

**TOWN OF BRANFORD, CONNECTICUT**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2022**



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**TOWN OF BRANFORD, CONNECTICUT**  
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**JUNE 30, 2022**

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## INDEPENDENT AUDITORS' REPORT

Board of Finance  
Town of Branford, Connecticut

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Branford, Connecticut, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Branford, Connecticut's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Branford, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Branford, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Branford, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Branford, Connecticut's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

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


### **Supplementary Information**

Our audit for the year ended June 30, 2022 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Branford, Connecticut's basic financial statements. The combining and individual fund financial statements and other schedules for the year ended June 30, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2022 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2022.

We also previously audited, in accordance with GAAS, the basic financial statements of Town of Branford, Connecticut as of and for the year ended June 30, 2021, (not presented herein), and have issued our report thereon dated October 21, 2022 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The General Fund Balance Sheet for the year ended June 30, 2021 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2021 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the General Fund Balance Sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023, on our consideration of the Town of Branford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Branford, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Branford, Connecticut's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
December 29, 2023

**TOWN OF BRANFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022**

This discussion and analysis of the Town of Branford, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2022. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX. All amounts in this MD&A are expressed in thousands unless otherwise noted.

**FINANCIAL HIGHLIGHTS**

- Net position of our governmental activities increased by \$13,913.
- During the year, the Town had expenses that were \$13,913 less than the \$148,642 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$134,729. The General Fund reported a fund balance this year of \$47,520.
- The resources available for appropriation were \$8,248 more than budgeted for the General Fund. Expenditures were \$2,426 less than budgeted.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

***Government-Wide Financial Statements***

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

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

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

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

## ***Fund Financial Statements***

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

- *Governmental funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary funds (Exhibits V, VI and VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. Internal service funds (a component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Workers' Compensation Fund, Heart and Hypertension Fund and Medical Fund.
- *Fiduciary funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's combined net position increased from a year ago, increasing from \$192,053 to \$206,066. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

**TABLE 1  
NET POSITION**

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
Current assets	\$ 145,135	\$ 158,549
Capital assets, net of accumulated depreciation	212,068	205,641
Total assets	<u>357,203</u>	<u>364,190</u>
Deferred outflows of resources	<u>18,171</u>	<u>15,577</u>
Long-term debt outstanding	16,250	18,400
Other liabilities	130,872	143,563
Total liabilities	<u>147,122</u>	<u>161,963</u>
Deferred inflows of resources	<u>22,286</u>	<u>25,751</u>
Net Position:		
Net investment in capital assets	138,099	119,761
Restricted	45,933	55,875
Unrestricted	<u>21,934</u>	<u>16,417</u>
Total Net Position	<u>\$ 205,966</u>	<u>\$ 192,053</u>

The Town experienced an increase in net position of its governmental activities of 7.3% as compared to the prior year. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed from \$16,417 at June 30, 2021 to \$21,934 at the end of this year.

**TABLE 2  
CHANGE IN NET POSITION**

	<b>Governmental Activities</b>	
	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 17,900	\$ 15,404
Operating grants and contributions	16,607	15,610
Capital grants and contributions	1,968	7,389
General revenues:		
Property taxes	111,168	108,879
Grants and contributions not restricted to specific programs	753	603
Unrestricted investment earnings	112	154
Other general revenues	134	576
Total revenues	<u>148,642</u>	<u>148,615</u>
Program expenses:		
General government	7,620	8,717
Public safety	23,738	24,908
Public works and highway	14,784	14,317
Parks, recreation and libraries	4,899	3,911
Health and human services	3,576	3,278
Education	78,473	72,316
Interest debt service	1,639	2,388
Total program expenses	<u>134,729</u>	<u>129,835</u>
Increase in Net Position	<u>\$ 13,913</u>	<u>\$ 18,780</u>

The Town's total revenues were \$148,642 while the cost of all programs and services totaled \$134,729. An analysis, which follows, considers the operations of governmental activities.

***Governmental Activities***

The largest single component of governmental activity is the General Fund. Total revenues were \$8,248 higher than budgeted. Of this amount, \$4,884 resulted from strong current and delinquent property tax collections from prior levies that include interest and penalties. The taxes on the current levy exceeded the budget by \$2,762. The town's conservative estimate on state assistance programs resulted in a positive balance for intergovernmental revenue of \$923. In addition, revenues from licenses, permits and fees exceeded the budget by \$1,938 primarily due to police extra duty, town clerk fees and building permits. Other income exceeded the budget by \$427 primarily due to better than anticipated results from employee insurance co-pay, bond premiums and payments in lieu of taxes from the regional water authority.

Expenditures were \$2,426 less than anticipated. Specific functional areas that realized large unexpended balances include education, police and public works. Finally, vacancies in various departments resulting in savings across various functional areas while reducing pension and Social Security requirements.

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

**TABLE 3  
GOVERNMENTAL ACTIVITIES**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
General government	\$ 7,620	\$ 8,717	\$ 5,792	\$ 6,917
Public safety	23,738	24,908	17,987	19,668
Public works and highway	14,784	14,317	9,029	9,320
Parks, recreation and libraries	4,899	3,911	3,528	2,185
Health and human services	3,576	3,278	2,185	1,742
Education	78,473	72,316	58,094	49,214
Interest and debt service	1,639	2,388	1,639	2,388
<b>Total</b>	<b>\$ 134,729</b>	<b>\$ 129,835</b>	<b>\$ 98,254</b>	<b>\$ 91,434</b>

**TOWN FUNDS FINANCIAL ANALYSIS**

***Governmental Funds***

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$86,099, which is a slight decrease from last year's total of \$86,276. The General Fund had an increase in fund balance from \$41,665 to \$47,520. The Capital Projects fund has a decrease of \$8,157 from \$28,617 to \$20,460 due to capital outlay expenditures in excess of revenues and transfers in, while the ARPA fund had no change in fund balance and the Nonmajor governmental funds increased by \$2,125 to \$18,119 primary as a result of operations.

***General Fund Budgetary Highlights***

The Town's General Fund expenditures plus encumbrances totaled \$118,814. Unexpended appropriations in general government, public safety, public works, and pension and insurance coupled with smaller unexpended balances from other areas produced a favorable variance of \$2,426. Revenues were \$8,248 higher, which reflects reduced tax collection assumptions, favorable nontax revenue experience, conservative estimates, and higher than anticipated special education grant revenue.

The Town's General Fund balance of \$47,520 reported on Exhibit IV is comprised of four categories: Non-spendable, Committed, Assigned and Unassigned. Please refer to Exhibit A-1 for the complete breakdown.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2022, the Town had \$212,068 invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment - Table 4. This amount represents a net increase (including additions and deductions) of \$5,493 or 2.6%, over last year. This increase primarily reflects construction in progress increases associated with the renovation of the Walsh Intermediate School and the town's animal control facility. The cumulative value of these additions exceeded the combined reductions associated with depreciation/amortization and asset dispositions.

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

	Governmental Activities	
	2022	2021
Land	\$ 17,131	\$ 17,131
Intangible assets	597	597
Land improvements	3,738	3,821
Buildings	74,738	76,642
Machinery and equipment	8,705	7,902
Right to use equipment	589	934
Construction in progress	81,912	74,726
Infrastructure	24,658	24,822
Total	<u>\$ 212,068</u>	<u>\$ 206,575</u>

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

Currently, the Town is leasing space for the public works operation while contemplating the need for a renovation and expansion of the animal shelter. Improvements to selected sewer pump stations and improvements to the collection system are ongoing. More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

### Long-Term Debt

At June 30, 2022, the Town had \$84,370 in bonds and notes outstanding versus \$90,355 last year - a decrease of \$5,985 or approximately (6.6)%. The Town anticipates a reduction of bonded debt in the next two years future years as the cumulative debt retirements exceed the amount of new debt issued.

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

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

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

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

As a result of these efforts and adherence to the above guidelines, the Town adopted a General Fund budget of \$124,524,065 for 2022-2023, which represents an increase of 2.9% as compared to the 2021-2022 amended budget. Increased property taxes of \$3,536,940 coupled with a decrease in appropriations from fund balance of (\$632,736) combined with non-tax revenue will fund the increase. The Town also approved ARPA appropriations of \$2.23 million in a separate action.

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

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

**TOWN OF BRANFORD, CONNECTICUT  
STATEMENT OF NET POSITION  
JUNE 30, 2022**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 116,719,487
Investments	2,473,238
Receivables, net	17,120,307
Inventory	18,976
Prepaid items	1,578,987
Net OPEB asset	7,223,705
Capital assets not being depreciated	99,639,432
Capital assets being depreciated/amortized, net	112,428,915
<b>Total assets</b>	<b>357,203,047</b>
<b>Deferred Outflows of Resources:</b>	
Deferred outflows related to pensions	12,936,719
Deferred outflows related to OPEB	4,655,675
Deferred charge on refunding	578,070
<b>Total deferred outflows of resources</b>	<b>18,170,464</b>
<b>Liabilities:</b>	
Accounts and other payables	10,673,132
Unearned revenue	5,498,175
Other	78,699
Noncurrent liabilities:	
Due within one year	10,274,310
Due in more than one year	120,597,583
<b>Total liabilities</b>	<b>147,121,899</b>
<b>Deferred Inflows of Resources:</b>	
Deferred inflows related to pensions	12,106,470
Deferred inflows related to OPEB	7,294,619
Lessor Receivable	146,845
Advance property tax collections	2,738,036
<b>Total deferred inflows of resources</b>	<b>22,285,970</b>
<b>Net Position:</b>	
Net investment in capital assets	138,098,341
Restricted:	
Capital projects	23,380,388
Unspent grant balances	14,306,257
Housing Loans	292,044
Sewer Assessments	395,749
OPEB Assets	7,223,705
Expendable	234,467
Nonexpendable	100,730
Unrestricted	21,933,961
<b>Total Net Position</b>	<b>\$ 205,965,642</b>

The accompanying notes are an integral part of the financial statements.

**TOWN OF BRANFORD, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 7,620,265	\$ 1,339,713	\$ 467,436	\$ 21,824.00	\$ (5,791,292)
Public safety	23,738,316	5,227,810	523,221	-	(17,987,285)
Public works and highway	14,784,367	5,124,238	629,981		(9,030,148)
Parks, recreation and libraries	4,898,344	563,309	419,863	387,495	(3,527,677)
Health and human services	3,576,457	708,320	683,231	-	(2,184,906)
Education	78,472,823	4,936,398	13,883,132	1,558,973	(58,094,320)
Interest expense	1,638,570	-	-	-	(1,638,570)
<b>Total</b>	<b>\$ 134,729,142</b>	<b>\$ 17,899,788</b>	<b>\$ 16,606,864</b>	<b>\$ 1,968,292</b>	<b>(98,254,198)</b>
General revenues:					
Property taxes					111,168,372
Grants and contributions not restricted to specific programs					753,350
Unrestricted investment earnings					112,163
Miscellaneous					133,464
Total general revenues					<u>112,167,349</u>
Change in net position					13,913,151
Net Position at Beginning of Year					<u>192,052,491</u>
Net Position at End of Year					<u>\$ 205,965,642</u>

The accompanying notes are an integral part of the financial statements.

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

	<u>General</u>	<u>Capital Projects</u>	<u>ARPA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 58,548,291	\$ 16,123,805	\$ 4,018,519	\$ 19,487,070	\$ 98,177,685
Investments	-	1,772,580	-	700,658	2,473,238
Receivables, net	7,601,723	7,405,697	-	1,920,643	16,928,063
Due from other funds	33,749	4,552,953	-	246,412	4,833,114
Inventories	-	-	-	18,976	18,976
Other assets	1,478,987	-	-	-	1,478,987
Total Assets	<u>\$ 67,662,750</u>	<u>\$ 29,855,035</u>	<u>\$ 4,018,519</u>	<u>\$ 22,373,759</u>	<u>\$ 123,910,063</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts and other payables	\$ 6,991,453	\$ 2,032,690	\$ -	\$ 1,007,717	\$ 10,031,860
Due to other funds	2,929,871	-	-	1,978,749	4,908,620
Unearned revenue	1,023,240	-	4,018,519	480,070	5,521,829
Other	78,699	-	-	-	78,699
Total liabilities	<u>11,023,263</u>	<u>2,032,690</u>	<u>4,018,519</u>	<u>3,466,536</u>	<u>20,541,008</u>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	4,361,895	-	-	-	4,361,895
Unavailable revenue - interest on property taxes	2,019,898	-	-	-	2,019,898
Unavailable revenue - special assessments	-	-	-	395,749	395,749
Unavailable revenue - grants receivable	-	7,215,598	-	100,000	7,315,598
Unavailable revenue - lessor receivable	-	146,845	-	-	146,845
Unavailable revenue - loans receivable	-	-	-	292,044	292,044
Advance property tax collections	2,738,036	-	-	-	2,738,036
Total deferred inflows of resources	<u>9,119,829</u>	<u>7,362,443</u>	<u>-</u>	<u>787,793</u>	<u>17,270,065</u>
Fund Balances:					
Nonspendable	1,478,987	-	-	119,706	1,598,693
Restricted	-	20,459,902	-	9,911,145	30,371,047
Committed	423,690	-	-	8,188,579	8,612,269
Assigned	4,647,673	-	-	-	4,647,673
Unassigned	40,969,308	-	-	(100,000)	40,869,308
Total fund balances	<u>47,519,658</u>	<u>20,459,902</u>	<u>-</u>	<u>18,119,430</u>	<u>86,098,990</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 67,662,750</u>	<u>\$ 29,855,035</u>	<u>\$ 4,018,519</u>	<u>\$ 22,373,759</u>	<u>\$ 123,910,063</u>

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

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

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

Fund balances - total governmental funds (Exhibit III)	\$	86,098,990
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$	366,528,751	
Less accumulated depreciation/amortization		<u>(154,460,404)</u>	
Net capital assets			212,068,347

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	4,361,895
Interest receivable on property taxes	2,019,898
Assessments receivable	395,749
Housing loans receivable	292,044
School construction grant receivable	7,315,598
Deferred outflows relating to pensions	12,936,719
Deferred outflows relating to OPEB	4,655,675

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.

13,902,794

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

Net pension liability	(33,498,487)
Net OPEB asset	7,223,705
Deferred inflows relating to pensions	(12,106,470)
Deferred inflows relating to OPEB	(7,294,619)
Bonds and notes payable	(84,370,000)
Interest payable on bonds and notes	(602,514)
Compensated absences	(3,656,936)
Lease liability	(566,591)
Bond premium	(2,904,725)
Deferred charge on refunding	578,070
Landfill	<u>(883,500)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>205,965,642</u></u>
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The accompanying notes are an integral part of the financial statements.

