>11,250,940</u>		<u>1,639,040</u>		<u>102,877</u>	<u>47,704,007</u>
Total Assets	<u>\$ 34,711,150</u>	<u>\$ 11,250,940</u>	<u>\$ 1,157</u>	<u>\$ 2,350,483</u>	<u>\$ 3,106</u>	<u>\$ 102,877</u>	<u>\$ 48,419,713</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities:							
Accounts payable	\$	\$ 4,866,544	\$	\$	\$	\$ 3,073	\$ 4,869,617
Bond anticipation notes		3,175,000					3,175,000
Unearned revenue		303,963					303,963
Due to other funds		<u>520,661</u>	<u>15,511</u>		<u>91,679</u>	<u>5,272,772</u>	<u>5,900,623</u>
Total liabilities	<u>-</u>	<u>8,866,168</u>	<u>15,511</u>	<u>-</u>	<u>91,679</u>	<u>5,275,845</u>	<u>14,249,203</u>
Deferred Inflows of Resources:							
Unavailable resources - special assessments			<u>1,157</u>	<u>711,443</u>	<u>3,106</u>		<u>715,706</u>
Fund balances:							
Committed	<u>34,711,150</u>	<u>2,384,772</u>		<u>1,639,040</u>			<u>38,734,962</u>
Unassigned			<u>(15,511)</u>		<u>(91,679)</u>	<u>(5,172,968)</u>	<u>(5,280,158)</u>
Total fund balances	<u>34,711,150</u>	<u>2,384,772</u>	<u>(15,511)</u>	<u>1,639,040</u>	<u>(91,679)</u>	<u>(5,172,968)</u>	<u>33,454,804</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 34,711,150</u>	<u>\$ 11,250,940</u>	<u>\$ 1,157</u>	<u>\$ 2,350,483</u>	<u>\$ 3,106</u>	<u>\$ 102,877</u>	<u>\$ 48,419,713</u>

**TOWN OF STRATFORD, CONNECTICUT
CAPITAL PROJECTS FUND
PROJECT COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Capital Improvements</u>	<u>Capital Special Projects</u>	<u>Sidewalk and Roads</u>	<u>Sewer Revolving</u>	<u>Water Hookup</u>	<u>Capital Equipment</u>	<u>Total</u>
Revenues:							
Property taxes and assessments	\$	\$	\$	\$ 231,256	\$ 15,697	\$	\$ 246,953
Charges for services		231,619					231,619
Intergovernmental		21,757,854					21,757,854
Total revenues	-	21,989,473	-	231,256	15,697	-	22,236,426
Expenditures:							
Capital outlay		50,057,661				884,448	50,942,109
Excess (Deficiency) of Revenues over Expenditures	-	(28,068,188)	-	231,256	15,697	(884,448)	(28,705,683)
Other Financing Sources (Uses):							
Proceeds from bond issuance		70,000,000					70,000,000
Transfers in		1,088,000					1,088,000
Transfers out		(520,661)				(299,736)	(820,397)
Total other financing sources (uses)	-	70,567,339	-	-	-	(299,736)	70,267,603
Net Change in Fund Balances	-	42,499,151	-	231,256	15,697	(1,184,184)	41,561,920
Fund Balances at Beginning of Year	34,711,150	(40,114,379)	(15,511)	1,407,784	(107,376)	(3,988,784)	(8,107,116)
Fund Balances at End of Year	\$ 34,711,150	\$ 2,384,772	\$ (15,511)	\$ 1,639,040	\$ (91,679)	\$ (5,172,968)	\$ 33,454,804



Nonmajor Enterprise Funds

NONMAJOR 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 the Town's ambulance services.

**TOWN OF STRATFORD, CONNECTICUT
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019**

	<u>Short Beach Golf Course</u>	<u>Emergency Medical Services</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 7,150	\$ 277,953	\$ 285,103
Receivables:			
Accounts receivable, net		404,052	404,052
Due from other funds		46,502	46,502
Total current assets	<u>7,150</u>	<u>728,507</u>	<u>735,657</u>
Capital assets:			
Assets being depreciated, net	<u>126,909</u>	<u>1,833,987</u>	<u>1,960,896</u>
Total assets	<u>134,059</u>	<u>2,562,494</u>	<u>2,696,553</u>
Liabilities:			
Current:			
Accounts payable	25,147	96,683	121,830
Unearned revenue	2,517		2,517
Advance from other funds	1,227,942		1,227,942
Due to other funds		2,015,777	2,015,777
Bonds payable		147,000	147,000
Capital lease payable		41,863	41,863
Compensated absences		69,746	69,746
Total current liabilities	<u>1,255,606</u>	<u>2,371,069</u>	<u>3,626,675</u>
Noncurrent liabilities:			
Bonds payable		852,000	852,000
Capital lease payable		6,199	6,199
Compensated absences		162,741	162,741
Total noncurrent liabilities	<u>-</u>	<u>1,020,940</u>	<u>1,020,940</u>
Total liabilities	<u>1,255,606</u>	<u>3,392,009</u>	<u>4,647,615</u>
Net Position:			
Net investment in capital assets	126,909	786,925	913,834
Unrestricted	<u>(1,248,456)</u>	<u>(1,616,440)</u>	<u>(2,864,896)</u>
Total Net Position	<u>\$ (1,121,547)</u>	<u>\$ (829,515)</u>	<u>\$ (1,951,062)</u>

