

## Official Statement Dated November 3, 2021

### REFUNDING ISSUE

**S&P GLOBAL RATINGS: AAA**

(See "Ratings" herein)

*In the opinion of Bond Counsel, under existing law, interest on the Bonds is included in gross income for federal income tax purposes pursuant to the Code. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. (See "Tax Status of the Bonds" herein.)*

## **TOWN OF BRANFORD, CONNECTICUT**

### **\$14,080,000 GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2021 (FEDERALLY TAXABLE)**

**Dated: Date of Delivery**

**Due: August 1, 2022-2031**

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

Interest on the Bonds will be payable semiannually on February 1 and August 1 in each year until maturity, commencing February 1, 2022. The Bonds will be issued by means of a book-entry system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. The Beneficial Owners of the Bonds will not receive certificates representing their ownership interest in the Bonds. Principal of and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. DTC will act as security depository for the Bonds. So long as Cede & Co. is the Bondowner, as nominee for DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. (See "Book-Entry Transfer System" herein.)

**The Bonds are NOT subject to optional redemption prior to maturity as described herein.**

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

### MATURITY SCHEDULE AND AMOUNTS

Maturity	Amount	Coupon	Yield	CUSIP (1)	Maturity	Amount	Coupon	Yield	CUSIP (1)
2022	\$ 70,000	0.500%	0.500%	105385ZE1	2027	\$ 1,610,000	1.500%	1.500%	105385ZK7
2023	1,450,000	0.550	0.550	105385ZF8	2028	1,650,000	1.750	1.750	105385ZL5
2024	1,450,000	0.830	0.830	105385ZG6	2029	1,650,000	1.800	1.800	105385ZM3
2025	1,450,000	1.130	1.130	105385ZH4	2030	1,650,000	1.900	1.900	105385ZN1
2026	1,450,000	1.300	1.300	105385ZJ0	2031	1,650,000	2.000	2.000	105385ZP6

## PIPER | SANDLER

*The Bonds are offered for delivery when as, and if issued, subject to the final approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about November 15, 2021.*

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

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

The independent auditors for the Town are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in Appendix A, "Audited Financial Statements" herein), and make no representation that it has independently verified the same. The auditors have not been engaged nor performed audit procedures regarding the post audit period. The auditors have not provided their written consent to use their Independent Auditors' Report.

Bond Counsel is not passing upon and does not assume responsibility for the sufficiency, accuracy or completeness of the statements made or financial information presented in this Official Statement (other than matters expressly set forth as its opinion in Appendix B "Form of Opinion of Bond Counsel" herein) and makes no representation that it has independently verified the same.

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

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

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

**IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

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## THE BOND ISSUE SUMMARY

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

<b>Issuer:</b>	Town of Branford, Connecticut (the "Town").
<b>Issue:</b>	\$14,080,000 General Obligation Refunding Bonds, Issue of 2021 (Federally Taxable) (the "Bonds").
<b>Dated Date:</b>	Date of Delivery, November 15, 2021.
<b>Interest Due:</b>	February 1, 2022 and semiannually thereafter on August 1 and February 1 in each year until maturity.
<b>Principal Due:</b>	Serially, August 1, 2022 through 2031, as detailed in this Official Statement.
<b>Purpose and Authority:</b>	The proceeds of the Bonds will be used to refund at or prior to maturity all or a portion of certain outstanding bonds of the Town. See "Authorization and Purpose" and "Plan of Refunding" herein.
<b>Redemption:</b>	The Bonds are NOT subject to redemption prior to maturity.
<b>Security:</b>	The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
<b>Credit Rating:</b>	The Bonds have been rated "AAA" by S&P Global Ratings ("S&P"). The bond rating on the Town's outstanding bonds is currently "AAA" by S&P. See "Ratings" herein.
<b>Tax Matters:</b>	See "Tax Status of the Bonds" herein.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notices of certain events not in excess of ten (10) business days of occurrence of such events and (iii) timely notice of a failure to provide the required financial information by the date specified pursuant to a Continuing Disclosure Agreement to be executed by the Town in substantially the form attached as Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent, Paying Agent and Escrow Agent:</b>	U.S. Bank National Association, Corporate Trust Services, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford, Connecticut.
<b>Legal Opinion:</b>	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about November 15, 2021 against payment in <b>Federal Funds</b> .
<b>Issuer Official:</b>	Questions regarding the Town and this Official Statement should be directed to James P. Finch, Jr., Finance Director, 1019 Main Street, Branford, Connecticut 06405 - Telephone (203) 315-0663.
<b>Municipal Advisor:</b>	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. Mark N. Chapman, Managing Director, Telephone: (203) 421-2087.

## I. SECURITIES OFFERED

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### INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Branford, Connecticut (the "Town" or "Branford") with assistance from the municipal advisor in connection with the issuance and sale of \$14,080,000 General Obligation Refunding Bonds, Issue of 2021 (Federally Taxable) (the "Bonds").