**TOWN OF BRANFORD, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General</u>	<u>Capital Projects</u>	<u>ARPA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 112,434,511	\$ -	\$ -	\$ -	\$ 112,434,511
Assessments and interest	-	-	-	3,800,084	3,800,084
Intergovernmental	12,169,561	531,665	109,992	7,724,301	20,535,519
Charges for services	5,962,236	-	-	3,277,725	9,239,961
Income on investments	159,643	(118,626)	-	29,713	70,730
Miscellaneous	1,845,474	694,872	-	462,458	3,002,804
Total revenues	<u>132,571,425</u>	<u>1,107,911</u>	<u>109,992</u>	<u>15,294,281</u>	<u>149,083,609</u>
Expenditures:					
Current:					
General government	5,517,858	-	-	31,629	5,549,487
Public safety	14,586,539	-	-	664,411	15,250,950
Public works and highway	6,173,092	-	-	3,742,235	9,915,327
Parks, recreation and libraries	3,111,663	34,513	-	397,992	3,544,168
Health and human services	709,843	-	-	2,214,747	2,924,590
Education	68,417,304	-	-	7,031,310	75,448,614
Pension and insurance	14,455,919	-	-	-	14,455,919
Capital outlay	-	12,619,450	109,992	-	12,729,442
Debt service	9,585,377	-	-	-	9,585,377
Total expenditures	<u>122,557,595</u>	<u>12,653,963</u>	<u>109,992</u>	<u>14,082,324</u>	<u>149,403,874</u>
Excess (Deficiency) of Revenues over Expenditures	<u>10,013,830</u>	<u>(11,546,052)</u>	<u>-</u>	<u>1,211,957</u>	<u>(320,265)</u>
Other Financing Sources (Uses):					
Transfers in	730,691	3,396,165	-	2,086,913	6,213,769
Transfers out	(5,033,078)	(7,109)	-	(1,173,582)	(6,213,769)
Proceeds from refunding bond issuance	14,080,000	-	-	-	14,080,000
Payments to escrow agents	(13,936,503)	-	-	-	(13,936,503)
Total other financing sources (uses)	<u>(4,158,890)</u>	<u>3,389,056</u>	<u>-</u>	<u>913,331</u>	<u>143,497</u>
Net Change in Fund Balances	5,854,940	(8,156,996)	-	2,125,288	(176,768)
Fund Balances at Beginning of Year	<u>41,664,718</u>	<u>28,616,898</u>	<u>-</u>	<u>15,994,142</u>	<u>86,275,758</u>
Fund Balances at End of Year	<u>\$ 47,519,658</u>	<u>\$ 20,459,902</u>	<u>\$ -</u>	<u>\$ 18,119,430</u>	<u>\$ 86,098,990</u>

(Continued on next page)

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

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) \$ (176,768)

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	11,585,935
Depreciation/Amortization expense	(5,982,514)

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets. (109,635)

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

Property tax receivable - accrual basis change	(762,095)
Property tax interest and lien revenue - accrual basis change	(504,044)
Sewer assessment receivable - accrual basis change	(103,089)
Grant receivable - accrual basis change	886,479
Change in deferred outflows relating to pensions	(1,811,528)
Change in deferred outflows relating to OPEB	3,939,621

Change in pension and OPEB assets and liabilities:

Change in net OPEB asset	(3,101,777)
Change in net pension liability	6,343,999

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

Refunding bonds issued	(14,080,000)
Previous bonds refunded	13,250,000
Deferred amounts on refunding	573,915
Bond and note principal payments	6,815,000
Notes payable principal payments	125,000
Lease liability payments	367,208

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences	(109,082)
Accrued interest	192,756
Amortization of deferred charge on refunding	(108,506)
Amortization of bond premiums	792,935
Change in deferred inflows relating to pensions	(5,609,168)
Change in deferred inflows relating to OPEB	1,323,513

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. 174,996

Change in Net Position of Governmental Activities (Exhibit II) \$ 13,913,151

The accompanying notes are an integral part of the financial statements.

**TOWN OF BRANFORD, CONNECTICUT  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2022**

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	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
Assets:	
Cash and cash equivalents	\$ 18,541,802
Accounts receivable	192,245
Prepaid expenses	100,000
Due from other funds	<u>75,506</u>
Total assets	<u>18,909,553</u>
Liabilities:	
Accounts and other payables	15,105
Risk management claims	<u>4,991,654</u>
Total liabilities	<u>5,006,759</u>
Net Position:	
Unrestricted	<u><u>\$ 13,902,794</u></u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF BRANFORD, CONNECTICUT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Governmental Activities Internal Service Funds</b>
Operating Revenues:	
Contributions for benefits	\$ 15,231,271
Other	
Total contributions	<u>15,231,271</u>
Operating Expenses:	
Benefit claims	12,843,797
Claims administration	<u>2,253,911</u>
Total operating expenses	<u>15,097,708</u>
Operating Income	133,563
Nonoperating Revenue:	
Income on investments	<u>41,433</u>
Change in Net Position	174,996
Net Position at Beginning of Year	<u>13,727,798</u>
Net Position at End of Year	<u>\$ 13,902,794</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF BRANFORD, CONNECTICUT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Governmental Activities Internal Service Funds</b>
Cash Flows from Operating Activities:	
Cash received from operating funds	\$ 15,230,437
Cash payments to providers of benefits and administration	<u>(15,219,836)</u>
Net cash provided by (used in) operating activities	10,601
Cash Flows from Investing Activities:	
Income on investments	<u>41,433</u>
Net Increase (Decrease) in Cash and Cash Equivalents	52,034
Cash and Cash Equivalents at Beginning of Year	<u>18,489,768</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 18,541,802</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ 133,563
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
(Increase) decrease in receivables	(834)
Increase (decrease) in accounts payable	<u>(122,128)</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 10,601</u></u>

The accompanying notes are an integral part of the financial statements.

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

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Custodial Fund Shoreline Crimes Fund</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 3,511,882	\$ 15,319
Investments	<u>59,825,711</u>	<u>-</u>
Total assets	<u>\$ 63,337,593</u>	<u>\$ 15,319</u>
<b>Liabilities:</b>		
Accounts payable	<u>\$ -</u>	<u>\$ 6,675</u>
<b>Net Position:</b>		
Held in Trust for Pension or Retiree Benefits	63,337,593	-
Held for the shorelines technical crimes group	<u>-</u>	<u>8,644</u>
Total net position	<u>\$ 63,337,593</u>	<u>\$ 8,644</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF BRANFORD, CONNECTICUT  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Custodial Fund Shoreline Crimes Fund</b>
Additions:		
Contributions:		
Employer	\$ 4,367,882	\$ -
Plan members	436,381	-
Intergovernmental revenue	-	17,500
Total contributions	<u>4,804,263</u>	<u>17,500</u>
Net investment loss	<u>(6,738,428)</u>	<u>-</u>
Total additions	<u>(1,934,165)</u>	<u>17,500</u>
Deductions:		
Benefits	3,862,750	-
Public safety	<u>-</u>	<u>13,537</u>
Total deductions	<u>3,862,750</u>	<u>13,537</u>
Net Increase in Net Position	(5,796,915)	3,963
Net Position at Beginning of Year	<u>69,134,508</u>	<u>4,681</u>
Net Position at End of Year	<u>\$ 63,337,593</u>	<u>\$ 8,644</u>

The accompanying notes are an integral part of the financial statements.



**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

**Fiduciary Component Units**

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

The financial statements of the fiduciary component units are presented using the accrual basis of accounting and are reported as Pension and OPEB Trust Funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the Fiduciary component units.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## **TOWN OF BRANFORD, CONNECTICUT NOTES TO FINANCIAL STATEMENTS**

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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

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

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

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

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

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

Additionally, the Town reports the following fund types:

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town's functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

## **TOWN OF BRANFORD, CONNECTICUT NOTES TO FINANCIAL STATEMENTS**

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

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

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

### **D. Deposits and Investments**

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

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

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

### **E. Receivables and Payables**

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

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

### **F. Inventories and Prepaid Items**

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

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**G. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	45
Land improvements	20
Infrastructure	20-60
Vehicles	6-12
Office equipment	7-10
Computer equipment	5-7

**H. Leases**

**Lessee**

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

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

## **TOWN OF BRANFORD, CONNECTICUT NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from contributions subsequent to the plan measurement date, differences between actual and projected investment earnings and changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees), excluding deferred amounts related to the difference between expected and actual investment returns, which is amortized over 5 years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet, and deferred inflows of resources related to pensions and OPEB in the government wide statement of net position. A deferred inflow of resources related to pension and

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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OPEB results from differences between expected and actual experience differences between actual and projected investment earnings or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), excluding deferred amounts related to the difference between expected and actual investment returns, which is amortized over 5 years. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, interest on property taxes, special assessments, loans receivable, school construction grants receivable and advanced tax collections. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

**J. Compensated Absences**

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

**K. Long-Term Obligations**

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

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

**L. Net OPEB Liability**

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

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**M. Net Pension Liability**

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

**N. Fund Equity**

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

**Net Investment in Capital Assets**

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

**Restricted Net Position**

Net position is restricted because of externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Town currently has no assets under restriction.

**Unrestricted Net Position**

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

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

**Nonspendable Fund Balance**

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

**Restricted Fund Balance**

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

**Committed Fund Balance**

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

**Assigned Fund Balance**

This represents amounts constrained for the intent to be used for a specific purpose by the First Selectman.

**Unassigned Fund Balance**

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**O. Accounting Estimates**

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

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the line item level for all budgeted funds. The Board of Finance, upon the request of individual departments, offices or agencies, may approve and must recommend all transfers to the RTM. No recommended transfer by the Board of Finance shall be effective unless approved by the RTM. During the year ended June 30, 2022 the Town approved additional appropriations of \$725,000, \$274,000 from unanticipated revenues and \$451,000 from fund balance.

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

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

The LOCIP fund, a nonmajor governmental fund had a deficit of \$100,000 at 6/30/2022, this deficit will be funded in a future year with the receipt of intergovernmental revenue.



**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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

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

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

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

**Deposits**

**Deposit Custodial Credit Risk**

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$31,538,017 of the Town's bank balance of \$43,600,610 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 6,389,408
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name, and amounts held by third-party banks in the Town's name	<u>25,148,609</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 31,538,017</u>

**Cash Equivalents**

At June 30, 2022, the Town's cash equivalents amounted to \$76,789,248. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<b>Standard &amp; Poor's</b>
State Short-Term Investment Fund (STIF)	AAAm

**Investments**

As of June 30, 2022, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1-10	Greater Than 10
Interest-bearing investments:					
U.S. Government securities	N/A	\$ 5,589,123	\$ 114,444.00	\$ 1,857,294	\$ 3,617,385
U.S. Government agencies	AAA	1,097,391	-	549,505	547,886
Municipal bonds	A-AAA	696,625	206,727	305,583	184,315
Certificates of deposit	N/A	583,329	583,329	-	-
Corporate bonds	BBB+-AAA	10,792,435	<u>991,811</u>	<u>9,094,025</u>	<u>706,599</u>
Subtotal			<u>\$ 1,896,311</u>	<u>\$ 11,806,407</u>	<u>\$ 5,056,185</u>
Police Pension Fund and Volunteer Firemen Pension:					
Open ended mutual funds and exchange traded funds	N/A	<u>43,540,046</u>			
Total		<u>\$ 62,298,949</u>			

\*Subject to coverage by Federal Depository Insurance and collateralization.

N/A: Not applicable

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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, 2022:

	June 30, 2022	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
U.S. Government securities	\$ 5,589,123	\$ 5,589,123	\$ -	\$ -
U.S. Government agencies	1,097,391	-	1,097,391	-
Corporate / municipal bonds	10,792,435	-	10,792,435	-
Municipal bonds	696,625	-	696,625.00	-
Mutual funds	43,540,046	43,540,046	-	-
Total investments by fair value level	61,715,620	\$ 49,129,169	\$ 12,586,451	\$ -
Investment measured at amortized cost:				
Certificates of Deposit	583,329			
Total Investments	\$ 62,298,949			

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

**Interest Rate Risk**

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

**Credit Risk - Investments**

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

**Concentration of Credit Risk**

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**Custodial Credit Risk**

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2022, the Town had no uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

**4. RECEIVABLES**

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

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:				
Interest	\$ 2,019,894	\$ -	\$ -	\$ 2,019,894
Taxes	4,889,120	-	-	4,889,120
Accounts	877,712	-	485,347	1,363,059
Special assessments	-	-	376,382	376,382
Intergovernmental	194,761	7,245,309	1,251,159	8,691,229
Lessor	-	160,388	-	160,388
Gross receivables	<u>7,981,487</u>	<u>7,405,697</u>	<u>2,112,888</u>	<u>17,500,072</u>
Less allowance for uncollectibles	<u>(379,764)</u>	<u>-</u>	<u>-</u>	<u>(379,764)</u>
Net Total Receivables	<u>\$ 7,601,723</u>	<u>\$ 7,405,697</u>	<u>\$ 2,112,888</u>	<u>\$ 17,120,308</u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 17,130,864	\$ -	\$ -	\$ -	\$ 17,130,864
Intangible assets	596,800	-	-	-	596,800
Construction in progress	74,725,826	8,119,598	(933,656)	-	81,911,768
Total capital assets not being depreciated	<u>92,453,490</u>	<u>8,119,598</u>	<u>(933,656)</u>	<u>-</u>	<u>99,639,432</u>
Capital assets being depreciated:					
Buildings and improvements	132,208,696	116,786	933,656	(248,513)	133,010,625
Improvements other than buildings	6,000,253	193,633	-	-	6,193,886
Machinery and equipment	30,956,946	2,231,901	-	(449,594)	32,739,253
Infrastructure	93,207,337	924,017	-	(119,598)	94,011,756
Total capital assets being depreciated	<u>262,373,232</u>	<u>3,466,337</u>	<u>933,656</u>	<u>(817,705)</u>	<u>265,955,520</u>
Less accumulated depreciation for:					
Buildings and improvements	55,565,975	2,897,211	-	(191,358)	58,271,828
Improvements other than buildings	2,179,645	275,778	-	-	2,455,423
Machinery and equipment	23,055,360	1,405,834	-	(426,910)	24,034,284
Infrastructure	68,384,980	1,058,665	-	(89,802)	69,353,843
Total accumulated depreciation	<u>149,185,960</u>	<u>5,637,488</u>	<u>-</u>	<u>(708,070)</u>	<u>154,115,378</u>
Right-to-use lease assets:					
Equipment	<u>933,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>933,799</u>
Less accumulated amortization:					
Equipment	<u>-</u>	<u>345,026</u>	<u>-</u>	<u>-</u>	<u>345,026</u>
Total capital assets being depreciated/amortized, net	<u>114,121,071</u>	<u>(2,516,177)</u>	<u>933,656</u>	<u>(109,635)</u>	<u>112,428,915</u>
Governmental Activities Capital Assets, Net	<u>\$ 206,574,561</u>	<u>\$ 5,603,421</u>	<u>\$ -</u>	<u>\$ (109,635)</u>	<u>\$ 212,068,347</u>

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

Governmental activities:	
General government	\$ 170,089
Public safety	987,054
Public works	2,490,617
Parks, recreation and libraries	295,869
Health and welfare	180,497
Education	<u>1,858,388</u>
Total Depreciation and Amortization Expense	<u>\$ 5,982,514</u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

**Active Capital Projects**

The Town has active projects as of June 30, 2022. The projects include the following:

<u>Project</u>	<u>Appropriation</u>	<u>Cumulative Expenditures</u>	<u>Encumbrances</u>	<u>Available Balance</u>
Tabor Drive Acquisition	\$ 13,875,000	\$ 13,844,478	\$ -	\$ 30,522
Land Acquisition Fund	1,560,276	1,375,902	-	184,374
Pump Station Upgrades	2,500,000	2,266,543	-	233,457
Harbor Street Culvert Repairs	2,200,000	1,939,913	-	260,087
Community Center Improvements	12,115,000	12,094,153	728	20,119
Walsh Intermediate School Renovations	88,200,000	81,279,983	2,477,728	4,442,289
Linden Avenue Shoreline Stabilization	1,200,000	118,606	9,982	1,071,412
Branford High School Locker Room Renovation	300,000	300,000	-	-
Energy Performance Contract	6,200,000	6,156,178	-	43,822
Indian Neck Firehouse Renovations	1,675,000	1,624,120	-	50,880
James Blackstone Memorial Library Renovations	5,745,000	5,680,100	-	64,900
Forcemain & Sewer Rehabilitation Projects	3,975,000	867,297	129,681	2,978,022
Main Street Reconstruction	2,750,000	158,155	489,845	2,102,000
Town Wide Drainage Improvements	500,000	17,526	41,598	440,876
Stony Creek Wharf Reconstruction	350,000	12,187	-	337,813
East Industrial Road Reconstruction	1,750,000	-	-	1,750,000

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

Individual fund, interfund receivable and payable balances at June 30, 2022 are as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 33,749
Capital Projects Fund	General Fund	2,607,953
Capital Projects Fund	Nonmajor Governmental Funds	1,945,000
Internal Service Fund	General Fund	75,506
Nonmajor Governmental Funds	General Fund	<u>246,412</u>
Total		<u>\$ 4,908,620</u>