TOWN OF STRATFORD, CONNECTICUT

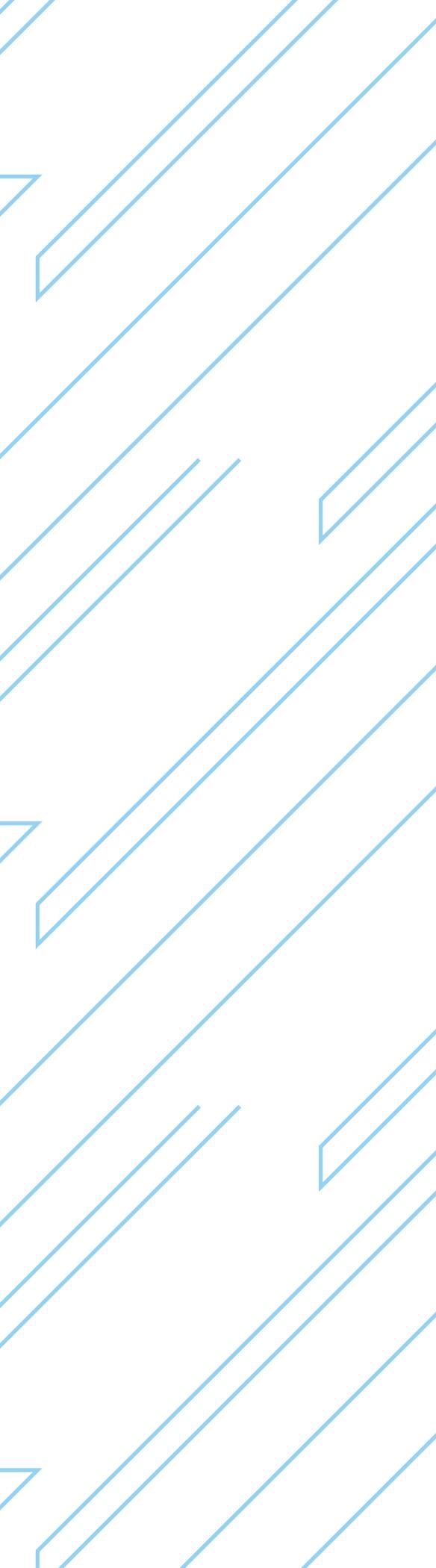
NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Short Beach Golf Course</u>	<u>Emergency Medical Services</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 215,592	\$ 2,297,230	\$ 2,512,822
Operating Expenses:			
Operating and maintenance	177,380	2,584,121	2,761,501
Depreciation	24,780	269,370	294,150
Total operating expenses	<u>202,160</u>	<u>2,853,491</u>	<u>3,055,651</u>
Operating Income (Loss)	13,432	(556,261)	(542,829)
Nonoperating Expenses:			
Interest expense	<u> </u>	<u>(43,270)</u>	<u>(43,270)</u>
Change in Net Position	13,432	(599,531)	(586,099)
Net Position - Beginning of Year	<u>(1,134,979)</u>	<u>(229,984)</u>	<u>(1,364,963)</u>
Net Position - End of Year	<u>\$ (1,121,547)</u>	<u>\$ (829,515)</u>	<u>\$ (1,951,062)</u>

**TOWN OF STRATFORD, CONNECTICUT
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	Short Beach Golf Course	Emergency Medical Services	Total
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 215,592	\$ 2,241,653	\$ 2,457,245
Cash payments to suppliers	(158,162)	(509,074)	(667,236)
Cash payments to employees	(60,982)	(2,053,195)	(2,114,177)
Payments for interfund services used	33,281	723,194	756,475
Net cash provided by (used in) operating activities	<u>29,729</u>	<u>402,578</u>	<u>432,307</u>
Cash Flows from Capital and Related Financing Activities:			
Principal payment on debt	(25,619)	(186,497)	(212,116)
Interest paid on debt	(43,270)	(43,270)	(43,270)
Net cash provided by (used in) capital and related financing activities	<u>(25,619)</u>	<u>(229,767)</u>	<u>(255,386)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,110	172,811	176,921
Cash and Cash Equivalents at Beginning of Year	<u>3,040</u>	<u>105,142</u>	<u>108,182</u>
Cash and Cash Equivalents at End of Year	<u>\$ 7,150</u>	<u>\$ 277,953</u>	<u>\$ 285,103</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 13,432	\$ (556,261)	\$ (542,829)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	24,780	269,370	294,150
Change in assets and liabilities:			
(Increase) decrease in due from other funds	207,587	(46,502)	161,085
(Increase) decrease in accounts receivable	(55,577)	(55,577)	(55,577)
Increase (decrease) in accounts payable	9,160	6,416	15,576
Increase (decrease) in unearned revenues	428	428	428
Increase (decrease) in due to other funds	(174,306)	769,696	595,390
Increase (decrease) compensated absences	<u>(51,352)</u>	<u>15,436</u>	<u>(35,916)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 29,729</u>	<u>\$ 402,578</u>	<u>\$ 432,307</u>



Internal Service Funds

Internal Service Funds

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

Health Benefit Fund - to provide reserves necessary to support an insurance program for health benefits.

Workers' Compensation Fund - to provide reserves necessary to support an insurance program for workers' compensation claims.

**TOWN OF STRATFORD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019**

	<u>Health Benefit</u>	<u>Workers' Compensation</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$	\$ 80,000	\$ 80,000
Due from other funds	2,099,804	3,348,295	5,448,099
Total assets	<u>2,099,804</u>	<u>3,428,295</u>	<u>5,528,099</u>
Current liabilities:			
Accounts payable	1,380	22,550	23,930
Due to other funds	46,502		46,502
Risk management claims	746,000		746,000
Total current liabilities	<u>793,882</u>	<u>22,550</u>	<u>816,432</u>
Noncurrent liabilities:			
Risk management claims		12,937,458	12,937,458
Total liabilities	<u>793,882</u>	<u>12,960,008</u>	<u>13,753,890</u>
Net Position:			
Unrestricted	\$ <u>1,305,922</u>	\$ <u>(9,531,713)</u>	\$ <u>(8,225,791)</u>

**TOWN OF STRATFORD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Health Benefit</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 4,608,621	\$ 2,527,584	\$ 7,136,205
Operating Expenses:			
Operating and maintenance	<u>5,026,763</u>	<u>4,539,730</u>	<u>9,566,493</u>
Change in Net Position	(418,142)	(2,012,146)	(2,430,288)
Net Position - Beginning of Year	<u>1,724,064</u>	<u>(7,519,567)</u>	<u>(5,795,503)</u>
Net Position - End of Year	<u>\$ 1,305,922</u>	<u>\$ (9,531,713)</u>	<u>\$ (8,225,791)</u>