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

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

### DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature on the dates and in the principal amounts set forth on the cover page hereof. Interest on the Bonds will be payable commencing February 1, 2022 and on August 1 and February 1 in each year until maturity. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds at the rates per annum as set forth on the cover page, as of the close of business on the fifteenth day of January and July in each year, or the preceding business day if the fifteenth is not a business day. A book-entry system will be employed evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein.) The Registrar, Certifying Bank, Transfer, Escrow and Paying Agent will be U.S. Bank National Association of Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Pullman & Comley, LLC, of Hartford, Connecticut. (See Appendix B – "Form of Opinion of Bond Counsel" herein). **The Bonds are NOT subject to redemption prior to maturity as described herein.**

### AUTHORIZATION AND PURPOSE

The Bonds are being issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, and a refunding bond resolution (the "Resolution") adopted by the Town's Representative Town Meeting ("RTM") at a meeting held March 10, 2021 authorizing the issuance of refunding bonds in an amount not to exceed \$24,000,000.

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**PLAN OF REFUNDING**

The Bonds are being issued to refund at or prior to maturity all or a portion of any one or more series of the Town’s outstanding general obligation bonds as set forth below (the "Refunded Bonds"). The refunding is contingent upon delivery of the Bonds.

<u>Issue</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP</u>
2018	8/7/2018	8/1/2024	\$ 950,000	2.000%	8/1/2023	100.0%	105385XC7
2018	8/7/2018	8/1/2025	950,000	3.000	8/1/2023	100.0	105385XD5
2018	8/7/2018	8/1/2026	950,000	2.250	8/1/2023	100.0	105385XE3
2018	8/7/2018	8/1/2027	950,000	3.000	8/1/2023	100.0	105385XF0
2018	8/7/2018	8/1/2028	950,000	3.000	8/1/2023	100.0	105385XG8
2018	8/7/2018	8/1/2029	950,000	2.750	8/1/2023	100.0	105385XH6
2018	8/7/2018	8/1/2030	950,000	3.000	8/1/2023	100.0	105385XJ2
2018	8/7/2018	8/1/2031	950,000	3.000	8/1/2023	100.0	105385XK9
2018	8/7/2018	8/1/2032	950,000	3.000	8/1/2023	100.0	105385XL7
2018	8/7/2018	8/1/2033	950,000	3.125	8/1/2023	100.0	105385XM5
2018	8/7/2018	8/1/2034	950,000	3.125	8/1/2023	100.0	105385XN3
2018	8/7/2018	8/1/2035	950,000	3.250	8/1/2023	100.0	105385XP8
2018	8/7/2018	8/1/2036	950,000	3.250	8/1/2023	100.0	105385XQ6
2018	8/7/2018	8/1/2037	450,000	3.375	8/1/2023	100.0	105385XR4
2018	8/7/2018	8/1/2038	450,000	3.500	8/1/2023	100.0	105385XS2
			<u>\$ 13,250,000</u>				

Upon delivery of the Bonds, a portion of the Bond proceeds will be deposited in an irrevocable escrow fund (the “Escrow Deposit Fund”) established with U.S. Bank National Association, as escrow agent (the “Escrow Agent”) under an Escrow Agreement (the “Escrow Agreement”) dated as of the Date of Delivery between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of non-callable direct obligations of, or obligations guaranteed by the government of the United States of America, including, United States Treasury securities, including SLGs, Federal National Mortgage Association (“FNMA”) and Federal Home Loan Mortgage Corporation (“FHLMC”) securities and any other securities permitted by Section 7-400 of the Connecticut General Statutes, all of which shall not be callable or prepayable at the option of the issuer thereof (the “Escrow Securities”) and needed to pay the principal, interest payments, and redemption prices of the Refunded Bonds. The Town may enter into an agreement to reinvest receipts from Escrow Securities not immediately required to pay the principal of and redemption premium, if any, and interest on the Refunded Bonds. All investment income on and the maturing principal of the Escrow Securities held in the Escrow Deposit Fund will be irrevocably deposited by the Town for payment of the Refunded Bonds. The balance of the proceeds of the Bonds will be used to pay costs of issuance and Underwriter’s discount.

**VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The accuracy of the mathematical computations as of the date of the closing on the Bonds of (1) the adequacy of the uninvested cash, to pay when due, the principal, interest and call premium payments required on the Refunded Bonds to and including on the redemption date, (ii) the yield on the Bonds and (iii) net present value savings, will be verified by American Municipal Tax-Exempt Compliance Corporation (“AMTEC”). Such verification shall be based on information and assumptions supplied by the Underwriter and the Town, and such verification, information, assumptions, and calculations of net present value savings to the Town as a result of issuance of the Refunding Bonds, will be relied upon by Bond Counsel in rendering its opinion described herein. AMTEC will express no opinion on the assumptions provided to them, nor as to the tax status of the Bonds.