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

Interfund transfers:

	<b>Transfers In</b>			
	<b>General Fund</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental</b>	<b>Total Transfers Out</b>
Transfers out:				
General Fund	\$ -	\$ 2,946,165	\$ 2,086,913	\$ 5,033,078
Capital Projects	7,109	-	-	7,109
Nonmajor Governmental	723,582	450,000	-	1,173,582
<b>Total Transfers In</b>	<b>\$ 730,691</b>	<b>\$ 3,396,165</b>	<b>\$ 2,086,913</b>	<b>\$ 6,213,769</b>

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

**7. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Bonds payable:					
General obligation bonds	\$ 90,355,000	\$ 14,080,000	\$ 20,065,000	\$ 84,370,000	\$ 7,210,000
Bond premiums	3,697,660	-	792,935	2,904,725	-
Total bonds and notes payable	94,052,660	14,080,000	20,857,935	87,274,725	7,210,000
Landfill closure	883,500	-	-	883,500	35,000
Net pension liability	39,842,486	-	6,343,999	33,498,487	-
Lease liability	933,799	-	367,208	566,591	278,813.00
Compensated absences	3,547,854	208,173.00	99,091	3,656,936	208,929
Risk management claims	5,111,226	-	119,572	4,991,654	2,541,568
Notes payable	125,000	-	125,000	-	-
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$ 144,496,525</b>	<b>\$ 14,288,173</b>	<b>\$ 27,912,805</b>	<b>\$ 130,871,893</b>	<b>\$ 10,274,310</b>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

A schedule of bonds and notes outstanding at June 30, 2022 is presented below:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2022</u>
General Obligation:				
School, 2.0-5.0%, mature in 2022	\$ 390,000	\$ -	\$ 233,000	\$ 157,000
School, 2.0-5.0%, mature in 2032	6,760,000	-	720,000	6,040,000
School, 0.5-2.0%, mature in 2032	-	9,721,000	-	9,721,000
School, 2.0-4.0%, mature in 2038	11,160,000	-	9,820,000	1,340,000
School, 1.0-5.0%, mature in 2038	2,925,000	-	-	2,925,000
School, 2.0-5.0%, mature in 2039	39,000,000	-	-	39,000,000
Public improvement sewer, 2.0-5.0%, mature in 2012	4,510,000	-	2,667,000	1,843,000
Public improvement, 2.0-4.0%, mature in 2032	3,770,000	-	320,000	3,450,000
Public improvement sewer, 0.5-2.0%, mature in 2032	-	4,359,000	-	4,359,000
Public improvement sewer, 2.0-4.0%, mature in 2038	4,940,000	-	4,380,000	560,000
Public improvement sewer, 1.0-5.0%, mature in 2038	2,360,000	-	-	2,360,000
Public improvement sewer, 2.0-5.0%, mature in 2039	6,000,000	-	-	6,000,000
Special Assessment:				
Sewer, 2.0-4.0%, mature in 2032	720,000	-	60,000	660,000
Sewer, 1.0-5.0%, mature in 2038	2,420,000	-	-	2,420,000
Sewer, 5.0%, mature in 2025	5,400,000	-	1,865,000.00	3,535,000
Total Bonds	<u>\$ 90,355,000</u>	<u>\$ 14,080,000</u>	<u>\$ 20,065,000</u>	<u>\$ 84,370,000</u>

**General Obligation Refunding Bonds**

On November 15, 2021, the Town issued \$14,080,000 of general obligation refunding bonds with an interest rate between 0.5%-2%. The bonds were issued to refund \$13,250,000 aggregate principal amounts outstanding of 2018 General Obligation Bonds. The net proceeds of \$13,936,503 after payment of \$58,580 in underwriter's fees and \$90,697 of other issuance costs, were placed into an escrow account to advance refund the 2018 general obligation bonds. The Town refunded the above bonds to reduce total debt service payments over 11 years by \$1,680,267 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$866,513. As of June 30, 2022, the Town has \$13,250,000 of defeased debt outstanding from this refunding and \$13,402,143 is held in escrow to pay for the future debt service on the defeased debt. This amount is removed from the governmental activities column of the statement of net position.



**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 7,210,000	\$ 2,138,433	\$ 9,348,433
2024	7,135,000	1,833,645	8,968,645
2025	6,390,000	1,572,765	7,962,765
2026	5,640,000	1,400,355	7,040,355
2027	5,640,000	1,294,538	6,934,538
2028-2032	29,510,000	4,554,920	34,064,920
2033-2037	16,830,000	1,789,152	18,619,152
2038-2040	6,015,000	193,288	6,208,288
Total	<u>\$ 84,370,000</u>	<u>\$ 14,777,096</u>	<u>\$ 99,147,096</u>

**General Obligation Bonds and Notes**

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

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

<u>Category</u>	<u>(In Thousands)</u>		
	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 247,379	\$ 24,582	\$ 222,797
Schools	494,757	65,518	429,239
Sewers	412,298	6,880	405,418
Urban renewal	357,325	-	357,325
Pension deficit	329,838	-	329,838

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$769,622.

**8. RISK MANAGEMENT**

The Town is exposed to various risks of loss related including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town generally obtains commercial insurance for these risks, but, as of July 1, 2000, has chosen to retain the risks for workers' compensation, heart and hypertension and medical claims. The Town's claims for risks covered by insurance have not exceeded covered losses during the past three years.

The Workers' Compensation Internal Service Fund is utilized to report the self-insurance activity. Workers Compensated Trust Services administers the plan, for which the Town pays a fee. The Town's general government and the Board of Education contribute based on estimates using historical data. The Town covers all claims up to \$600,000 per employee per year with a stop-loss policy covering amounts exceeding the limit.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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The claims liability of \$2,763,136 reported in the Internal Service Fund at June 30, 2022 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claims liability were as follows for the last two years:

		<b>Liability July 1,</b>		<b>Current Year Claims and Changes in Estimates</b>		<b>Claim Payments</b>		<b>Liability June 30,</b>
2020-2021	\$	3,231,900	\$	707,930	\$	747,152	\$	3,192,678
2021-2022		3,192,678		190,057		619,599		2,763,136

The Heart and Hypertension Fund was established to account for the self-insured activities of the Town related to heart and hypertension claims. The claims liability of \$1,068,518 at June 30, 2022 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claims liability are as follows:

		<b>Liability July 1,</b>		<b>Current Year Claims and Changes in Estimates</b>		<b>Claim Payments</b>		<b>Liability June 30,</b>
2020-2021	\$	1,217,338	\$	-	\$	106,620	\$	1,110,718
2021-2022		1,110,718		-		42,200		1,068,518

The Town created the Medical Self-Insurance Fund at the end of 2006. The fund will be used to pay claims for medical, prescription drug costs and dental benefits. The claims liability of \$1,160,000 at June 30, 2022 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claims liability are as follows:

		<b>Liability July 1,</b>		<b>Current Year Claims and Changes in Estimates</b>		<b>Claim Payments</b>		<b>Liability June 30,</b>
2020-2021	\$	743,000	\$	10,749,596	\$	10,684,766	\$	807,830
2021-2022		807,830		12,653,740		12,301,570		1,160,000

**9. BULKY WASTE LANDFILL**

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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

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

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

Final Cover, Demolition and Grading Cost	\$	8,500
Postclosure Care Costs (25 years):		
Inspection and Maintenance of Final Cover (\$12,000 annually)		300,000
Monitoring Program, Groundwater, Methane and Stormwater (\$23,000 annually)		<u>575,000</u>
Total	\$	<u><u>883,500</u></u>

**10. JOINT VENTURES**

**Bristol Resource Recovery Facility Operating Committee**

The Town is a participant with 13 other cities and towns in a joint venture, the Bristol Resource Recovery Facility Operating Committee (BRRFOC). BRRFOC was created pursuant to an Inter-Community Agreement to exercise certain rights on behalf of contracting municipalities in dealing with the waste-to-energy plant built by Ogden Martin Systems of Bristol, Inc. (now Covanta Bristol, Inc.). The governing board consists of Town officials appointed by each of the participating municipalities and assumes all the management decisions. The Town has an obligation to appropriate funds in amounts necessary to fulfill its obligations created pursuant to the Intercommunity Agreement dated as of August 15, 1985. These obligations deal with guarantees to meet certain tonnage requirements. General Fund balance for fiscal year ended June 30, 2022 as reflected in BRRFOC's financial statements is \$1.03 million. A complete set of financial statements for BRRFOC can be obtained from the administrative office at 43 Enterprise Drive, Bristol, Connecticut.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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

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

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

**A. Pension Trust Funds**

**Plan Description and Benefits Provided**

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

**Summary of Significant Accounting Policies**

**Basis of Accounting**

Financial statements are prepared using the accrual basis of accounting for the two defined benefit pension plans. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

**Method Used to Value Investments**

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

*Police Employees Retirement Plan*

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

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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

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

*Volunteer Fire Department Pension Plan*

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

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

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

	<b>Police Employees Retirement Plan</b>	<b>Volunteer Fire Department Pension Plan</b>
Retirees, disabled and beneficiaries currently receiving benefits	52	14
Terminated employees entitled to benefits but not yet receiving them	6	-
Active plan members	51	223
Total Participants	109	237

**Investments**

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

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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Police Employees Retirement Plan

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

Volunteer Fire Department Pension Plan

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

**Rate of Return**

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, were (12.04)% and (12.10)% for the Police employee's retirement plan and the volunteer fire department pension plan, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Deferred Retirement Option Program**

The police employee's retirement plan includes a Deferred Retirement Option Plan (DROP). As of June 30, 2022, seven officers have elected the DROP and the DROP balance was \$714,336.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**Net Pension Liability of the Town**

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

	<b>Police Employees Retirement Plan</b>	<b>Volunteer Fire Department Pension Plan</b>
Total pension liability	\$ 39,624,189	\$ 1,646,220
Plan fiduciary net position	<u>26,299,899</u>	<u>1,361,893</u>
Net Pension Liability	<u>\$ 13,324,290</u>	<u>\$ 284,327</u>
Plan fiduciary net position as a percentage of the total pension liability	66.37%	82.73%

**Actuarial Assumptions**

*Police Employees Retirement Plan*

The total pension liability was determined by an actuarial valuation as of July 1, 2021 rolled forward to the measurement date of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.4%
Salary increases	Scaled from 8.40% down to 2.5% based on years of service
Investment rate of return	6.5%, net of pension plan investment expense, including inflation

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

*Volunteer Fire Department Pension Plan*

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

Inflation	2.40%
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 (see the discussion of the pension plan's investment policy) are summarized in the following tables:

Police Employees Retirement Plan

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

Volunteer Fire Department Pension Plan

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



**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

**Changes in the Net Pension Liability**

	<b>Police Employees Retirement Plan</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of June 30, 2021	\$ 37,281,216	\$ 30,141,970	\$ 7,139,246
Changes for the year:			
Service cost	750,275	-	750,275
Interest on total pension liability	2,400,021	-	2,400,021
Difference between expected and actual experience	(482,736)	-	(482,736)
Changes in assumptions	1,927,043	-	1,927,043
Employer contributions	-	1,640,000	(1,640,000)
Member contributions	-	436,381	(436,381)
Net investment income (loss)	-	(3,666,822)	3,666,822
Benefit payments, including refund to employee contributions	(2,251,630)	(2,251,630)	-
Net changes	<u>2,342,973</u>	<u>(3,842,071)</u>	<u>6,185,044</u>
Balances as of June 30, 2022	<u>\$ 39,624,189</u>	<u>\$ 26,299,899</u>	<u>\$ 13,324,290</u>

	<b>Volunteer Fire Department Pension Plan</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of June 30, 2021	\$ 1,552,746	\$ 1,494,993	\$ 57,753
Changes for the year:			
Service cost	23,270	-	23,270
Interest on total pension liability	101,442	-	101,442
Differences between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Employer contributions	-	87,000	(87,000)
Net investment income (loss)	-	(188,862)	188,862
Benefit payments, including refund to employee contributions	(31,238)	(31,238)	-
Net changes	<u>93,474</u>	<u>(133,100)</u>	<u>226,574</u>
Balances as of June 30, 2022	<u>\$ 1,646,220</u>	<u>\$ 1,361,893</u>	<u>\$ 284,327</u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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

The following presents the net pension liability of the Town, for the Police Employee Retirement Plan calculated using the current discount rate, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate, and for the Volunteer Fire Department Pension Plan calculated using the discount rate, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Police Employees Retirement Plan	\$ 18,005,224	\$ 13,324,290	\$ 9,410,187
	<u>1% Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Volunteer Fire Department Pension Pla	\$ 549,122	\$ 284,327	\$ 68,310

**Funding Status and Progress**

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

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

**Pension Plan Fiduciary Net Position**

	<b>Pension Trust Funds</b>		
	<b>Police Pension Trust Fund</b>	<b>Volunteer Fire Department Pension Trust Fund</b>	<b>Total Pension Trust Funds</b>
Assets:			
Cash and cash equivalents	\$ 1,983,627	\$ 90,015	\$ 2,073,642
Investments	<u>24,316,272</u>	<u>1,271,878</u>	<u>25,588,150</u>
Total assets	<u>26,299,899</u>	<u>1,361,893</u>	<u>27,661,792</u>
Net Position:			
Held in Trust for Pension or Retiree Benefits	<u>\$ 26,299,899</u>	<u>\$ 1,361,893</u>	<u>\$ 27,661,792</u>

**Changes in Pension Net Position**

	<b>Pension Trust Funds</b>		
	<b>Police Pension Trust Fund</b>	<b>Volunteer Fire Department Pension Trust Fund</b>	<b>Total Pension Trust Funds</b>
Additions:			
Contributions:			
Employer	\$ 1,640,000	\$ 87,000	\$ 1,727,000
Plan members	<u>436,381</u>	<u>-</u>	<u>436,381</u>
Total contributions	2,076,381	87,000	2,163,381
Net investment income	<u>(3,666,822)</u>	<u>(188,862)</u>	<u>(3,855,684)</u>
Total additions	(1,590,441)	(101,862)	(1,692,303)
Deductions:			
Benefits	<u>2,251,630</u>	<u>31,238</u>	<u>2,282,868</u>
Net Increase in Net Position	(3,842,071)	(133,100)	(3,975,171)
Net Position at Beginning of Year	<u>30,141,970</u>	<u>1,494,993</u>	<u>31,636,963</u>
Net Position at End of Year	<u>\$ 26,299,899</u>	<u>\$ 1,361,893</u>	<u>\$ 27,661,792</u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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

For the year ended June 30, 2022, the Town recognized pension expense of \$1,982,396. \$1,917,906 for the Police plan and \$64,490 for the Volunteer Fire plan. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Police Employees Retirement Plan</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 6,216	\$ 393,340
Changes of assumptions	1,570,183	99,665
Net difference between projected and actual earning on pension plan investments	<u>2,745,753</u>	<u>-</u>
Total	<u>\$ 4,322,152</u>	<u>\$ 493,005</u>

	<b>Volunteer Fire Department Pension</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 105,834
Changes of assumptions	76,604	2,024
Net difference between projected and actual earning on pension plan investments	<u>140,801</u>	<u>-</u>
Total	<u>\$ 217,405</u>	<u>\$ 107,858</u>

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

<b><u>Year Ending June 30</u></b>	<b><u>Police Employees Retirement Plan</u></b>	<b><u>Volunteer Fire Department Pension Plan</u></b>
2023	\$ 931,036	\$ 32,953
2024	864,986	29,844
2025	534,586	14,553
2026	1,391,552	55,603
2027	106,987	(1,962)
Thereafter	-	(21,444)

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**B. Municipal Employees' Retirement System**

**Plan Description**

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

**Benefit Provisions**

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

**Normal Retirement**

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

**Early Retirement**

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

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

**Disability Retirement - Service Connected**

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

**Disability Retirement - Nonservice Connected**

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**Pre-Retirement Death Benefit**

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

*Contributions*

*Member*

Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2¼% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base.