**TOWN OF STRATFORD, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Health Benefit</u>	<u>Workers' Compensation</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 4,608,621	\$ 2,527,584	\$ 7,136,205
Cash payments to suppliers	(4,869,364)	(4,189,915)	(9,059,279)
Payments for interfund services used	260,743	1,662,331	1,923,074
Net cash provided by (used in) operating activities	-	-	-
Cash and Cash Equivalents at Beginning of Year	-	80,000	80,000
Cash and Cash Equivalents at End of Year	\$ -	\$ 80,000	\$ 80,000
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ (418,142)	\$ (2,012,146)	\$ (2,430,288)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Changes in assets and liabilities:			
Decrease (increase) in due from/to other funds	214,241	1,662,331	1,876,572
Decrease (increase) in receivables	88,405		88,405
Increase (decrease) in accounts payable	(6)	16,674	16,668
Increase (decrease) in risk management liability	69,000	333,141	402,141
Net Cash Provided by (Used in) Operating Activities	\$ -	\$ -	\$ -



Fiduciary Funds

FIDUCIARY FUND

Agency Funds

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

Senior Taxpayer Escrow - established to account for senior citizen tax payments

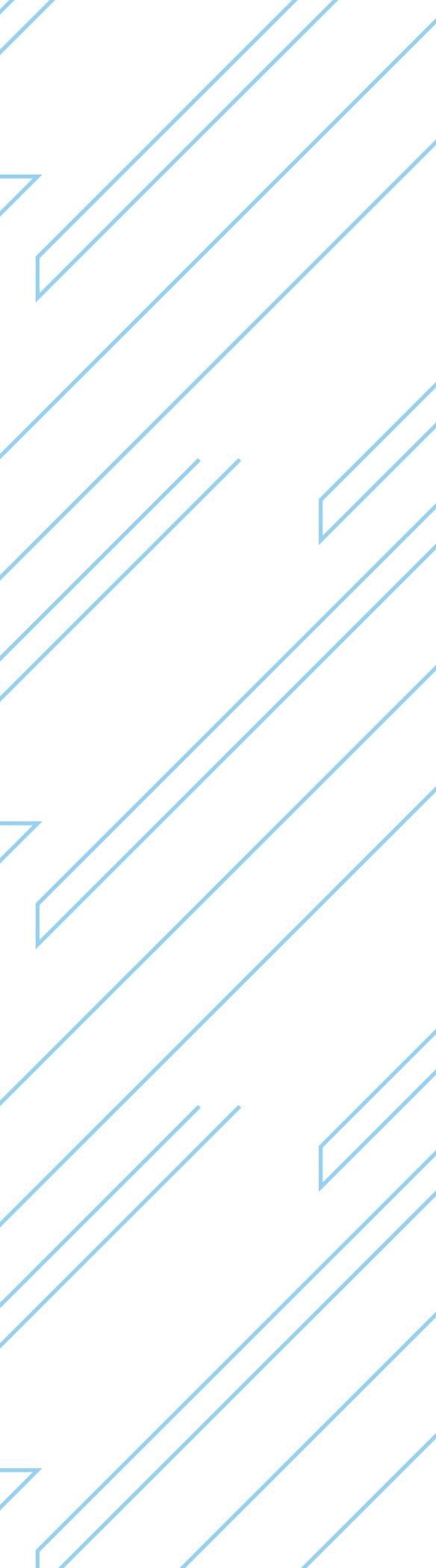
Planning & Zoning Performance Bonds - established to account for planning and zoning performance bonds

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

Teacher's Retiree Fund - established to offset medical expenses for the Stratford Board of Education retiree population.

**TOWN OF STRATFORD, CONNECTICUT
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
Student Activity Fund				
Assets:				
Cash and cash equivalents	\$ <u>343,523</u>	\$ <u>1,004,246</u>	\$ <u>1,026,644</u>	\$ <u>321,125</u>
Liabilities:				
Due to student groups	\$ <u>343,523</u>	\$ <u>1,004,246</u>	\$ <u>1,026,644</u>	\$ <u>321,125</u>
Senior Taxpayer Escrow				
Assets:				
Cash and cash equivalents	\$ <u>14,581</u>	\$ <u>35,024</u>	\$ <u>35,077</u>	\$ <u>14,528</u>
Liabilities:				
Payable to others	\$ <u>14,581</u>	\$ <u>35,024</u>	\$ <u>35,077</u>	\$ <u>14,528</u>
Planning & Zoning Performance Bonds				
Assets:				
Cash and cash equivalents	\$ <u>387,379</u>	\$ <u>193</u>	\$ <u>500</u>	\$ <u>387,072</u>
Liabilities:				
Payable to others	\$ <u>387,379</u>	\$ <u>193</u>	\$ <u>500</u>	\$ <u>387,072</u>
Inland/Wetland Performance Bonds				
Assets:				
Cash and cash equivalents	\$ <u>291,328</u>	\$ <u>145</u>	\$ <u>1,501</u>	\$ <u>289,972</u>
Liabilities:				
Payable to others	\$ <u>291,328</u>	\$ <u>145</u>	\$ <u>1,501</u>	\$ <u>289,972</u>
Teacher's Retiree Fund				
Assets:				
Cash and cash equivalents	\$ <u>214,533</u>	\$ <u>1,865,694</u>	\$ <u>1,878,680</u>	\$ <u>201,547</u>
Liabilities:				
Payable to others	\$ <u>214,533</u>	\$ <u>1,865,694</u>	\$ <u>1,878,680</u>	\$ <u>201,547</u>
Total Agency Funds				
Assets:				
Cash and cash equivalents	\$ <u>1,251,344</u>	\$ <u>2,905,302</u>	\$ <u>2,942,402</u>	\$ <u>1,214,244</u>
Liabilities:				
Due to student groups	\$ 343,523	\$ 1,004,246	\$ 1,026,644	\$ 321,125
Payable to others	<u>907,821</u>	<u>1,901,056</u>	<u>1,915,758</u>	<u>893,119</u>
Total Liabilities	\$ <u>1,251,344</u>	\$ <u>2,905,302</u>	\$ <u>2,942,402</u>	\$ <u>1,214,244</u>



Statistical Section

Statistical Section Information

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

Statistical section information is presented in the following categories:

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

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

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

TOWN OF STRATFORD, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
Net investment in capital assets	\$ 45,522	\$ 90,461	\$ 85,697	\$ 81,259	\$ 78,329	\$ 82,429	\$ 58,172	\$ 57,747	\$ 49,667	\$ 46,587
Restricted	2,719	2,755	2,670	2,476	2,709	2,793	2,527	2,407	2,543	2,279
Unrestricted	(451,891)	(496,884)	(314,761)	(293,903)	(271,442)	(69,279)	(37,138)	(47,371)	(46,500)	(36,777)
Total governmental activities net position	<u>(403,651)</u>	<u>(403,668)</u>	<u>(226,394)</u>	<u>(210,168)</u>	<u>(190,404)</u>	<u>15,943</u>	<u>23,561</u>	<u>12,783</u>	<u>5,710</u>	<u>12,089</u>
Business-type activities:										
Net investment in capital assets	14,628	15,411	14,787	15,720	14,577	18,134	19,149	19,806	20,691	21,674
Restricted	2,851	1,160	5,388	5,746	7,676	6,094	6,710	6,615	8,475	12,145
Total business-type activities net position	<u>17,479</u>	<u>16,571</u>	<u>20,175</u>	<u>21,466</u>	<u>22,253</u>	<u>24,228</u>	<u>25,859</u>	<u>26,421</u>	<u>29,166</u>	<u>33,819</u>
Total:										
Net investment in capital assets	60,150	105,872	100,484	96,979	92,906	100,563	77,321	77,553	70,358	68,261
Restricted	2,719	2,755	2,670	2,476	2,709	2,793	2,527	2,407	2,543	2,279
Unrestricted	<u>(449,040)</u>	<u>(495,724)</u>	<u>(309,373)</u>	<u>(288,156)</u>	<u>(263,765)</u>	<u>(63,185)</u>	<u>(30,428)</u>	<u>(40,756)</u>	<u>(38,025)</u>	<u>(24,632)</u>
Total Net Position	<u>\$ (386,172)</u>	<u>\$ (387,097)</u>	<u>\$ (206,219)</u>	<u>\$ (188,701)</u>	<u>\$ (168,150)</u>	<u>\$ 40,171</u>	<u>\$ 49,420</u>	<u>\$ 39,204</u>	<u>\$ 34,876</u>	<u>\$ 45,908</u>

Notes:
Schedule prepared on the accrual basis of accounting.

**TOWN OF STRATFORD, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(In Thousands)**

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
Governmental activities:										
General government	\$ 48,930	\$ 42,394	\$ 32,000	\$ 31,845	\$ 33,728	\$ 30,840	\$ 38,354	\$ 38,445	\$ 38,499	\$ 35,722
Human development	11,084	7,731	8,794	10,145	8,277	8,518	8,852	9,029	8,033	7,227
Physical development	29,201	18,709	23,659	22,908	20,537	15,320	18,900	15,466	15,099	15,466
Public safety	27,261	26,839	34,067	35,826	28,289	35,654	24,111	23,712	29,459	23,314
Education	135,011	140,801	148,968	136,979	129,334	127,895	115,002	114,759	115,686	113,161
Debt service	11,612	12,734	13,696	12,058	12,530	9,636	4,548	3,484	6,033	7,470
Total governmental activities expenses	263,098	249,208	261,184	249,761	232,695	227,863	209,767	204,895	212,809	202,360
Business-type activities:										
Waste Operating	10,169	10,570	11,232	11,394	11,768	10,560	10,106	9,654	11,685	9,864
Other	3,099	2,902	2,738	2,875	2,451	2,324	2,225	1,745	1,739	1,559
Total business-type activities	13,268	13,472	13,970	14,269	14,219	12,884	12,331	11,399	13,424	11,423
Total Expenses	276,366	262,680	275,154	264,030	246,914	240,747	222,098	216,294	226,233	213,783
Program revenues:										
Governmental activities:										
Charges for services:										
General government	2,498	3,141	2,774	2,267	2,264	2,238	1,997	2,201	1,652	1,239
Human Development	885	1,433	1,354	3,440	3,709	3,907	3,811	3,844	4,132	4,087
Physical Development	1,460	1,196	1,377	2,052	1,940	1,810	749	619	876	936
Public Safety	1,467	163	2,002	1,023	1,468	1,412	1,512	1,462	1,422	1,262
Education	2,029	1,743	2,263	1,975	1,932	2,668	2,232	2,294	2,135	2,251
Operating grants and contributions	35,952	46,589	51,984	45,266	43,875	42,140	41,710	43,581	40,374	38,694
Capital grants and contributions	29,462	26,657	7,303	4,965	12,886	4,813	3,206		146	226
Total governmental activities program revenues	73,754	80,922	69,057	60,988	68,074	58,988	55,217	54,001	50,737	48,695
Business-type activities:										
Charges for services	13,625	13,406	13,378	14,181	12,944	11,932	11,998	9,215	8,890	8,277
Capital grants and contributions	1,780						348	13	518	1,285
Total business-type activities program revenues	15,405	13,406	13,378	14,181	12,944	11,932	12,346	9,228	9,408	9,562
Total Primary Government Program Revenues	89,159	94,328	82,435	75,169	81,018	70,920	67,563	63,229	60,145	58,257
Net revenues (expenses):										
Governmental activities	(189,345)	(168,286)	(192,127)	(188,773)	(164,621)	(168,875)	(154,550)	(150,894)	(162,072)	(153,665)
Business-type activities	2,137	(66)	(592)	(88)	(1,275)	(952)	15	(2,171)	(4,016)	(1,861)
Total Net Expense	(187,207)	(168,352)	(192,719)	(188,861)	(165,896)	(169,827)	(154,535)	(153,065)	(166,088)	(155,526)
General Revenues and Other Changes in Net Assets:										
Governmental activities:										
Property taxes	183,456	179,758	173,323	166,649	163,847	158,477	156,673	152,523	150,503	143,292
Grants and contributions not restricted to specific purposes	496	708	1,389	1,593	1,550	1,750	6,152	3,948	3,986	4,209
Unrestricted investment earnings	1,279	481	489	67	158	349	209	1	453	619
Miscellaneous	2,901	1,729					1,695	894	72	29
Transfers	1,230	3,537	700	700	700	681	600	600	680	602
Total governmental activities	189,362	186,213	175,901	169,009	166,255	161,257	165,329	157,966	155,694	148,751
Business-type activities:										
Property transfer							23	27	42	85
Unrestricted investment earnings										
Transfers	(1,230)	(3,537)	(700)	(700)	(700)	(681)	(600)	(600)	(680)	(602)
Total business-type activities	(1,230)	(3,537)	(700)	(700)	(700)	(681)	(577)	(573)	(638)	(517)
Total Primary Government General Revenues	188,132	182,676	175,201	168,309	165,555	160,576	164,752	157,393	155,056	148,234
Changes in Net Position:										
Governmental activities	17	17,928	(16,226)	(19,764)	1,634	(7,618)	10,779	7,072	(6,378)	(4,914)
Business-type activities	907	(3,603)	(1,292)	(788)	(1,975)	(1,633)	(562)	(2,744)	(4,654)	(2,378)
Total Primary Government Changes in Net Position	\$ 925	\$ 14,325	\$ (17,518)	\$ (20,552)	\$ (341)	\$ (9,251)	\$ 10,217	\$ 4,328	\$ (11,032)	\$ (7,292)