*Employer*

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member.

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

At June 30, 2022, the Town reports a liability of \$19,889,870 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2021. The actuarial assumptions used in the June 30, 2021 valuation were based on results of an actuarial experience study for the period July 1, 2012 through June 30, 2017. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2022, the Town’s proportion was 2.80%. The decrease in proportion from the prior year was 0.13%.

For the year ended June 30, 2022, the Town recognized pension expense of \$4,063,344. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Town contributions after the measurement date	\$ 3,365,469	\$ -
Change in proportional share	368,071	936,244
Change in assumptions	2,461,778	-
Differences between expected and actual experience	2,201,844	2,430,185
Net difference between projected and actual earnings on pension plan investments	-	8,139,178
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 8,397,162</u>	<u>\$ 11,505,607</u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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

**Year Ending June 30**

2022	\$	793,375
2023		(2,438,395)
2024		(2,190,765)
2025		<u>(2,638,129)</u>
Total	\$	<u><u>(6,473,914)</u></u>

**Actuarial Assumptions**

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

Inflation	2.50%
Salary increase	3.50-10.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on:

RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees.

RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.

For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	20.0%	5.3%
Developed market international	11.0%	5.1%
Emerging market international	9.0%	7.4%
Core fixed income	16.0%	1.6%
Inflation linked bond fund	5.0%	1.3%
Emerging market debt	5.0%	2.9%
High yield bond	6.0%	3.4%
Real estate	10.0%	4.7%
Private equity	10.0%	7.3%
Alternative investments	7.0%	3.2%
Liquidity fund	1.0%	0.9%
Total	<u>100.0%</u>	

**Discount Rate**

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

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

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Town’s Proportionate Share of the Net Pension Liability	\$ 33,540,194	\$ 19,889,870	\$ 8,062,284



**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**C. Connecticut Teachers Retirement System - Pension**

**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](http://www.ct.gov).

**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.

**Contributions**

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

*Employer (School Districts)*

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

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

For the year ended June 30, 2022, the amount of "on-behalf" contributions made by the State was \$7,901,273 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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*Employees*

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

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

At June 30, 2022, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>94,361,596</u>
Total	\$	<u>94,361,596</u>

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

For the year ended June 30, 2022, the Town recognized pension expense and revenue of \$6,091,261 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**Actuarial Assumptions**

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

Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

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

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

**Cost-of-Living Allowance**

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

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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

**Long-Term Rate of Return**

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

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

**Discount Rate**

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

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

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov). Separate financial statements are not prepared for the Police Employees Retirement Plan and the Volunteer Fire Department Pension Plan.

**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.

**12. OTHER POSTEMPLOYMENT BENEFITS**

**A. Retiree Health Plan**

**Summary of Significant Accounting Policies**

**Basis of Accounting**

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

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

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

**Plan Description**

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

At July 1, 2020, plan membership consisted of the following:

	<b><u>Post-Retirement Medical Program</u></b>
Retired members and spouses	67
Active plan members	<u>575</u>
Total Participants	<u><u>642</u></u>

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**Funding Policy**

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

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

- Eligibility for benefits for Police and Fire range from 10 to 25 years of service at time of retirement determined by union contract and date of hire.
- Medical benefits for Police and Fire range from 100% cost of coverage for the retiree and 50% coverage for their spouse until the employee’s death, 100% coverage for retiree only depending on date of hire and union contract.
- The remaining employee groups are eligible pursuant to their bargaining unit and date of hire to purchase coverage for 100% of the cost set forth for active members within their bargaining unit.
- Life insurance benefits are not offered.

**Investments**

**Investment Policy**

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

**Rate of Return**

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was 14.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the Town**

The Town’s net OPEB liability was measured as of June 30, 2022. The components of the net OPEB liability of the Town at June 30, 2022 were as follows:

Total OPEB liability	\$	28,452,096
Plan fiduciary net position		<u>35,675,801</u>
Net OPEB Liability	\$	<u><u>(7,223,705)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		125.39%

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**Actuarial Assumptions**

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

Inflation	2.40%, prior 2.60%
Salary increases	3.40%, average, including inflation, prior 3.60%
Investment rate of return	6.50%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	6.50% for 2020, decreasing 0.5% per year to an ultimate rate of 4.40% for 2024 and later years. Prior, 7.00% for 2018, decreasing 0.5% per year to an ultimate rate of 4.60% for 2022 and later years

Mortality rates were based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021. RP-2014 adjusted to 2006 total dataset mortality table projected to the valuation date with Scale MP-2018.

The actuarial assumptions used in the July 1, 2020 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2022 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Large Cap Equity	14.50 %	5.25 %
U.S. Mid/Small Cap Equity	11.00	5.75
Developed International Equity	12.50	5.75
Emerging Markets Equity	8.50	7.75
Intermediate Corp Fixed Income	18.00	1.75
Intermediate Govt Fixed Income	18.00	0.75
High Yield Fixed Income	8.00	4.00
Cash	1.00	0.00
REITs	3.25	5.75
Commodities (MLPs)	5.25	3.75
	100.00 %	
Total		

**TOWN OF BRANFORD, CONNECTICUT  
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**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in the Net OPEB Liability**

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
Balances as of July 1, 2020	\$ 27,172,065	\$ 37,497,545	\$ (10,325,480)
Changes for the year:			
Service cost	740,539	-	740,539
Interest on total OPEB liability	1,763,781	-	1,763,781
Differences between expected and actual experience	355,593	-	355,593
Changes of assumption		-	-
Employer contributions	-	2,589,512	(2,589,512)
Contributions - TRB subsidy	-	51,370	(51,370)
Net investment income (loss)	-	(2,882,744)	2,882,744
Benefit payments	<u>(1,579,882)</u>	<u>(1,579,882)</u>	<u>-</u>
Net changes	<u>1,280,031</u>	<u>(1,821,744)</u>	<u>3,101,775</u>
Balances as of June 30, 2020	\$ <u>28,452,096</u>	\$ <u>35,675,801</u>	\$ <u>(7,223,705)</u>

**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:

	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
Net OPEB Liability	\$ (3,500,569)	\$ (7,223,705)	\$ (10,309,760)

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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**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:

	<b>1% Decrease (5.50% decreasing to 3.40%)</b>	<b>Healthcare Cost Trend Rates (6.50% decreasing to 4.40%)</b>	<b>1% Increase (7.50% decreasing to 5.40%)</b>
Net OPEB Liability	\$ (11,149,315)	\$ (7,223,705)	\$ (2,352,941)

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

For the year ended June 30, 2022, the Town recognized OPEB expense of \$428,153. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 368,463	\$ 4,009,192
Changes of assumptions	583,693	3,285,427
Differences between projected and actual earnings on OPEB plan investments	<u>3,703,519</u>	<u>-</u>
Total	<u>\$ 4,655,675</u>	<u>\$ 7,294,619</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**

2022	\$ 378,856
2023	286,297
2024	(101,885)
2025	380,987
2026	(689,816)
Thereafter	(2,893,383)



**TOWN OF BRANFORD, CONNECTICUT  
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**Trust Fund Plan Fiduciary Net Position**

	<b>Pension Trust Funds</b>	<b>Retiree Benefits Trust Fund</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 2,073,642	\$ 1,438,240	\$ 3,511,882
Investments	25,588,150	34,237,561	59,825,711
Due from other funds	-	-	-
<b>Total assets</b>	<b>27,661,792</b>	<b>35,675,801</b>	<b>63,337,593</b>
<b>Liabilities:</b>			
Accounts payable	-	-	-
<b>Net Position:</b>			
Held in Trust for Pension or Retiree Benefits	<u>\$ 27,661,792</u>	<u>\$ 35,675,801</u>	<u>\$ 63,337,593</u>

**Changes in Trust Fund Net Position**

	<b>Pension Trust Funds</b>	<b>Retiree Benefits Trust Fund</b>	<b>Total</b>
<b>Additions:</b>			
<b>Contributions:</b>			
Employer	\$ 1,727,000	\$ 2,640,882	\$ 4,367,882
Plan members	436,381	-	436,381
Other	-	-	-
<b>Total contributions</b>	<b>2,163,381</b>	<b>2,640,882</b>	<b>4,804,263</b>
<b>Investment income:</b>			
Net investment income	<u>(3,855,684)</u>	<u>(2,882,744)</u>	<u>(6,738,428)</u>
<b>Total additions</b>	<b>(1,692,303)</b>	<b>(241,862)</b>	<b>(1,934,165)</b>
<b>Deductions:</b>			
Benefits	<u>2,282,868</u>	<u>1,579,882</u>	<u>3,862,750</u>
<b>Change in Net Position</b>	<b>(3,975,171)</b>	<b>(1,821,744)</b>	<b>(5,796,915)</b>
<b>Net Position at Beginning of Year</b>	<u>31,636,963</u>	<u>37,497,545</u>	<u>69,134,508</u>
<b>Net Position at End of Year</b>	<u>\$ 27,661,792</u>	<u>\$ 35,675,801</u>	<u>\$ 63,337,593</u>

**B. Teachers Retirement Plan**

**1. 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](http://www.ct.gov/trb).

**2. 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.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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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.

**3. Eligibility**

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

**4. Contributions**

State of Connecticut

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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Employer (School Districts)

School District employers are not required to make contributions to the plan. For the year ended June 30, 2022, the amount of “on-behalf” contributions made by the State was \$185,932 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

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

At June 30, 2022, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's Proportionate Share of the Net OPEB Liability	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	<u>10,280,523</u>
 Total	 <u>\$ 10,280,523</u>

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

For the year ended June 30, 2022, the Town recognized OPEB expense and revenue of \$(379,627) in Exhibit II.

**6. Actuarial Assumptions**

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

Inflation	2.5%
Health care costs trend rate	5.125% for 2020, decreasing to an ultimate rate of 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Investment rate of return	2.17%, net of OPEB plan investment expense, including inflation
Year fund net pension will be depleted	2023

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

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

- Discount rate changed from 2.21% to 2.17%
- Expected annual per capita claims costs were updated to better reflect anticipated Medicare and prescription drug claim experience based on scheduled premium increases through calendar year 2024.
- The changes in the benefit terms since the prior year are as follows:
- There were no changes to benefit terms in the two years preceding the measurement date.

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

## **7. Discount Rate**

The discount rate used to measure the total OPEB liability was 2.17%. The projection of cash flows used to determine the discount rate was performed with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2020.

In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

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Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

**8. 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.

**9. OPEB Plan Fiduciary Net Position**

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at [www.ct.gov](http://www.ct.gov).

**10. Other Information**

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

**TOWN OF BRANFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS**

**13. FUND BALANCES**

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

	<b>Major Special Revenue Funds</b>		<b>Nonmajor Governmental Funds</b>	<b>Total</b>
	<b>General Fund</b>	<b>Capital Projects</b>		
Fund balances:				
Nonspendable:				
Inventory	\$ -	\$ -	\$ 18,976	\$ 18,976
Prepaid items	1,478,987	-	-	1,478,987
Permanent fund principal	-	-	100,730	100,730
Restricted for:				
Capital projects	-	20,459,902	2,920,486	23,380,388
Unspent grant balances	-	-	6,756,192	6,756,192
Permanent funds	-	-	234,467	234,467
Committed to:				
Public works lease	421,345	-	-	421,345
General government	-	-	731,349	731,349
Public safety	-	-	209,175	209,175
Public works and highway	-	-	2,527,079	2,527,079
Parks, recreation and libraries	-	-	1,014,138	1,014,138
Health and human services	-	-	2,147,450	2,147,450
Education	2,345	-	1,559,388	1,561,733
Assigned to:				
Subsequent year's budget	3,832,736	-	-	3,832,736
Purchases on order	814,937	-	-	814,937
Unassigned	40,969,308	-	(100,000)	40,869,308
<b>Total Fund Balances</b>	<b>\$ 47,519,658</b>	<b>\$ 20,459,902</b>	<b>\$ 18,119,430</b>	<b>\$ 86,098,990</b>

Significant encumbrances of \$1,308,363, \$4,846,400, and \$945,960 at June 30, 2022 are contained in the above table in the committed and assigned categories of the General Fund, the restricted category of the Capital Projects Funds, and the restricted and committed categories of the Nonmajor Governmental Funds, respectively.

**14. LITIGATION**

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

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

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Taxes:				
Current Taxes	\$ 106,034,038	\$ 106,034,038	\$ 108,796,101	\$ 2,762,063
Delinquent Interest	525,000	525,000	1,407,629	882,629
Lien Fees	6,100	6,100	25,195	19,095
Suspense Collections	7,100	7,100	26,467	19,367
Delinquent Taxes	975,000	975,000	2,168,449	1,193,449
Warrant Fees	300	300	395	95
Returned Check Fees	-	-	80	80
Motor Vehicle Fees	3,000	3,000	10,195	7,195
Total taxes	<u>107,550,538</u>	<u>107,550,538</u>	<u>112,434,511</u>	<u>4,883,973</u>
Intergovernmental Revenues:				
Education Cost Sharing	2,300,000	2,300,000	2,753,346	453,346
Special Education	350,000	350,000	753,720	403,720
Health and Welfare	-	-	6,598	6,598
Disability Exemption	2,000	2,000	2,383	383
Veterans' Reimbursement - State	-	-	18,724	18,724
Private Property Exemption	105,041	105,041	115,805	10,764
State Property Exemption	12,155	12,155	12,155	-
Municipal Revenue Sharing Grant	-	-	45,472	45,472
Miscellaneous State Grants	10,000	10,000	8,001	(1,999)
Miscellaneous State Grants (Police)	17,000	17,000	-	(17,000)
Miscellaneous State Grants (Emergency Management)	14,073	14,073	14,113	40
Wild Life Refuge	3,500	3,500	3,556	56
SAFER Grant	180,000	180,000	148,566	(31,434)
North Branford Probate Fees	5,500	5,500	5,641	141
North Branford Sewer Fees	160,000	160,000	194,276	34,276
Total intergovernmental revenues	<u>3,159,269</u>	<u>3,159,269</u>	<u>4,082,356</u>	<u>923,087</u>

(Continued on next page)



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

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Licenses, Permits and Fees:				
Building Permits	\$ 450,000	\$ 450,000	\$ 1,092,517	\$ 642,517
Excavation Permits	5,000	5,000	9,900	4,900
Sewer Connection Permits	-	-	166	166
Zoning Board of Appeals	2,750	2,750	2,250	(500)
Planning and Zoning	25,000	25,000	23,745	(1,255)
Planning and Zoning - DEP Costs	500	500	488	(12)
Map Copies - Building and Engineering	2,000	2,000	2,053	53
Inland Wetlands Applications	15,000	15,000	46,901	31,901
Inland Wetlands - DEP Application Costs	50	50	68	18
Building Dept - Education Fee	600	600	939	339
Transfer Station Escrow	105,000	105,000	217,705	112,705
Trip Passes	1,500	1,500	1,443	(57)
Sticker Revenue	16,000	16,000	26,150	10,150
Electrical Revenue Share	17,000.00	17,000.00	18,055	1,055
Permits and Tags - Police	4,500	4,500	9,015	4,515
Special Wages - Police	525,000	799,000	1,135,041	336,041
Fingerprinting Fees	10,000	10,000	5,780	(4,220)
False Alarm Fees	4,900	4,900	5,950	1,050
Pump Out Services	6,000	6,000	6,901	901
Town Clerk Other Monies	400,000	400,000	368,607	(31,393)
Conveyance Taxes	400,000	400,000	742,010	342,010
Marriage Licenses - Town Portion	4,000	4,000	4,112	112.00
Dog Licenses	2,000	2,000	1,412	(588)
Ambulance Service Fees	1,725,000	1,725,000	2,211,228	486,228
Miscellaneous Permits and Fees - Fire Services	2,000	2,000	2,145	145
E-Commerce Revenue Share	26,000	26,000	27,655	1,655
Total licenses, permits and fees	<u>3,749,800</u>	<u>4,023,800</u>	<u>5,962,236</u>	<u>1,938,436</u>
Interest Income	<u>91,000</u>	<u>91,000</u>	<u>159,468</u>	<u>68,468</u>
Other:				
Willoughby - Wallace Library Fees	3,000	3,000	743	(2,257)
Willoughby - Passport Fees	3,000	3,000	5,210	2,210
Employee Health Insurance Co-pay	600,000	600,000	806,551	206,551
In Lieu of Taxes - Telephone Access	65,000	65,000	59,335	(5,665)