Notes: Schedule prepared on the accrual basis of accounting.

TABLE 3

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,894
Unreserved										6,604
Nonspendable	1,619	1,405	1,120	1,071	770	670				
Restricted					116	116				
Assigned	191	1,064	211	17	127	612	1,666	2,284	2,322	
Unassigned	<u>5,246</u>	<u>3,591</u>	<u>7,983</u>	<u>7,238</u>	<u>7,985</u>	<u>9,006</u>	<u>9,497</u>	<u>8,790</u>	<u>6,261</u>	
Total General Fund	<u>\$ 7,056</u>	<u>\$ 6,060</u>	<u>\$ 9,314</u>	<u>\$ 8,326</u>	<u>\$ 8,998</u>	<u>\$ 10,404</u>	<u>\$ 11,163</u>	<u>\$ 11,074</u>	<u>\$ 8,583</u>	<u>\$ 8,498</u>
All Other Governmental Funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 24
Unreserved										23,026
Nonspendable	39	36	33	36	34	29	28	32	33	
Restricted	3,571	3,441	23,184	3,154	3,356	3,344	3,011	2,784	2,777	
Committed	47,559	38,141	1,593	7,030	23,275	8,953	20,612	18,045	24,116	
Unassigned	<u>(5,549)</u>	<u>(45,136)</u>	<u>(1,487)</u>	<u>(1,270)</u>	<u>(1,009)</u>	<u>(569)</u>	<u>(595)</u>	<u>(338)</u>	<u>(419)</u>	
Total All Other Governmental Funds	<u>\$ 45,619</u>	<u>\$ (3,518)</u>	<u>\$ 23,323</u>	<u>\$ 8,950</u>	<u>\$ 25,656</u>	<u>\$ 11,757</u>	<u>\$ 23,056</u>	<u>\$ 20,523</u>	<u>\$ 26,507</u>	<u>\$ 23,050</u>

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.

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Property taxes and assessments	\$ 184,163	\$ 180,610	\$ 174,282	\$ 165,013	\$ 163,967	\$ 158,063	\$ 154,248	\$ 153,069	\$ 150,408	\$ 140,553
Intergovernmental	66,895	74,798	61,476	51,818	57,375	49,273	50,978	47,876	45,050	43,636
Department revenue	7,937	6,257	6,320	5,642	5,320	5,445	4,935	5,028	4,949	5,154
Licenses and permits	1,046	1,249	1,161	1,309	1,215	1,076	961	760	831	653
Investment income	1,279	481	489	67	159	349	209	1	454	351
Other	2,901	1,793	2,510	4,600	5,443	5,513	5,842	5,661	4,543	4,265
Total revenues	<u>264,222</u>	<u>265,188</u>	<u>246,238</u>	<u>228,449</u>	<u>233,479</u>	<u>219,719</u>	<u>217,173</u>	<u>212,395</u>	<u>206,235</u>	<u>194,612</u>
Expenditures:										
Administration	5,911	5,984	4,979	4,591	4,821	4,247	4,115	4,421	4,354	4,534
Contingency	4,431	4,733	2,642	3,688	4,013	4,203	2,853	3,031	2,087	2,256
Employee benefits	19,303	19,310	20,423	19,573	21,433	181,535	27,030	26,010	25,324	21,169
Finance	1,883	2,198	2,194	2,120	2,075	2,219	1,956	2,115	2,015	1,890
Human development	7,441	8,243	8,055	8,828	7,427	7,375	8,087	8,554	7,762	7,032
Physical development	14,680	14,283	12,811	13,351	13,891	14,228	16,260	13,222	13,422	13,644
Public safety	27,462	25,644	25,817	25,428	23,936	23,789	23,630	22,487	22,389	21,673
Education	129,030	136,554	133,878	120,859	118,380	115,647	112,560	110,889	107,915	104,512
Capital outlay	52,103	46,491	16,208	17,124	32,595	20,305	23,392	19,134	11,143	8,056
Debt service:										
Principal retirement	24,095	21,627	14,701	12,955	13,004	16,675	14,275	13,683	12,336	12,131
Interest and other charges	5,795	13,753	18,398	18,425	18,327	5,809	4,828	3,614	7,013	7,452
Total expenditures	<u>292,134</u>	<u>298,820</u>	<u>260,106</u>	<u>246,942</u>	<u>259,902</u>	<u>396,032</u>	<u>238,986</u>	<u>227,160</u>	<u>215,760</u>	<u>204,349</u>
Excess of revenue over (under) expenditures	<u>(27,912)</u>	<u>(33,632)</u>	<u>(13,868)</u>	<u>(18,493)</u>	<u>(26,423)</u>	<u>(176,313)</u>	<u>(21,813)</u>	<u>(14,765)</u>	<u>(9,525)</u>	<u>(9,737)</u>
Other financing sources:										
Transfers in	3,058	5,104	4,715	6,533	4,982	6,482	2,580	2,091	2,402	2,587
Transfers out	(1,828)	(1,567)	(4,015)	(5,833)	(4,282)	(5,801)	(1,980)	(1,491)	(1,722)	(1,985)
Proceeds from capital leases				414	1263	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			3,270		4,207			1,424	935	1,262
Bonds issued	70,000		25,260		33,795	163,137	21,475	8,212	11,700	10,385
Premiums on bonds	6,815					1,905	263		267	
Total other financing sources	<u>78,045</u>	<u>3,537</u>	<u>29,230</u>	<u>1,114</u>	<u>38,915</u>	<u>164,255</u>	<u>24,435</u>	<u>11,273</u>	<u>13,066</u>	<u>11,168</u>
Net Change in Fund Balances	<u>\$ 50,133</u>	<u>\$ (30,095)</u>	<u>\$ 15,362</u>	<u>\$ (17,379)</u>	<u>\$ 12,492</u>	<u>\$ (12,058)</u>	<u>\$ 2,622</u>	<u>\$ (3,492)</u>	<u>\$ 3,541</u>	<u>\$ 1,431</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>12.5%</u>	<u>14.0%</u>	<u>13.6%</u>	<u>13.7%</u>	<u>13.8%</u>	<u>6.0%</u>	<u>8.9%</u>	<u>8.3%</u>	<u>9.5%</u>	<u>10.0%</u>