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

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Other: (Continued)				
In Lieu of Taxes - SCRW	\$ 350,000	\$ 350,000	\$ 491,474	\$ 141,474
Leases	25,000	25,000	3,901	(21,099)
Recreation Department - Building Usage	-	-	11,775	11,775
Recreation Department - Facility Usage	-	-	2,150	2,150
Foote Family Charitable Trust	200,000	200,000	287,500	87,500
Insurance Claims and Refunds	20,000	20,000	39,039	19,039
Miscellaneous Refunds	-	-	3,882	3,882
Miscellaneous Income	80,000	80,000	1,223	(78,777)
Sale of Town Property	-	-	80,576	80,576
Board of Education - Tuition Reimbursement	1,000	1,000	-	(1,000)
Commerce Bank Revenue Share	5,000	5,000	8,322	3,322
Returned Check Fees	-	-	80	80
Virtual Net Metering Credits	56,390	56,390	33,748	(22,642)
Under Liquidated Encumbrances	-	-	-	-
Total other	<u>1,408,390</u>	<u>1,408,390</u>	<u>1,835,509</u>	<u>427,119</u>
Total revenues	115,958,997	116,232,997	124,474,080	8,241,083
Other Financing Sources:				
Transfers in	<u>723,582</u>	<u>723,582</u>	<u>730,691</u>	<u>7,109</u>
Total Revenue and Other Financing Sources	<u>\$ 116,682,579</u>	<u>\$ 116,956,579</u>	<u>125,204,771</u>	<u>\$ 8,248,192</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf pension contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			\$ 7,901,273	
State of Connecticut on-behalf OPEB contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			185,932	
The Town does not budget for Board of Education severance fund revenues.			175	
The Town does not budget for Lease fund revenues.			9,965	
The Town does not budget for the proceeds from the issuance of refunding bonds			<u>14,080,000</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Exhibit IV			<u>\$ 147,382,116</u>	

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

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General Government:				
Legislative	\$ 18,294	\$ 18,294	\$ 16,567	\$ 1,727
Executive	270,946	270,946	264,544	6,402
Finance	92,942	92,942	89,750	3,192
Treasurer	482,339	490,756	478,832	11,924
Assessor	460,319	462,220	400,113	62,107
Review of Assessment	19,590	19,590	16,793	2,797
Tax Collector	562,506	525,506	510,853	14,653
Town Clerk	273,266	273,266	270,041	3,225
Law	450,000	532,900	494,552	38,348
Labor Relations Negotiations	62,500	62,500	58,265	4,235
Probate Court	14,459	14,459	12,330	2,129
Elections	181,084	181,084	164,818	16,266
Planning and Zoning	351,576	353,880	342,078	11,802
Zoning Board of Appeals	9,149	9,149	9,024	125
Economic Development Commission	47,455	47,455	23,832	23,623
Inland Wetlands Commission	138,397	139,922	131,174	8,748
General Government Buildings	1,028,784	1,050,470	995,466	55,004
Cable Television	15,100	15,100	13,074	2,026
Information Technology	895,320	895,320	865,302	30,018
Human Resources	328,282	328,282	312,630	15,652
Total	<u>5,702,308</u>	<u>5,784,041</u>	<u>5,470,038</u>	<u>314,003</u>
Public Safety:				
Police Service	7,191,885	7,101,877	6,674,753	427,124
Police Service - Special Detail	525,000	799,000	798,548	452
Department of Emergency Management	25,600.00	27,424	27,422	2.00
Fire Protection	6,896,741	6,936,889	6,931,332	5,557
Building Department	199,640	205,972	205,317	655
Total	<u>14,838,866</u>	<u>15,071,162</u>	<u>14,637,372</u>	<u>433,790</u>
Public Works and Highways:				
Public Works	2,505,356	2,647,448	2,409,062	238,386
Sanitation and Waste	3,509,783	3,593,318	3,230,025	363,293
General Engineering	459,529	461,930	413,007	48,923
Total	<u>6,474,668</u>	<u>6,702,696</u>	<u>6,052,094</u>	<u>650,602</u>

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

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Recreation:</b>				
Branford Recreation Department	\$ 1,235,119	\$ 1,236,560	\$ 1,208,504	\$ 28,056
Docks and Recreational Facilities	20,316	20,316	8,952	11,364
Public Celebration	35,219	47,048	42,266	4,782
Conservation Commission	11,693	8,253	7,780	473
Total	<u>1,302,347</u>	<u>1,312,177</u>	<u>1,267,502</u>	<u>44,675</u>
<b>Libraries:</b>				
James Blackstone Memorial Library	1,598,035	1,598,035	1,598,035	-
Willoughby-Wallace Library	257,241	259,066	241,071	17,995
Total	<u>1,855,276</u>	<u>1,857,101</u>	<u>1,839,106</u>	<u>17,995</u>
<b>Health and Welfare:</b>				
Commission for the Elderly	446,432	448,361	370,908	77,453
East Shore District Health	339,861	339,861	339,861	-
Total	<u>786,293</u>	<u>788,222</u>	<u>710,769</u>	<u>77,453</u>
Board of Education	<u>59,905,541</u>	<u>59,905,541</u>	<u>59,691,683</u>	<u>213,858</u>
<b>Pension and Insurance:</b>				
Pension and Contributions	5,880,329	6,330,329	5,745,866	584,463
Employee Group Insurance	6,413,190	6,413,190	6,413,190	-
Municipal Insurance	2,323,902	2,323,902	2,296,863	27,039
Contingency	824,261	58,669	-	58,669
Total	<u>15,441,682</u>	<u>15,126,090</u>	<u>14,455,919</u>	<u>670,171</u>
<b>Debt Service:</b>				
Principal Retirement	6,940,000	6,940,000	6,940,000	-
Interest and Fiscal Charges	2,653,879	2,503,879	2,501,880	1,999
Total	<u>9,593,879</u>	<u>9,443,879</u>	<u>9,441,880</u>	<u>1,999</u>
Total expenditures	<u>115,900,860</u>	<u>115,990,909</u>	<u>113,566,363</u>	<u>2,424,546</u>

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

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Other Financing Uses:				
Transfers to Other Funds:				
Special Revenue Fund:				
Animal Control Fund	\$ 192,084	\$ 193,412	\$ 192,084	\$ 1,328
Special Programs Fund				-
Sewer Utility Fund	600,000	644,869	644,869	-
Human Services Fund	1,068,214	1,068,214	1,068,214	-
Capital Projects Fund:				
Open Space Fund	26,800	26,800	26,800	-
Revaluation Fund	60,000	60,000	60,000	-
Ambulance	115,000	115,000	115,000	-
Fire Apparatus	325,000	535,000	535,000	-
Municipal Facilities Fund		79,607	79,607	-
BOE Facilities Fund		162,400	162,400	-
Elderly Vehicles	35,000	35,000	35,000	-
Communications Fund	60,000	60,000	60,000	-
DPW Apparatus	200,000	200,000	200,000	-
Coastal Resiliency Fund	306,000	306,000	306,000	-
Ballistic Vest Fund	8,200	8,200	8,200	-
SCBA Gear Fund	85,000	85,000	85,000	-
JBML Capital Fund	35,000	35,000	35,000	-
Capital Procurement Fund	1,498,157	1,634,904	1,634,904	-
Total other financing uses	<u>4,614,455</u>	<u>5,249,406</u>	<u>5,248,078</u>	<u>1,328</u>
Total Budgeted Operations	\$ <u>120,515,315</u>	\$ <u>121,240,315</u>	118,814,441	\$ <u>2,425,874</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf pension payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			\$ 7,901,273	
State of Connecticut on-behalf OPEB payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			185,932	
The Town does not budget for Lease fund expenditures.			494,034	
The Town budgets for Lease fund transfers that are eliminated under GAAP.			(425,000)	
The Town does not budget for payments to refunding bond escrow Agents.			13,936,503	
The Town does not budget for issuance costs related to refunding debt.			143,497	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.			<u>476,496</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>141,527,176</u>	

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total pension liability:									
Service cost	\$ 579,898	\$ 600,194	\$ 621,201	\$ 586,875	\$ 586,875	\$ 437,672	\$ 615,498	\$ 715,518	\$ 750,275
Interest	1,838,139	1,906,563	1,990,048	2,058,756	2,140,743	2,207,541	2,330,759	2,362,619	2,400,021
Changes of benefit terms	-	-	-	-	-	844,917	-	-	-
Differences between expected and actual experience	-	-	(680,737)	-	1,920,908	-	13,674	-	(482,736)
Changes of assumptions	-	-	991,581	-	706,596	-	(219,266)	-	1,927,043
Benefit payments, including refunds of member contributions	(1,519,089)	(1,400,569)	(1,564,499)	(1,644,784)	(1,602,870)	(1,740,559)	(2,014,458)	(2,814,444)	(2,251,630)
Net change in total pension liability	898,948	1,106,188	1,357,594	1,000,847	3,752,252	1,749,571	726,207	263,693	2,342,973
Total pension liability - beginning	<u>26,425,916</u>	<u>27,324,864</u>	<u>28,431,052</u>	<u>29,788,646</u>	<u>30,789,493</u>	<u>34,541,745</u>	<u>36,291,316</u>	<u>37,017,523</u>	<u>37,281,216</u>
Total pension liability - ending	<u>27,324,864</u>	<u>28,431,052</u>	<u>29,788,646</u>	<u>30,789,493</u>	<u>34,541,745</u>	<u>36,291,316</u>	<u>37,017,523</u>	<u>37,281,216</u>	<u>39,624,189</u>
Plan fiduciary net position:									
Contributions - employer	920,000	898,000	910,500	914,742	1,911,484	1,489,164	1,095,000	1,560,019	1,640,000
Contributions - member	282,016	301,069	280,850	258,782	211,005	243,220	399,582	372,327	436,381
Net investment income	2,255,408	40,613	149,903	1,542,864	776,539	1,202,629	(86,998)	5,802,572	(3,666,822)
Benefit payments, including refunds of member contributions	(1,519,089)	(1,400,569)	(1,564,499)	(1,644,784)	(1,602,870)	(1,740,559)	(2,014,458)	(2,814,444)	(2,251,630)
Other	-	-	-	-	-	886,740	-	-	-
Net change in plan fiduciary net position	1,938,335	(160,887)	(223,246)	1,071,604	1,296,158	2,081,194	(606,874)	4,920,474	(3,842,071)
Plan fiduciary net position - beginning	<u>19,825,212</u>	<u>21,763,547</u>	<u>21,602,660</u>	<u>21,379,414</u>	<u>22,451,018</u>	<u>23,747,176</u>	<u>25,828,370</u>	<u>25,221,496</u>	<u>30,141,970</u>
Plan fiduciary net position - ending	<u>21,763,547</u>	<u>21,602,660</u>	<u>21,379,414</u>	<u>22,451,018</u>	<u>23,747,176</u>	<u>25,828,370</u>	<u>25,221,496</u>	<u>30,141,970</u>	<u>26,299,899</u>
Net Pension Liability - Ending	\$ <u>5,561,317</u>	\$ <u>6,828,392</u>	\$ <u>8,409,232</u>	\$ <u>8,338,475</u>	\$ <u>10,794,569</u>	\$ <u>10,462,946</u>	\$ <u>11,796,027</u>	\$ <u>7,139,246</u>	\$ <u>13,324,290</u>
Plan fiduciary net position as a percentage of the total pension liability	79.65%	75.98%	71.77%	72.92%	68.75%	71.17%	68.13%	80.85%	66.37%
Covered payroll	\$ 3,462,045	\$ 3,462,045	\$ 3,576,246	\$ 3,576,246	\$ 2,671,132	\$ 3,806,985	\$ 4,431,836	\$ 4,609,109	\$ 4,606,877
Net pension liability as a percentage of covered payroll	160.64%	197.24%	235.14%	233.16%	404.12%	274.84%	266.17%	154.89%	289.23%

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total pension liability:								
Service cost	\$ 13,044	\$ 18,559	\$ 19,116	\$ 20,274	\$ 20,496	\$ 23,451	\$ 23,708	\$ 23,270
Interest	77,644	80,186	84,136	86,666	90,917	95,109	100,523	101,442
Differences between expected and actual experience	(34,725)	-	(733)	-	(26,189)	-	(74,479)	-
Changes of assumptions	16,764	-	23,148	-	67,300	-	(2,302)	-
Benefit payments, including refunds of member contributions	(40,957)	(42,937)	(42,936)	(46,584)	(41,745)	(36,520)	(34,478)	(31,238)
Net change in total pension liability	31,770	55,808	82,731	60,356	110,779	82,040	12,972	93,474
Total pension liability - beginning	1,116,290	1,148,060	1,203,868	1,286,599	1,346,955	1,457,734	1,539,774	1,552,746
Total pension liability - ending	1,148,060	1,203,868	1,286,599	1,346,955	1,457,734	1,539,774	1,552,746	1,646,220
Plan fiduciary net position:								
Contributions - employer	62,000	348,000	86,000	87,000	87,000	87,299	87,000	87,000
Net investment income (loss)	(192)	2,651	66,884	35,625	54,293	(2,554)	282,330	(188,862)
Benefit payments, including refunds of member contributions	(40,957)	(42,937)	(42,936)	(46,584)	(41,745)	(36,520)	(34,478)	(31,238)
Net change in plan fiduciary net position	20,851	307,714	109,948	76,041	99,548	48,225	334,852	(133,100)
Plan fiduciary net position - beginning	497,814	518,665	826,379	936,327	1,012,368	1,111,916	1,160,141	1,494,993
Plan fiduciary net position - ending	518,665	826,379	936,327	1,012,368	1,111,916	1,160,141	1,494,993	1,361,893
Net Pension Liability - Ending	\$ <u>629,395</u>	\$ <u>377,489</u>	\$ <u>350,272</u>	\$ <u>334,587</u>	\$ <u>345,818</u>	\$ <u>379,633</u>	\$ <u>57,753</u>	\$ <u>284,327</u>
Plan fiduciary net position as a percentage of the total pension liability	45.18%	68.64%	72.78%	75.16%	76.28%	75.34%	96.28%	82.73%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially determined contribution	\$ 889,632	\$ 903,163	\$ 897,106	\$ 897,106	\$ 911,226	\$ 911,226	\$ 1,056,060	\$ 1,056,060	\$ 1,178,950	\$ 1,187,630
Contributions in relation to the actuarially determined contribution	<u>922,000</u>	<u>920,000</u>	<u>898,000</u>	<u>910,500</u>	<u>914,742</u>	<u>1,911,484</u>	<u>1,489,164</u>	<u>1,095,000</u>	<u>1,560,019</u>	<u>1,640,000</u>
Contribution Deficiency (Excess)	\$ <u>(32,368)</u>	\$ <u>(16,837)</u>	\$ <u>(894)</u>	\$ <u>(13,394)</u>	\$ <u>(3,516)</u>	\$ <u>(1,000,258)</u>	\$ <u>(433,104)</u>	\$ <u>(38,940)</u>	\$ <u>(381,069)</u>	\$ <u>(452,370)</u>
Covered payroll	\$ 4,217,112	\$ 3,462,045	\$ 3,462,045	\$ 3,576,246	\$ 3,576,246	\$ 2,671,132	\$ 3,806,985	\$ 4,431,836	\$ 4,609,109	\$ 4,606,877
Contributions as a percentage of covered payroll	21.86%	26.57%	25.94%	25.46%	25.58%	71.56%	39.12%	24.71%	33.85%	35.60%

**Notes to Schedule**

Valuation Date: July 1, 2021  
 Measurement Date: June 30, 2022  
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry Age Normal  
 Amortization method: Level percentage of salary  
 Remaining amortization period: 18 Years  
 Asset valuation method: Asset gains and losses are recognized over a five-year period at 20% per year.  
 Inflation: 2.40%  
 Salary increases: Scaled from 8.40% down to 2.40% based on years of service.  
 Investment rate of return: 6.50%  
 Retirement age: Scaled based on age from 25% at age 25 to 100% at age 40  
 Mortality: Pub-2010 Public Retirement Plans Mortality Tables for Public Safety employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2019. Prior: RP-2014 adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2019.



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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially determined contribution	\$ 66,924	\$ 86,184	\$ 86,184	\$ 86,184	\$ 59,050	\$ 59,640	\$ 65,330	\$ 65,970
Contributions in relation to the actuarially determined contribution	<u>62,000</u>	<u>348,000</u>	<u>86,000</u>	<u>87,000</u>	<u>87,000</u>	<u>87,299</u>	<u>87,000</u>	<u>87,000</u>
Contribution Deficiency (Excess)	<u>\$ 4,924</u>	<u>\$ (261,816)</u>	<u>\$ 184</u>	<u>\$ (816)</u>	<u>\$ (27,950)</u>	<u>\$ (27,659)</u>	<u>\$ (21,670)</u>	<u>\$ (21,030)</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule**

Valuation Date: January 1, 2021

Measurement Date: June 30, 2022

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of salary
Remaining amortization period	10 years
Asset valuation method	Asset gains and losses are recognized over a five-year period at 20% per year.
Inflation	2.40% (Prior: 2.60%)
Salary increases	Volunteer fire plan, no salary
Investment rate of return	6.5%, net of investment-related and administrative expenses
Retirement age	Scaled based on age from 50% at age 65 to 100% at age 70
Mortality	Pub-2010 (B) Public Retirement Plans Headcount Weighted Mortality Tables for Safety employees, for nonannuitants and annuitants, projected to the valuation date with Scale MP-2021. Prior: Pub-2010 (B) Public Retirement Plans Headcount Weighted Mortality Tables for Safety employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2018.

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Annual money-weighted rate of return, net of investment expense	11.25%	0.18%	0.66%	7.19%	3.42%	5.07%	-0.32%	23.10%	-12.04%

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

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

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	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Annual money-weighted rate of return, net of investment expense	-0.04%	0.44%	7.55%	3.58%	5.06%	-0.22%	23.07%	-12.10%

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>64,784,314</u>	<u>70,090,168</u>	<u>91,314,924</u>	<u>86,553,802</u>	<u>84,369,802</u>	<u>109,420,810</u>	<u>119,142,154</u>	<u>94,361,596</u>
Total	<u>\$ 64,784,314</u>	<u>\$ 70,090,168</u>	<u>\$ 91,314,924</u>	<u>\$ 86,553,802</u>	<u>\$ 84,369,802</u>	<u>\$ 109,420,810</u>	<u>\$ 119,142,154</u>	<u>\$ 94,361,596</u>
Town's covered payroll	\$ 22,361,702	\$ 25,437,705	\$ 25,585,052	\$ 26,087,583	\$ 25,670,355	\$ 26,997,429	\$ 27,094,747	\$ 27,083,522
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability (asset)	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%	49.24%	60.77%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	None
Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increase	3.25%-6.50%, including inflation
Investment rate of return	6.90%, net of investment related expense

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

**TOWN OF BRANFORD, CONNECTICUT  
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
LAST TEN FISCAL YEARS**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially determined contribution	\$ 2,144,563	\$ 2,224,976	\$ 2,284,715	\$ 2,233,161	\$ 2,254,928	\$ 2,456,032	\$ 2,511,387	\$ 3,091,444	\$ 3,488,893	\$ 3,365,469
Contributions in relation to the actuarially determined contribution	<u>2,144,563</u>	<u>2,224,976</u>	<u>2,284,715</u>	<u>2,233,161</u>	<u>2,254,928</u>	<u>2,456,032</u>	<u>2,511,387</u>	<u>3,091,444</u>	<u>3,488,893</u>	<u>3,365,469</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 16,458,657	\$ 16,641,556	\$ 16,787,032	\$ 18,444,678	\$ 18,428,703	\$ 19,160,897	\$ 19,552,183	\$ 19,967,045	\$ 19,919,543	\$ 20,529,299
Contributions as a percentage of covered payroll	13.03%	13.37%	13.61%	12.11%	12.24%	12.82%	12.84%	15.48%	17.51%	16.39%

**Notes to Schedule**

Valuation date: June 30, 2021

Measurement date: June 30, 2021

The actuarially determined contributions are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age
Amortization method	Level dollar, closed
Single equivalent amortization period	18 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	3.50% - 10.00%, including inflation
Investment rate of return	7.00%, net of investment-related expense
Changes in assumptions	None

**TOWN OF BRANFORD, CONNECTICUT  
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST EIGHT FISCAL YEARS\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town's proportion of the net pension liability	3.57%	3.29%	3.22%	3.35%	3.07%	2.94%	2.93%
Town's proportionate share of the net pension liability	\$ 3,519,712	\$ 6,345,626	\$ 10,725,931	\$ 8,314,503	\$ 29,349,746	\$ 30,340,054	\$ 32,645,487
Town's covered payroll	\$ 16,787,032	\$ 18,444,678	\$ 18,428,703	\$ 19,160,897	\$ 19,552,183	\$ 19,967,045	\$ 19,919,543
Town's proportionate share of the net pension liability as a percentage of its covered payroll	20.97%	34.40%	58.20%	43.39%	150.11%	151.95%	163.89%
Plan fiduciary net position as a percentage of the total pension liability	90.48%	92.72%	88.29%	91.68%	73.60%	72.69%	71.18%

\*Notes:

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

**TOWN OF BRANFORD, CONNECTICUT  
RETIREE HEALTH PLAN  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
LAST FIVE FISCAL YEARS\***

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB liability:						
Service cost	\$ 808,381	\$ 838,695	\$ 884,463	\$ 1,011,077	\$ 1,053,546	\$ 740,539
Interest	1,849,268	1,963,934	2,066,626	1,997,540	2,119,102	1,763,781
Differences between expected and actual experience	124,760	29,728	(2,500,899)	36,501	(2,911,119)	355,593
Changes of assumptions	-	-	917,229	-	(3,955,923)	-
Benefit payments	(1,035,117)	(1,070,696)	(1,652,303)	(1,096,643)	(1,342,019)	(1,579,882)
Net change in total OPEB liability	1,747,292	1,761,661	(284,884)	1,948,475	(5,036,413)	1,280,031
Total OPEB liability - beginning	27,035,934	28,783,226	30,544,887	30,260,003	32,208,478	27,172,065
Total OPEB liability - ending	28,783,226	30,544,887	30,260,003	32,208,478	27,172,065	28,452,096
Plan fiduciary net position:						
Contributions - employer	2,216,607	2,218,026	8,141,374	9,609,044	2,346,149	2,589,512
Contributions - TRB subsidy	25,410	64,570	51,480	53,020	56,870	51,370
Net investment income	1,090,779	662,753	841,537	(140,172)	4,522,716	(2,882,744)
Benefit payments	(1,035,117)	(1,070,696)	(1,652,303)	(1,096,643)	(1,342,019)	(1,579,882)
Net change in plan fiduciary net position	2,297,679	1,874,653	7,382,088	8,425,249	5,583,716	(1,821,744)
Plan fiduciary net position - beginning	11,934,160	14,231,839	16,106,492	23,488,580	31,913,829	37,497,545
Plan fiduciary net position - ending	14,231,839	16,106,492	23,488,580	31,913,829	37,497,545	35,675,801
Net OPEB Liability - Ending	\$ 14,551,387	\$ 14,438,395	\$ 6,771,423	\$ 294,649	\$ (10,325,480)	\$ (7,223,705)
Plan fiduciary net position as a percentage of the total OPEB liability	49.44%	52.73%	77.62%	99.09%	138.00%	125.39%
Covered-employee payroll	\$ 49,561,870	\$ 51,420,440	\$ 44,608,973	\$ 46,214,896	\$ 46,157,107	\$ 47,726,448
Net OPEB liability as a percentage of covered-employee payroll	29.36%	28.08%	15.18%	0.64%	-22.37%	-15.14%

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

**TOWN OF BRANFORD, CONNECTICUT  
RETIREE HEALTH PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
LAST TEN FISCAL YEARS**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially determined contribution (1)	\$ 1,651,000	\$ 1,790,540	\$ 1,835,900	\$ 1,847,914	\$ 1,907,215	\$ 2,016,067	\$ 2,048,581	\$ 1,970,411	\$ 2,018,432	\$ 298,455
Contributions in relation to the actuarially determined contribution	<u>1,584,500</u>	<u>1,964,000</u>	<u>1,808,700</u>	<u>1,560,200</u>	<u>2,216,607</u>	<u>2,218,026</u>	<u>8,141,374</u>	<u>9,609,044</u>	<u>2,346,149</u>	<u>2,589,512</u>
Contribution Deficiency (Excess)	<u>\$ 66,500</u>	<u>\$ (173,460)</u>	<u>\$ 27,200</u>	<u>\$ 287,714</u>	<u>\$ (309,392)</u>	<u>\$ (201,959)</u>	<u>\$ (6,092,793)</u>	<u>\$ (7,638,633)</u>	<u>\$ (327,717)</u>	<u>\$ (2,291,057)</u>
Covered-employee payroll	\$ 39,169,500	\$ 48,861,400	\$ 48,861,400	\$ 47,770,477	\$ 49,561,870	\$ 51,420,440	\$ 44,608,973	\$ 46,214,896	\$ 46,157,107	\$ 47,726,448
Contributions as a percentage of covered-employee payroll	4.05%	4.02%	3.70%	3.27%	4.47%	4.31%	18.25%	20.79%	5.08%	5.43%

**Notes to Schedule**

Valuation date: July 1, 2020  
 Measurement date: June 30, 2022  
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry Age Normal  
 Amortization method: Level percentage of salary, closed  
 Amortization period: 26 years  
 Asset valuation method: Market Value  
 Inflation: 2.40% (Prior: 2.60%)  
 Healthcare cost trend rates: 6.50% in 2020, decreasing 0.50% per year to an ultimate rate of 4.40% for 2024 and later.  
 (Prior: 7.00% in 2018, decreasing 0.50% per year to an ultimate rate of 4.60% for 2023 and later.)  
 Salary increases: 3.40% (Prior 3.60%), average, including inflation  
 Investment rate of return: 6.50%, net of pension plan investment expense, including inflation  
 Retirement age: Expected retirement ages of employees are based on union agreements and other expectations  
 Mortality: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021  
 (Prior: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018.)



**TOWN OF BRANFORD, CONNECTICUT  
RETIREE HEALTH PLAN  
SCHEDULE OF INVESTMENT RETURNS  
LAST SIX FISCAL YEARS\***

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	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Annual money-weighted rate of return, net of investment expense	8.44%	4.50%	4.72%	-0.57%	14.16%	-7.68%

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>10,280,523</u>	<u>17,770,057</u>	<u>17,064,792</u>	<u>16,866,066</u>	<u>22,277,963</u>
Total	<u>\$ 10,280,523</u>	<u>\$ 17,770,057</u>	<u>\$ 17,064,792</u>	<u>\$ 16,866,066</u>	<u>\$ 22,277,963</u>
Town's covered payroll	\$ 27,083,522	\$ 27,094,747	\$ 26,997,429	\$ 25,670,355	\$ 26,087,583
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	6.11%	2.50%	2.08%	1.49%	1.79%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2021 was updated to equal the SEIR of 2.17% as of June 30, 2021;  Expected annual per capita claims costs were updated to reflect scheduled changes in premiums until calendar year 2024.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.50%

\*Notes:

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

**TOWN OF BRANFORD, CONNECTICUT  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 58,548,291	\$ 62,549,449
Receivables:		
Taxes, net of allowance of \$379,764 at June 30, 2022 and \$513,617 at June 30, 2021	4,509,356	5,587,714
Interest	2,019,894	2,523,942
Intergovernmental	194,761	156,263
Other	877,712	591,582
Due from other funds	33,749	
Prepaid items	<u>1,478,987</u>	<u>234,221</u>
Total Assets	<u>\$ 67,662,750</u>	<u>\$ 71,643,171</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 6,991,453	\$ 5,938,758
Due to other funds	2,929,871	4,791,314
Unearned revenue	1,023,240	883,440
Other	78,699	81,699
Total liabilities	<u>11,023,263</u>	<u>11,695,211</u>
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	4,361,895	5,123,990
Unavailable revenue - interest on property taxes	2,019,898	2,523,942
Advance property tax collections	<u>2,738,036</u>	<u>10,635,310</u>
Total deferred inflows of resources	<u>9,119,829</u>	<u>18,283,242</u>
Fund Balance:		
Nonspendable	1,478,987	234,221
Committed	423,690	482,584
Assigned	4,647,673	4,802,618
Unassigned	<u>40,969,308</u>	<u>36,145,295</u>
Total fund balance	<u>47,519,658</u>	<u>41,664,718</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 67,662,750</u>	<u>\$ 71,643,171</u>

**TOWN OF BRANFORD, CONNECTICUT  
GENERAL FUND  
REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2022**

Grand List	Uncollected Taxes July 1, 2021	Lawful Corrections	Transfers to Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2022
					Taxes	Interest	Liens	Total	
2005 and earlier	\$ 30,313	\$ 21,180	\$ -	\$ 51,493	\$ 8,617.00	\$ 6,540.00	\$ 96.00	\$ 15,253.00	\$ 42,876
2006	33,065	(7,798)	-	25,267	1,947.00	225	24.00	2,196	23,320
2007	36,192	(8,105)	-	28,087	4,238.00	1,178.00	48.00	5,464.00	23,849
2008	62,021	(8,234)	-	53,787	4,874.00	5,111.00	72.00	10,057.00	48,913
2009	60,633	(2,652)	-	57,981	4,558.00	4,803.00	72.00	9,433.00	53,423
2010	70,976	(2,730)	-	68,246	4,803.00	3,688.00	72.00	8,563.00	63,443
2011	117,851	(2,807)	-	115,044	29,012	27,168	144	56,324	86,032
2012	88,684	-	-	88,684	25,202	38,016	168	63,386	63,482
2013	131,748	-	-	131,748	59,676	53,885	240	113,801	72,072
2014	289,236	-	-	289,236	95,994	93,292	432	189,718	193,242
2015	461,277	(1,642)	-	459,635	101,648	87,900	412	189,960	357,987
2016	642,261	(3,544)	(356,690)	282,027	151,599	86,885	1,200	239,684	130,428
2017	934,271	(314)	-	933,957	366,941	206,582	2,980	576,503	567,016
2018	1,159,567	24,524	-	1,184,091	522,790	205,976	10,999	739,765	661,301
2019	1,983,236	20,225	-	2,003,461	1,102,812	221,986	5,025	1,329,823	900,649
2020	110,694,333	(297,145)	-	110,397,188	108,796,101	315,143	7,989	109,119,233	1,601,087
	<u>\$ 116,795,664</u>	<u>\$ (269,042)</u>	<u>\$ (356,690)</u>	<u>\$ 116,169,932</u>	111,280,812	1,358,378	29,973	112,669,163	<u>\$ 4,889,120</u>
					<u>26,467</u>	<u>49,250</u>	<u>5,894</u>	<u>81,611</u>	
					<u>\$ 111,307,279</u>	<u>\$ 1,407,628</u>	<u>\$ 35,867</u>	<u>\$ 112,750,774</u>	