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

**TOWN OF STRATFORD, CONNECTICUT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal Year	Grand List Year	Real Property					Personal Property	Motor Vehicle	Total Gross Assessed Value	Mill Rate	All Exemptions	Net Taxable Assessed Value	Taxable Assessed Value as a Percentage of Actual Assessed Taxable Value
		Residential	Commercial	Land	Exempt Real Estate	Total							
2019	2017	\$ 2,998,977,860	\$ 843,089,200	\$ 66,764,870	\$ 434,211,890	\$ 4,343,043,820	\$ 544,923,142	\$ 345,667,180	\$ 5,233,634,142	39.97	\$ 679,710,260	\$ 4,553,923,882	87%
2018	2016	2,989,671,410	840,959,830	67,641,340	437,970,750	4,336,243,330	495,024,132	341,137,740	5,172,405,202	39.97	679,917,583	4,492,487,619	87%
2017	2015	2,978,997,350	852,131,020	68,048,880	437,840,900	4,337,018,150	474,463,002	336,333,270	5,147,814,422	38.99	665,643,720	4,482,170,702	87%
2016	2014	2,971,774,930	845,188,580	71,253,390	431,812,780	4,320,029,680	469,680,249	329,035,740	5,118,745,669	36.98	674,549,127	4,444,196,542	87%
2015	2013	3,166,684,241	772,682,188	67,112,210	440,085,850	4,446,564,489	470,070,716	322,759,890	5,239,395,095	35.63	680,855,960	4,558,539,135	87%
2014	2012	3,159,542,640	768,877,270	68,079,820	437,423,030	4,433,922,760	459,170,270	314,680,673	5,207,773,703	34.64	676,320,015	4,531,453,688	87%
2013	2011	3,149,853,650	777,502,420	65,248,150	432,109,580	4,424,713,800	453,322,754	320,711,877	5,198,748,431	34.48	672,951,970	4,525,796,461	87%
2012	2010	3,140,283,790	785,770,200	69,424,630	431,081,980	4,426,560,600	443,205,917	301,629,984	5,171,396,501	34.15	655,491,439	4,515,905,062	87%
2011	2009	3,132,518,520	823,999,240	72,244,340	427,197,820	4,455,959,920	442,020,855	291,330,813	5,189,311,588	33.32	621,167,218	4,568,144,370	88%
2010	2008	3,366,615,870	687,649,290	54,690,420	336,753,880	4,445,709,460	387,991,918	292,972,012	5,126,673,390	30.36	500,161,464	4,626,511,926	90%

Source: Town of Stratford, Office of Tax Assessor

Notes: (1) Totals as certified by Tax Assessor at signing of Grand List prior to adjustments.

(2) Exemptions total includes exempt real property and all other classes of exemptions.

**TOWN OF STRATFORD, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Grand List Year (1)	Adjusted 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
2019	2017	\$ 182,262,885	\$ 178,033,540	97.68%	\$ 3,571,359	\$ 181,604,899	99.64%
2018	2016	179,620,498	175,058,251	97.46%	3,020,228	178,078,479	99.14%
2017	2015	172,755,443	168,461,349	97.51%	3,006,858	171,468,207	99.25%
2016	2014	164,459,920	160,243,285	97.44%	3,183,122	163,426,407	99.37%
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%

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
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>FY2019</u>			<u>Taxpayer</u>	<u>FY2010</u>		
	<u>Taxable Assessed Value * (000)</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>		<u>Taxable Assessed Value * (000)</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>
Lockheed Martin Co.	\$ 149,099	1	3.27%	United Illuminating	\$ 14,761	9	0.32%
United Illuminating	131,626	2	2.90%	Sikorsky Aircraft	185,095	1	4.00%
Sikorsky Aircraft	74,431	3	1.64%	Southern Connecticut Gas	16,777	5	0.36%
Southern Connecticut Gas	32,096	4	0.71%	Second Avenue Development LLC	12,951	10	0.28%
Second Avenue Development LLC	21,192	5	0.48%	Ashcroft Inc.	16,861	4	0.36%
Ashcroft Inc.	20,274	6	0.46%	Stonybrook Gardens Inc.	19,110	3	0.41%
Stonybrook Gardens Cooperative	19,100	7	0.43%	UB Dockside LLC	24,109	2	0.52%
UB Dockside LLC (Urstadt Biddle Prop)	17,097	8	0.39%				
Avalon at Stratford LLC	16,277	9	0.37%	Kramont Operating Partnership	16,520	8	0.36%
ETCL Stratford, LLC	15,546	10	0.35%	Home Depot	16,755	6	0.36%
				Walmart	16,730	7	0.36%
TOTAL	\$ 496,738		11.00%	TOTAL	\$ 339,669		7.33%