**TOWN OF BRANFORD, CONNECTICUT  
GENERAL FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2022**

	General	Surety Bond Fund	Board of Education Severance Fund	Lease Fund	Eliminations	Total General Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 57,179,903	\$ 944,698	\$ 2,345	\$ 421,345	\$ -	\$ 58,548,291
Investments						-
Receivables, net	7,601,723	-	-	-	-	7,601,723
Due from other funds	33,749	-	-	-	-	33,749.00
Other assets	1,478,987	-	-	-	-	1,478,987
Total Assets	<u>\$ 66,294,362</u>	<u>\$ 944,698</u>	<u>\$ 2,345</u>	<u>\$ 421,345</u>	<u>\$ -</u>	<u>\$ 67,662,750</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts and other payables	\$ 6,046,755	\$ 944,698	\$ -	\$ -	\$ -	\$ 6,991,453
Due to other funds	2,929,871	-	-	-	-	2,929,871
Unearned revenue	1,023,240	-	-	-	-	1,023,240
Other	78,699	-	-	-	-	78,699
Total liabilities	<u>10,078,565</u>	<u>944,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,023,263</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	4,361,895	-	-	-	-	4,361,895
Unavailable revenue - interest on property taxes	2,019,898	-	-	-	-	2,019,898
Advance property tax collections	2,738,036	-	-	-	-	2,738,036
Total deferred inflows of resources	<u>9,119,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,119,829</u>
Fund Balances:						
Nonspendable	1,478,987	-	-	-	-	1,478,987
Committed	-	-	2,345	421,345	-	423,690
Assigned	4,647,673	-	-	-	-	4,647,673
Unassigned	40,969,308	-	-	-	-	40,969,308
Total fund balances	<u>47,095,968</u>	<u>-</u>	<u>2,345</u>	<u>421,345</u>	<u>-</u>	<u>47,519,658</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 66,294,362</u>	<u>\$ 944,698</u>	<u>\$ 2,345</u>	<u>\$ 421,345</u>	<u>\$ -</u>	<u>\$ 67,662,750</u>

**TOWN OF BRANFORD, CONNECTICUT  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General</u>	<u>Surety Bond Fund</u>	<u>Board of Education Severance Fund</u>	<u>Lease Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
Revenues:						
Property taxes	\$ 112,434,511	\$ -	\$ -	\$ -	\$ -	\$ 112,434,511
Intergovernmental	12,169,561	-	-	-	-	12,169,561
Charges for services	5,962,236	-	-	-	-	5,962,236
Income on investments	159,468	-	175	-	-	159,643
Miscellaneous	1,835,509	-	-	9,965	-	1,845,474
Total revenues	<u>132,561,285</u>	<u>-</u>	<u>175</u>	<u>9,965</u>	<u>-</u>	<u>132,571,425</u>
Expenditures:						
Current:						
General government	5,517,858	-	-	-	-	5,517,858
Public safety	14,586,539	-	-	-	-	14,586,539
Public works and highway	6,033,304	-	-	139,788	-	6,173,092
Parks, recreation and libraries	3,111,663	-	-	-	-	3,111,663
Health and human services	709,843	-	-	-	-	709,843
Education	68,063,058	-	-	354,246	-	68,417,304
Pension and insurance	14,455,919	-	-	-	-	14,455,919
Debt service	9,585,377	-	-	-	-	9,585,377
Total expenditures	<u>122,063,561</u>	<u>-</u>	<u>-</u>	<u>494,034</u>	<u>-</u>	<u>122,557,595</u>
Excess (Deficiency) of Revenues over Expenditures	<u>10,497,724</u>	<u>-</u>	<u>175</u>	<u>(484,069)</u>	<u>-</u>	<u>10,013,830</u>
Other Financing Sources (Uses):						
Transfers in	730,691	-	-	425,000	(425,000)	730,691
Transfers out	(5,458,078)	-	-	-	425,000	(5,033,078)
Proceeds from refunding bond issuance	14,080,000	-	-	-	-	14,080,000
Payments to escrow agents	(13,936,503)	-	-	-	-	(13,936,503)
Total other financing sources (uses)	<u>(4,583,890)</u>	<u>-</u>	<u>-</u>	<u>425,000</u>	<u>-</u>	<u>(4,158,890)</u>
Net Change in Fund Balances	5,913,834	-	175	(59,069)	-	5,854,940
Fund Balances at Beginning of Year	<u>41,182,134</u>	<u>-</u>	<u>2,170</u>	<u>480,414</u>	<u>-</u>	<u>41,664,718</u>
Fund Balances at End of Year	<u>\$ 47,095,968</u>	<u>\$ -</u>	<u>\$ 2,345</u>	<u>\$ 421,345</u>	<u>\$ -</u>	<u>\$ 47,519,658</u>

**TOWN OF BRANFORD, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2022**

	Special Revenue										
	Board of Education										
	Sewer Assessment	Water Assessment	Adult Education Program	Day Care	Educational Grants	Cafeteria	Building Usage	Small Cities Fund	Town Aid Road	Pass Through Grants	Park and Recreation
<b>ASSETS</b>											
Cash and cash equivalents	\$ 4,865,584	\$ 10,643	\$ 61,309	\$ 677,469	\$ 1,386,152	\$ 565,609	\$ 3,416	\$ 143,738	\$ 4,031,519	\$ -	\$ 741,287
Investment	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	128,512	6,143	-	-	-	917	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	315,878	-	292,044	-	-	-
Due from other funds	-	-	-	-	84,666	-	-	-	-	-	-
Inventory	-	-	-	-	-	18,976	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 4,994,096</b>	<b>\$ 16,786</b>	<b>\$ 61,309</b>	<b>\$ 677,469</b>	<b>\$ 1,470,818</b>	<b>\$ 901,380</b>	<b>\$ 3,416</b>	<b>\$ 435,782</b>	<b>\$ 4,031,519</b>	<b>\$ -</b>	<b>\$ 741,287</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>											
<b>Liabilities:</b>											
Accounts payable	\$ 98	\$ -	\$ 6,307	\$ 1,122	\$ 593,659	\$ -	\$ -	\$ -	\$ 53,866	\$ -	\$ 43,407
Due to other funds	1,945,000	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	48,514	-	-	-	-	199,712
<b>Total liabilities</b>	<b>1,945,098</b>	<b>-</b>	<b>6,307</b>	<b>1,122</b>	<b>593,659</b>	<b>48,514</b>	<b>-</b>	<b>-</b>	<b>53,866</b>	<b>-</b>	<b>243,119</b>
<b>Deferred Inflows of Resources:</b>											
Unavailable revenue - special assessments	128,512	6,143	-	-	-	-	-	-	-	-	-
Unavailable revenue - grants receivable	-	-	-	-	-	-	-	-	-	-	-
Unavailable revenue - loans receivable	-	-	-	-	-	-	292,044	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>128,512</b>	<b>6,143</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>292,044</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance:</b>											
Nonspendable	-	-	-	-	-	18,976	-	-	-	-	-
Restricted	2,920,486	-	-	-	877,159	-	143,738	3,977,653	-	-	-
Committed	-	10,643	55,002	676,347	-	833,890	3,416	-	-	-	498,168
Unassigned	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	<b>2,920,486</b>	<b>10,643</b>	<b>55,002</b>	<b>676,347</b>	<b>877,159</b>	<b>852,866</b>	<b>3,416</b>	<b>143,738</b>	<b>3,977,653</b>	<b>-</b>	<b>498,168</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 4,994,096</b>	<b>\$ 16,786</b>	<b>\$ 61,309</b>	<b>\$ 677,469</b>	<b>\$ 1,470,818</b>	<b>\$ 901,380</b>	<b>\$ 3,416</b>	<b>\$ 435,782</b>	<b>\$ 4,031,519</b>	<b>\$ -</b>	<b>\$ 741,287</b>

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**TOWN OF BRANFORD, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2022**

	<u>Special Revenue</u>									
	<u>Special Programs</u>	<u>Counseling Center</u>	<u>Willoughby Wallace Library</u>	<u>Elderly Commission</u>	<u>Animal Control</u>	<u>Sewer Utility Fund</u>	<u>FEMA Fund</u>	<u>LOCIP Fund</u>	<u>Human Services Fund</u>	<u>Academy on the Green Fund</u>
<b>ASSETS</b>										
Cash and cash equivalents	1,651,840	\$ 190,729	\$ 92,944	\$ 449,710	\$ 118,002	\$ 1,738,576	\$ (38,298)	\$ (100,000)	\$ 1,205,185	\$ 20,939
Investment	-	-	118,418	-	-	582,240	-	-	-	-
Accounts receivable	-	-	-	-	-	241,727	-	-	292,185	-
Intergovernmental receivable	61	-	-	-	157,608	385,568	-	100,000	-	-
Due from other funds	-	-	-	-	-	-	161,746	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<u>1,651,901</u>	<u>\$ 190,729</u>	<u>\$ 211,362</u>	<u>\$ 449,710</u>	<u>\$ 275,610</u>	<u>\$ 2,948,111</u>	<u>\$ 123,448</u>	<u>\$ -</u>	<u>\$ 1,497,370</u>	<u>\$ 20,939</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>										
Liabilities:										
Accounts payable	17,707	\$ 2,750	\$ 230	\$ -	\$ 29,050	\$ 136,832	\$ -	\$ -	\$ 96,031	\$ -
Due to other funds	-	-	-	-	-	33,749	-	-	-	-
Unearned revenue	-	-	-	-	37,385	-	-	-	194,459	-
<b>Total liabilities</b>	<u>17,707</u>	<u>2,750</u>	<u>230</u>	<u>-</u>	<u>66,435</u>	<u>170,581</u>	<u>-</u>	<u>-</u>	<u>290,490</u>	<u>-</u>
Deferred Inflows of Resources:										
Unavailable revenue - special assessments	-	-	-	-	-	261,094	-	-	-	-
Unavailable revenue - grants receivable	-	-	-	-	-	-	-	100,000	-	-
Unavailable revenue - loans receivable	-	-	-	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,094</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Fund Balance:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	1,634,194	-	-	-	-	-	123,448	-	-	-
Committed	-	187,979	211,132	449,710	209,175	2,516,436	-	-	1,206,880	20,939
Unassigned	-	-	-	-	-	-	-	(100,000)	-	-
<b>Total fund balance</b>	<u>1,634,194</u>	<u>187,979</u>	<u>211,132</u>	<u>449,710</u>	<u>209,175</u>	<u>2,516,436</u>	<u>123,448</u>	<u>(100,000)</u>	<u>1,206,880</u>	<u>20,939</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>1,651,901</u>	<u>\$ 190,729</u>	<u>\$ 211,362</u>	<u>\$ 449,710</u>	<u>\$ 275,610</u>	<u>\$ 2,948,111</u>	<u>\$ 123,448</u>	<u>\$ -</u>	<u>\$ 1,497,370</u>	<u>\$ 20,939</u>

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	<b>Special Revenue</b>						<b>Total</b>
	<b>Shellfish Commission Fund</b>	<b>Conservation Fund</b>	<b>Elderly Commission Fund</b>	<b>Medical Transport Fund</b>	<b>Fireworks Committee Fund</b>	<b>Student Activity Fund</b>	
<b>ASSETS</b>							
Cash and cash equivalents	265,363	\$ 1,688	\$ 216,734	\$ 86,658	\$ 42,995	\$ 722,082	\$ 19,151,873
Investment	-	-	-	-	-	-	700,658
Accounts receivable	-	-	-	-	-	-	669,484
Intergovernmental receivable	-	-	-	-	-	-	1,251,159
Due from other funds	-	-	-	-	-	-	246,412
Inventory	-	-	-	-	-	-	18,976
<b>Total Assets</b>	<b>265,363</b>	<b>\$ 1,688</b>	<b>\$ 216,734</b>	<b>\$ 86,658</b>	<b>\$ 42,995</b>	<b>\$ 722,082</b>	<b>\$ 22,038,562</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>							
<b>Liabilities:</b>							
Accounts payable	-	\$ -	\$ 511	\$ -	\$ 26,147	\$ -	\$ 1,007,717
Due to other funds	-	-	-	-	-	-	1,978,749
Unearned revenue	-	-	-	-	-	-	480,070
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>511</b>	<b>-</b>	<b>26,147</b>	<b>-</b>	<b>3,466,536</b>
<b>Deferred Inflows of Resources:</b>							
Unavailable revenue - special assessments	-	-	-	-	-	-	395,749
Unavailable revenue - grants receivable	-	-	-	-	-	-	100,000
Unavailable revenue - loans receivable	-	-	-	-	-	-	292,044
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>787,793</b>
<b>Fund Balance:</b>							
Nonspendable	-	-	-	-	-	-	18,976
Restricted	-	-	-	-	-	-	9,676,678
Committed	265,363	1,688	216,223	86,658	16,848	722,082	8,188,579
Unassigned	-	-	-	-	-	-	(100,000)
<b>Total fund balance</b>	<b>265,363</b>	<b>1,688</b>	<b>216,223</b>	<b>86,658</b>	<b>16,848</b>	<b>722,082.00</b>	<b>17,784,233</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>265,363</b>	<b>\$ 1,688</b>	<b>\$ 216,734</b>	<b>\$ 86,658</b>	<b>\$ 42,995</b>	<b>\$ 722,082</b>	<b>\$ 22,038,562</b>

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**TOWN OF BRANFORD, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2022**

	Permanent Fund						Transfers/ Interfunds	Total Nonmajor Governmental Funds
	Damascus Cemetery	Leshine Scholarship	Caspar Block Scholarship	Gustaf Nelson Memorial	Caspar Block Special Recreation Grant	Total		
<b>ASSETS</b>								
Cash and cash equivalents	\$ 226,522	\$ 4,524	\$ 5,482	\$ 35,037	\$ 63,632	\$ 335,197	\$ -	\$ 19,487,070
Investment	-	-	-	-	-	-	-	700,658
Accounts receivable	-	-	-	-	-	-	-	669,484
Intergovernmental receivable	-	-	-	-	-	-	-	1,251,159
Due from other funds	-	-	-	-	-	-	-	246,412
Inventory	-	-	-	-	-	-	-	18,976
<b>Total Assets</b>	<b>\$ 226,522</b>	<b>\$ 4,524</b>	<b>\$ 5,482</b>	<b>\$ 35,037</b>	<b>\$ 63,632</b>	<b>\$ 335,197</b>	<b>\$ -</b>	<b>\$ 22,373,759</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,007,717
Due to other funds	-	-	-	-	-	-	-	1,978,749
Unearned revenue	-	-	-	-	-	-	-	480,070
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,466,536</b>
Deferred Inflows of Resources:								
Unavailable revenue - special assessments	-	-	-	-	-	-	-	395,749
Unavailable revenue - grants receivable	-	-	-	-	-	-	-	100,000
Unavailable revenue - loans receivable	-	-	-	-	-	-	-	292,044
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>787,793</b>
Fund Balance:								
Nonspendable	1,500	4,000	5,000	30,000	60,230	100,730	-	119,706
Restricted	225,022	524	482	5,037	3,402	234,467	-	9,911,145
Committed	-	-	-	-	-	-	-	8,188,579
Unassigned	-	-	-	-	-	-	-	(100,000)
<b>Total fund balance</b>	<b>226,522</b>	<b>4,524</b>	<b>5,482</b>	<b>35,037</b>	<b>63,632</b>	<b>335,197</b>	<b>-</b>	<b>18,119,430</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 226,522</b>	<b>\$ 4,524</b>	<b>\$ 5,482</b>	<b>\$ 35,037</b>	<b>\$ 63,632</b>	<b>\$ 335,197</b>	<b>\$ -</b>	<b>\$ 22,373,759</b>

**TOWN OF BRANFORD, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Special Revenue										
	Board of Education										
	Sewer Assessment	Water Assessment	Adult Education Program	Day Care	Educational Grants	Cafeteria	Building Usage	Small Cities	Town Aid Road	Pass Through Grants	
Revenues:											
Assessment income	\$ 227,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	4,146,895	1,738,236	-	-	774,377	421,903	-
Sales and services	-	-	58,248	278,207	-	-	-	-	-	-	372,758
Investment income	9,021	-	-	1,758	-	-	-	-	11,758	-	1,979
Other	1,787	-	-	-	-	-	1,210	-	-	-	12,804
Sale of food	-	-	-	-	-	89,611	-	-	-	-	-
Total revenues	<u>238,662</u>	<u>-</u>	<u>58,248</u>	<u>279,965</u>	<u>4,146,895</u>	<u>1,827,847</u>	<u>1,210</u>	<u>-</u>	<u>786,135</u>	<u>421,903</u>	<u>387,541</u>
Expenditures:											
Current:											
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Public works and highway	3,475	-	-	-	-	-	-	-	572,133	-	-
Parks, recreation and libraries	-	-	-	-	-	-	-	-	-	-	342,889
Health and human services	-	-	-	-	-	-	-	-	-	421,903	-
Education	-	-	49,430	266,398	4,574,902	1,273,292	924	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>3,475</u>	<u>-</u>	<u>49,430</u>	<u>266,398</u>	<u>4,574,902</u>	<u>1,273,292</u>	<u>924</u>	<u>-</u>	<u>572,133</u>	<u>421,903</u>	<u>342,889</u>
Excess (Deficiency) of Revenues over Expenditures	235,187	-	8,818	13,567	(428,007)	554,555	286	-	214,002	-	44,652
Other Financing Sources (Uses):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	235,187	-	8,818	13,567	(428,007)	554,555	286	-	214,002	-	44,652
Fund Balances at Beginning of Year	<u>2,685,299</u>	<u>10,643</u>	<u>46,184</u>	<u>662,780</u>	<u>1,305,166</u>	<u>298,311</u>	<u>3,130</u>	<u>143,738</u>	<u>3,763,651</u>	<u>-</u>	<u>453,516</u>
Fund Balances at End of Year	<u>\$ 2,920,486</u>	<u>\$ 10,643</u>	<u>\$ 55,002</u>	<u>\$ 676,347</u>	<u>\$ 877,159</u>	<u>\$ 852,866</u>	<u>\$ 3,416</u>	<u>\$ 143,738</u>	<u>\$ 3,977,653</u>	<u>\$ -</u>	<u>\$ 498,168</u>

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TOWN OF BRANFORD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue									
	Special Programs	Counseling Center	Willoughby Wallace Library	Elderly Commission	Animal Control	Sewer Utility Fund	FEMA Fund	LOCIP Fund	Human Services Fund	Academy on the Green Fund
Revenues:										
Assessment income	-	\$ -	\$ -	\$ -	\$ -	\$ 3,548,547	\$ -	\$ -	\$ 23,683	\$ -
Intergovernmental revenues	257,785	-	653	-	157,608	19,551	207,293	-	-	-
Sales and services	21,208	-	-	-	56,085	739,028	-	-	654,954	100
Investment income	599	183	(8,670)	1,272	200	7,300	-	-	2,532	65
Other	293,387	109,729	15,350	7,380	9,645	(239)	-	-	-	-
Sale of food	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>572,979</u>	<u>109,912</u>	<u>7,333</u>	<u>8,652</u>	<u>223,538</u>	<u>4,314,187</u>	<u>207,293</u>	<u>-</u>	<u>681,169</u>	<u>165</u>
Expenditures:										
Current:										
General government	31,629	-	-	-	-	-	-	-	-	-
Public safety	278,194	-	-	-	386,217	-	-	-	-	-
Public works and highway	1,015	-	-	-	-	3,165,612	-	-	-	-
Parks, recreation and libraries	-	-	10,705	-	-	-	9,001	-	-	-
Health and human services	107,234	48,921	-	5,024	-	-	-	-	1,615,062	-
Education	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>418,072</u>	<u>48,921</u>	<u>10,705</u>	<u>5,024</u>	<u>386,217</u>	<u>3,165,612</u>	<u>9,001</u>	<u>-</u>	<u>1,615,062</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	154,907	60,991	(3,372)	3,628	(162,679)	1,148,575	198,292	-	(933,893)	165
Other Financing Sources (Uses):										
Transfers in	-	-	-	-	192,084	644,869	161,746	-	1,068,214	-
Transfers out	-	-	-	-	-	(1,173,582)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,084</u>	<u>(528,713)</u>	<u>161,746</u>	<u>-</u>	<u>1,068,214</u>	<u>-</u>
Net Change in Fund Balances	154,907	60,991	(3,372)	3,628	29,405	619,862	360,038	-	134,321	165
Fund Balances at Beginning of Year	<u>1,479,287</u>	<u>126,988</u>	<u>214,504</u>	<u>446,082</u>	<u>179,770</u>	<u>1,896,574</u>	<u>(236,590)</u>	<u>(100,000)</u>	<u>1,072,559</u>	<u>20,774</u>
Fund Balances at End of Year	<u>1,634,194</u>	<u>\$ 187,979</u>	<u>\$ 211,132</u>	<u>\$ 449,710</u>	<u>\$ 209,175</u>	<u>\$ 2,516,436</u>	<u>\$ 123,448</u>	<u>\$ (100,000)</u>	<u>\$ 1,206,880</u>	<u>\$ 20,939</u>

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	Special Revenue						Total
	Shellfish Commission Fund	Conservation Fund	Elderly Commission Fund	Medical Transport Fund	Fireworks Committee Fund	Student Activity Fund	
Revenues:							
Assessment income	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,800,084
Intergovernmental revenues	-	-	-	-	-	-	7,724,301
Sales and services	2,262	-	19,571	-	200	985,493	3,188,114
Investment income	786	5	347	237.00	-	-	29,372
Other	-	-	652	6,038	4,115	-	461,858
Sale of food	-	-	-	-	-	-	89,611
Total revenues	<u>3,048</u>	<u>5</u>	<u>20,570</u>	<u>6,275</u>	<u>4,315</u>	<u>985,493</u>	<u>15,293,340</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	31,629
Public safety	-	-	-	-	-	-	664,411
Public works and highway	-	-	-	-	-	-	3,742,235
Parks, recreation and libraries	8,250	-	-	-	27,147	-	397,992
Health and human services	-	-	14,894	1,709	-	-	2,214,747
Education	-	-	-	-	-	865,614	7,030,560
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>8,250</u>	<u>-</u>	<u>14,894</u>	<u>1,709</u>	<u>27,147</u>	<u>865,614</u>	<u>14,081,574</u>
Excess (Deficiency) of Revenues over Expenditures	(5,202)	5	5,676	4,566	(22,832)	119,879	1,211,766
Other Financing Sources (Uses):							
Transfers in	-	-	-	-	20,000	-	2,086,913
Transfers out	-	-	-	-	-	-	(1,173,582)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>913,331</u>
Net Change in Fund Balances	(5,202)	5	5,676	4,566	(2,832)	119,879	2,125,097
Fund Balances at Beginning of Year	<u>270,565</u>	<u>1,683</u>	<u>210,547</u>	<u>82,092</u>	<u>19,680</u>	<u>602,203</u>	<u>15,659,136</u>
Fund Balances at End of Year	<u>265,363</u>	<u>\$ 1,688</u>	<u>\$ 216,223</u>	<u>\$ 86,658</u>	<u>\$ 16,848</u>	<u>\$ 722,082</u>	<u>\$ 17,784,233</u>

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TOWN OF BRANFORD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2022

	Permanent Fund					Total	Total Nonmajor Governmental Funds
	Damascus Cemetery	Leshine Scholarship	Caspar Block Scholarship	Gustaf Nelson Memorial	Caspar Block Special Recreation Grant		
Revenues:							
Assessment income	-	\$ -	\$ -	\$ -	\$ -	\$ -	3,800,084
Intergovernmental revenues	-	-	-	-	-	-	7,724,301
Sales and services	-	-	-	-	-	-	3,188,114
Investment income	2	12	18	111	198	341	29,713
Other	-	600	-	-	-	600	462,458
Sale of food	-	-	-	-	-	-	89,611
Total revenues	<u>2</u>	<u>612</u>	<u>18</u>	<u>111</u>	<u>198</u>	<u>941</u>	<u>15,294,281</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	31,629
Public safety	-	-	-	-	-	-	664,411
Public works and highway	-	-	-	-	-	-	3,742,235
Parks, recreation and libraries	-	-	-	-	-	-	397,992
Health and human services	-	-	-	-	-	-	2,214,747
Education	-	250	-	500	-	750	7,031,310
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>250</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>750</u>	<u>14,082,324</u>
Excess (Deficiency) of Revenues over Expenditures	2	362	18	(389)	198	191	1,211,957
Other Financing Sources (Uses):							
Transfers in	-	-	-	-	-	-	2,086,913
Transfers out	-	-	-	-	-	-	(1,173,582)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>913,331</u>
Net Change in Fund Balances	2	362	18	(389)	198	191	2,125,288
Fund Balances at Beginning of Year	<u>226,520</u>	<u>4,162</u>	<u>5,464</u>	<u>35,426</u>	<u>63,434</u>	<u>335,006</u>	<u>15,994,142</u>
Fund Balances at End of Year	<u>226,522</u>	<u>\$ 4,524</u>	<u>\$ 5,482</u>	<u>\$ 35,037</u>	<u>\$ 63,632</u>	<u>\$ 335,197</u>	<u>\$ 18,119,430</u>

**TOWN OF BRANFORD, CONNECTICUT  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2022**

	<u>Medical Fund</u>	<u>Workers' Compensation Revenues</u>	<u>Heart and Hypertension Fund</u>	<u>Total</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 9,476,245	\$ 6,792,627	\$ 2,272,930	\$ 18,541,802
Accounts receivable	192,245	-	-	192,245
Prepaid expenses	-	80,000	20,000	100,000
Due from other funds	75,506	-	-	75,506
Total assets	<u>9,743,996</u>	<u>6,872,627</u>	<u>2,292,930</u>	<u>18,909,553</u>
<b>Liabilities:</b>				
Accounts payable	188	10,810	4,107	15,105
Claims incurred not reported	1,160,000	2,763,136	1,068,518	4,991,654
Total liabilities	<u>1,160,188</u>	<u>2,773,946</u>	<u>1,072,625</u>	<u>5,006,759</u>
<b>Net Position:</b>				
Unrestricted	<u>\$ 8,583,808</u>	<u>\$ 4,098,681</u>	<u>\$ 1,220,305</u>	<u>\$ 13,902,794</u>

**TOWN OF BRANFORD, CONNECTICUT  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Medical Fund</u>	<u>Workers' Compensation Revenues</u>	<u>Heart and Hypertension Fund</u>	<u>Total</u>
Operating Revenues:				
Contributions for benefits	\$ 13,770,070	\$ 1,186,201	\$ 275,000	\$ 15,231,271
Total operating revenues	<u>13,770,070</u>	<u>1,186,201</u>	<u>275,000</u>	<u>15,231,271</u>
Operating Expenses:				
Benefit claims	12,653,740	190,057	-	12,843,797
Claims administration	<u>2,244,056</u>	<u>5,500</u>	<u>4,355</u>	<u>2,253,911</u>
Total operating expenses	<u>14,897,796</u>	<u>195,557</u>	<u>4,355</u>	<u>15,097,708</u>
Operating Income (Loss)	(1,127,726)	990,644	270,645	133,563
Nonoperating Income - Interest Income	<u>16,390</u>	<u>18,763</u>	<u>6,280</u>	<u>41,433</u>
Change in Net Position	(1,111,336)	1,009,407	276,925	174,996
Net Position at Beginning of Year	<u>9,695,144</u>	<u>3,089,274</u>	<u>943,380</u>	<u>13,727,798</u>
Net Position at End of Year	<u>\$ 8,583,808</u>	<u>\$ 4,098,681</u>	<u>\$ 1,220,305</u>	<u>\$ 13,902,794</u>



**TOWN OF BRANFORD, CONNECTICUT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Medical Fund</u>	<u>Workers' Compensation Fund</u>	<u>Heart and Hypertension Fund</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Cash received for benefits	\$ 13,769,236	\$ 1,186,201	\$ 275,000	\$ 15,230,437
Cash paid for benefits and administration	<u>(14,545,626)</u>	<u>(626,113)</u>	<u>(48,097)</u>	<u>(15,219,836)</u>
Net cash provided by (used in) operating activities	(776,390)	560,088	226,903	10,601
Cash Flows from Investing Activities:				
Interest income	<u>16,390</u>	<u>18,763</u>	<u>6,280</u>	<u>41,433</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(760,000)	578,851	233,183	52,034
Cash and Cash Equivalents at Beginning of Year	<u>10,236,245</u>	<u>6,213,776</u>	<u>2,039,747</u>	<u>18,489,768</u>
Cash and Cash Equivalents at End of Year	<u>\$ 9,476,245</u>	<u>\$ 6,792,627</u>	<u>\$ 2,272,930</u>	<u>\$ 18,541,802</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (1,127,726)	\$ 990,644	\$ 270,645	\$ 133,563
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in balance sheet accounts:				
(Increase) decrease in receivables	(834)	-	-	(834)
Increase (decrease) in payables	352,170.00	(430,556)	(43,742)	(122,128)
Increase (decrease) in due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (776,390)</u>	<u>\$ 560,088</u>	<u>\$ 226,903</u>	<u>\$ 10,601</u>

**TOWN OF BRANFORD, CONNECTICUT  
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2022**

	<b>Pension Trust Funds</b>	<b>Retiree Benefits Trust Fund</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 2,073,642	\$ 1,438,240	\$ 3,511,882
Investments	25,588,150	34,237,561	59,825,711
Due from other funds	-	-	-
<b>Total assets</b>	<b>27,661,792</b>	<b>35,675,801</b>	<b>63,337,593</b>
<b>Liabilities:</b>			
Accounts payable	-	-	-
<b>Net Position:</b>			
Held in Trust for Pension or Retiree Benefits	<u>\$ 27,661,792</u>	<u>\$ 35,675,801</u>	<u>\$ 63,337,593</u>

**TOWN OF BRANFORD, CONNECTICUT  
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Pension Trust Funds</u>	<u>Retiree Benefits Trust Fund</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 1,727,000	\$ 2,640,882	\$ 4,367,882
Plan members	436,381	-	436,381
Other	-	-	-
Total contributions	<u>2,163,381</u>	<u>2,640,882</u>	<u>4,804,263</u>
Investment income:			
Net investment income	<u>(3,855,684)</u>	<u>(2,882,744)</u>	<u>(6,738,428)</u>
Total additions	(1,692,303)	(241,862)	(1,934,165)
Deductions:			
Benefits	<u>2,282,868</u>	<u>1,579,882</u>	<u>3,862,750</u>
Change in Net Position	(3,975,171)	(1,821,744)	(5,796,915)
Net Position at Beginning of Year	<u>31,636,963</u>	<u>37,497,545</u>	<u>69,134,508</u>
Net Position at End of Year	<u>\$ 27,661,792</u>	<u>\$ 35,675,801</u>	<u>\$ 63,337,593</u>

**TOWN OF BRANFORD, CONNECTICUT**  
**STATEMENT OF DEBT LIMITATION**  
**JUNE 30, 2022**

In Thousands

Total tax collections (including interest and lien fees) received by Treasurer for the year ended June 30, 2021	\$ 108,004
Total tax collections (including interest and lien fees) of coterminous municipalities (estimated)	<u>1,942</u>
Base	<u><u>\$ 109,946</u></u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 247,379	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	494,757	-	-	-
3-3/4 times base	-	-	412,298	-	-
3-1/4 times base	-	-	-	357,325	-
3 times base	-	-	-	-	329,838
Total debt limitation	<u>247,379</u>	<u>494,757</u>	<u>412,298</u>	<u>357,325</u>	<u>329,838</u>
Indebtedness:					
Bonds payable	18,572	59,183	6,615	-	-
Bonds authorized and unissued	<u>6,010</u>	<u>6,335</u>	<u>265</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>24,582</u>	<u>65,518</u>	<u>6,880</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u><u>\$ 222,797</u></u>	<u><u>\$ 429,239</u></u>	<u><u>\$ 405,418</u></u>	<u><u>\$ 357,325</u></u>	<u><u>\$ 329,838</u></u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation: \$769,622.