Source: Town of Stratford, Office of Tax Assessor

* Total taxable assessed value (Table 5) \$ 4,553,924

\$ 4,626,512

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	General Obligation Bonds	Notes	Leases				
2019	\$ 328,238	\$ 538	\$ 1,338	\$ 26,666	\$ 74	\$ 356,854	7.84%	\$ 6,146	19.4%
2018	271,210	1,155	1,513	29,913	146	303,937	6.77%	5,162	17.9%
2017	293,473	1,831	1,646	31,274	197	328,421	7.33%	5,598	19.4%
2016	285,472	2,260	1,810	33,510	221	323,273	7.27%	5,457	19.2%
2015	305,060	2,418	1,948	35,702	46	345,174	7.57%	5,772	20.3%
2014	287,215	1,214	2,086	37,983	51	328,549	7.25%	5,373	19.3%
2013	138,865	1,841	2,159	40,431		183,296	4.05%	2,665	10.9%
2012	131,846	2,300	2,038	42,682		178,866	3.96%	2,532	10.6%
2011	136,829		2,069	44,976		183,874	4.03%	2,636	10.9%
2010	134,394		2,182	2,756		139,332	3.01%	2,613	10.0%

(1) Amounts include unamortized bond premiums.

**TOWN OF STRATFORD, CONNECTICUT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2019**

None

**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
2019	\$ 328,238	\$ 6,815	\$ 321,423	7.06%	\$ 6,146
2018	271,210		271,210	6.04%	5,162
2017	293,473	443	293,030	6.54%	5,598
2016	285,472	887	284,585	6.40%	5,457
2015	305,060	1,387	303,673	6.66%	5,772
2014	287,215	3,887	283,328	6.25%	5,373
2013	138,865		138,865	3.07%	2,665
2012	131,846		131,846	2.92%	2,532
2011	136,829		136,829	3.00%	2,636
2010	134,394		134,394	2.90%	2,613

(1) Amounts include unamortized bond premiums.

**TOWN OF STRATFORD, CONNECTICUT
COMPUTATION OF LEGAL DEBT LIMITATION
JUNE 30, 2019**

Total tax collections (including interest and lien fees) for the year ended June 30, 2018	\$ 179,809,405
Reimbursement for revenue loss on:	
Tax relief for elderly	<u>-</u>
BASE	<u>\$ 179,809,405</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewer & Water</u>	<u>Urban Renewal</u>	<u>Unfunded Pension Benefit Obligation</u>
Debt limitation:					
2-1/4 times base	\$ 408,611,023	\$	\$	\$	\$
4-1/2 times base		817,222,046			
3-3/4 times base			681,018,371		
3-1/4 times base				590,215,922	
3 times base					544,814,697
Total debt limitation	<u>408,611,023</u>	<u>817,222,046</u>	<u>681,018,371</u>	<u>590,215,922</u>	<u>544,814,697</u>
Indebtedness:					
Bonds payable	79,987,285	103,099,150	588,876		130,140,000
Bonds authorized, unissued	3,592,040	12,758,556	1,327,141		
BAN Payable		3,175,000			
Clean Water Fund notes			26,665,729		
Grant commitments		(35,667,534)			
Total indebtedness	<u>83,579,325</u>	<u>83,365,172</u>	<u>28,581,746</u>	<u>-</u>	<u>130,140,000</u>
Debt Limitation in Excess of Outstanding and Authorized Indebtedness	<u>\$ 325,031,698</u>	<u>\$ 733,856,874</u>	<u>\$ 652,436,625</u>	<u>\$ 590,215,922</u>	<u>\$ 414,674,697</u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$1,258,665,835).

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

**TOWN OF STRATFORD, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In Thousands)**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt limitation	\$ 1,258,666	\$ 1,213,970	\$ 1,154,855	\$ 1,144,289	\$ 1,098,867	\$ 1,077,251	\$ 1,074,213	\$ 1,049,881	\$ 980,203	\$ 970,067
Total net debt applicable to limit	<u>325,666</u>	<u>350,587</u>	<u>375,969</u>	<u>458,836</u>	<u>407,698</u>	<u>430,861</u>	<u>257,927</u>	<u>253,557</u>	<u>260,439</u>	<u>189,096</u>
Legal Debt Margin	<u>\$ 933,000</u>	<u>\$ 863,383</u>	<u>\$ 778,886</u>	<u>\$ 685,453</u>	<u>\$ 691,169</u>	<u>\$ 646,390</u>	<u>\$ 816,286</u>	<u>\$ 796,324</u>	<u>\$ 719,764</u>	<u>\$ 780,971</u>
Total net debt applicable to the limit as a percentage of debt limit	25.87%	28.88%	32.56%	40.10%	37.10%	40.00%	24.01%	24.15%	26.57%	19.49%

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

Note: See Table 11 for calculation of current year debt limitation.

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

Fiscal Year	Population(1)	Per Capita Income(2)	Median Age(1)	School Enrollment(3)	Unemployment Rate(4)	Personal Income
2019	52,300	\$ 35,175	44.0	6,916	4.2%	\$ 1,839,652,500
2018	52,540	32,357	43.9	7,044	4.4%	1,700,036,780
2017	52,345	32,357	43.9	7,045	4.7%	1,693,727,165
2016	52,148	32,357	43.0	7,016	5.2%	1,687,352,836
2015	52,609	32,357	42.5	6,997	5.7%	1,702,269,413
2014	52,734	32,357	42.5	7,198	6.6%	1,706,314,038
2013	52,112	32,357	42.2	7,411	7.9%	1,686,187,984
2012	52,077	32,357	41.1	7,407	8.5%	1,685,055,489
2011	51,901	32,357	41.1	7,234	8.9%	1,679,360,657
2010	51,437	27,000	40.3	7,435	9.1%	1,388,799,000

(1) Source: CT Department of Health

(2) Source: U.S. Census Bureau

(3) Source: Town of Stratford, BOE

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

TABLE 14

**TOWN OF STRATFORD, CONNECTICUT
PRINCIPAL EMPLOYERS
2019 AND 2010
(Unaudited)**

Business Name	Nature of Business	2019			2010		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Lockheed Martin-Sikorsky Aircraft	Manufacturer of Helicopters	5481	1	20.39%	9300	1	37.22%
Town of Stratford	Government/Education	1334	2	4.97%	1337	2	5.36%
United Parcel Service	Package Delivery	521	3	1.95%	730	3	2.93%
Lord Chamberlain	Skilled Nursing Facility	430	4	1.61%	375	5	1.51%
Ashcroft Holdings	Manufacturer of Gauges, Valves	420	5	1.57%	448	4	1.80%
Cablevision	Cable Television, Internet, Telecom.	300	7	1.13%	300	6	1.21%
Connecticut Distributor	Liquor Distributors	291	8	1.09%	243	10	0.98%
Aptar	Manufacturer Pump Atomizers	271	9	1.02%			
Yale New Haven Technology Center	Electronic Storage	235	10	0.88%			
ShopRite	Retail Grocery Products	225	11	0.85%	178	14	0.72%
Bridgeport Fittings	Manufacturer of Electrical Fittings	203	12	0.76%	187	13	
Burns Construction	Construction	199	13	0.75%			
William B. Myers	Moving, Storage & Rigging	172	14	0.65%	175	15	0.71%
Stop & Shop	Retail Grocery Products	165	15	0.62%	190	12	0.77%
Stratford Retailer Condo Assoc.	Retail Chains						0.01%
Dianon Systems	Lab Testing						
Walmart	Consumer Goods				253	8	1.02%
CCT Global	Health and Beauty Care				280	7	1.13%
EMSAR	Manufacturer Pump Atomizers				247	9	1.00%
AT&T	Telecommunications				202	11	0.82%
Total		10,247		38.24%	14,445		57.19%
Total Employment		26,890			24,990		

Source: Town of Stratford, Office of Community Development

TABLE 15

**TOWN OF STRATFORD, CONNECTICUT
 FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Unaudited)**

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	89	93	91	81	79	78	83	64	89	90
Police	107	107	106	104	113	111	106	117	116	116
Fire	108	101	111	107	111	109	117	111	100	100
Refuse collection	29	28	28	29	31	29	28	29	32	32
Other public works	83	83	77	76	76	74	67	76	64	64
Parks	30	29	24	22	22	23	16	21	24	26
Recreation	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>5</u>	<u>3</u>	<u>6</u>	<u>7</u>	<u>7</u>
Total Non-Education	<u>450</u>	<u>445</u>	<u>441</u>	<u>423</u>	<u>436</u>	<u>429</u>	<u>420</u>	<u>424</u>	<u>432</u>	<u>435</u>
Education	<u>884</u>	<u>884</u>	<u>886</u>	<u>882</u>	<u>891</u>	<u>891</u>	<u>890</u>	<u>864</u>	<u>847</u>	<u>844</u>
Total Including Education	<u>1,334</u>	<u>1,329</u>	<u>1,327</u>	<u>1,305</u>	<u>1,327</u>	<u>1,320</u>	<u>1,310</u>	<u>1,288</u>	<u>1,279</u>	<u>1,279</u>

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

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

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government:										
Building permits issued	951	724	736	687	739	736	749	709	669	649
Building inspections conducted	3,554	3,674	3,713	3,665	3,889	3,426	3,151	3,090	3,188	3,136
Police:										
Physical arrests	1,020	1,860	1,563	1,704	1,566	1,144	1,403	1,520	1,419	1,597
Parking violations	8,510	6,608	9,970	7,567	397	468	464	631	431	369
Traffic violations	2,181	1,940	1,658	1,558	1,386	1,767	2,158	2,595	2,969	4,009
Fire:										
Emergency responses	6,456	6,342	5,905	6,092	5,749	5,749	6,772	5,556	5,707	4,577
Fires extinguished	166	207	209	219	208	208	318	304	311	435
Inspections	1,520	1,356	1,410	2,180	1,941	1,941	1,992	1,747	1,216	665
Refuse collection:										
Refuse collected (tons per year)	22,170	21,167	22,103	20,522	21,571	21,961	23,100	24,035	24,636	26,747
Recyclables collected (tons per year)	3,301	3,235	3,332	3,297	3,232	3,196	3,126	3,173	3,365	3,487
Parks and recreation:										
Athletic field permits issued	8,920	6,819	9,000	7,987	8,801	9,304	9,570	9,379	10,192	8,851
Library										
Volumes in collection (Books & Serials)						149,357	160,557	152,384	151,115	162,990
Volumes in collection (All Other Items)						18,352	19,837	17,783	16,009	15,641
Total volumes borrowed (Books & Serials)						277,195	279,641	292,047	286,470	288,835
Total volumes borrowed (All Other Items)						153,156	158,799	179,563	175,639	189,627
Water:										
Average daily sewage treatment (thousands of gallons)	9,708	7,800	7,120	6,501	7,669	7,669	7,896	6,700	8,826	8,413

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

TABLE 17

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

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units (Number of Vehicles)	33	34	32	31	33	33	32	32	30	30
Fire stations	4	4	4	4	4	4	4	4	4	4
Refuse collection:										
Refuse collection trucks	7	6	6	6	6	6	6	6	6	6
Recycling collection trucks	3	4	3	3	3	3	3	3	3	3
Yard Waste Trucks	1	2	2	2	2	2	2	2	2	
Parks and recreation:										
Acreage	795	795	795	795	795	795	795	795	795	795
Playgrounds	30	30	30	30	30	27	27	27	27	27
Baseball/softball diamonds	37	37	37	38	38	42	45	45	45	45
Soccer/football fields	14	14	14	14	14	13	13	13	13	13
Community centers	2	2	2	2	2	2	2	2	2	2
Wastewater:										
Sanitary sewers (miles)	201	201	201	170	200	200	200	200	200	200
Storm sewers (miles)	149	149	149	125	125	125	125	125	125	125
Treatment capacity (thousands of gallons)	16,000	16,000	16,000	14,500	14,500	14,500	14,500	14,500	14,500	14,500
Transit - mini-buses										

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