**SOURCES AND USES OF BOND PROCEEDS**

**Sources:**

Par Amount.....	\$ 14,080,000.00
Net Original Issue Premium.....	-
<b>Total Sources.....</b>	<b><u>\$ 14,080,000.00</u></b>

**Uses:**

Deposit to Escrow Deposit Fund.....	\$ 13,936,503.04
Underwriter's Discount.....	52,800.00
Cost of Issuance.....	<u>90,696.96</u>
<b>Total Uses.....</b>	<b><u>\$ 14,080,000.00</u></b>

**RATINGS**

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

**SECURITY AND REMEDIES**

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

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

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

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

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

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

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

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

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

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

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

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



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

Principal and interest payments on and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Town or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Town or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. The Town takes no responsibility for the accuracy thereof.

## **REPLACEMENT BONDS**

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

## **DTC PRACTICES**

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

## **TAX STATUS OF THE BONDS**

### ***Federal Income Taxes***

In the opinion of Bond Counsel, under existing law, interest on the Bonds is included in gross income for federal income tax purposes pursuant to the Code.

## *United States Tax Consequences*

The following is a summary of certain United States federal income tax consequences resulting from the beneficial ownership of the Bonds by certain persons. This summary does not consider all possible federal income tax consequences of the purchase, ownership, or disposition of the Bonds, and is not intended to reflect the individual tax position of any beneficial owner. Moreover, except as expressly indicated, this summary is limited to those persons who purchase a Bond at its issue price, which is the first price at which a substantial amount of the Bonds is sold to the public, and who hold Bonds as “capital assets” within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”) (generally, property held for investment). This summary does not address beneficial owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold Bonds as a hedge against currency risks or as part of a straddle with other investments or as part of a “synthetic security” or other integrated investment (including a “conversion transaction”) comprising a bond and one or more other investments, or United States Holders (as defined below) that have a “functional currency” other than the United States dollar. This summary is applicable only to a person (a “United States Holder”) who or that is the beneficial owner of Bonds and is (a) an individual citizen or resident of the United States, (b) a corporation or partnership or other entity created or organized under the laws of the United States or any State (including the District of Columbia), or (c) a person otherwise subject to federal income taxation on its worldwide income. This summary is based on the United States tax laws and regulations currently in effect and as currently interpreted and does not take into account possible changes in the tax laws or interpretations thereof any of which may be applied retroactively. Except as provided below, it does not discuss the tax laws of any state, local, or foreign governments.

### United States Holders

*Payments of Stated Interest.* In general, for a United States Holder, interest on a Bond will be taxable as ordinary income at the time it is received or accrued, depending on the beneficial owner’s method of accounting for tax purposes.

*Bonds Purchased at a Market Discount.* A Bond will be treated as acquired at a market discount (market discount bond) if the amount for which a United States Holder purchased the Bond is less than the Bond’s adjusted issue price, unless such difference is less than a specified de minimis amount. In general, any payment of principal or any gain recognized on the maturity or disposition of a market discount bond will be treated as ordinary income to the extent that such gain does not exceed the accrued market discount on the Bond. Alternatively, a United States Holder of a market discount bond may elect to include market discount in income currently over the life of the market discount bond. That election applies to all debt instruments with market discount acquired by the electing United States Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the Internal Revenue Service (“IRS”). If an election is made to include market discount in income currently, the tax basis of the Bond in the hands of the United States Holder will be increased by the market discount thereon as such discount is included in income.

Market discount generally accrues on a straight-line basis unless the United States Holder elected to accrue such discount on a constant yield-to-maturity basis. That election is applicable only to the market discount bond with respect to which it is made and is irrevocable. A United States Holder of a market discount bond that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings allocable to the Bond in an amount not exceeding the accrued market discount on such Bond until maturity or disposition of the Bond.

Prospective United States Holders should consult their tax advisors regarding the federal, state and local tax consequences concerning the purchase, holding and disposition of a Bond purchased at a discount, whether at the date of original issue or subsequent thereto.

*Bonds Purchased at Original Issue Premium.* The initial public offering price of certain maturities of the Bonds are greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds are sold over the principal amount payable at maturity constitutes original issue premium. The offering prices relating to the yields set forth on the cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of each maturity of the Bonds were ultimately sold to the public. Under Section 171 of the Code, a holder of a Bond may elect to treat such excess as “amortizable bond premium”, in which case the amount of interest required to be included in the taxpayer’s income each year with respect to interest on the Bond will be reduced by the amount of amortizable bond premium allocable (based on the Bond’s yield to maturity) to that year. If such an election is made, the amount of each reduction in interest income will result in a corresponding reduction in the taxpayer’s adjusted basis in the Bond. Any election to amortize bond premium is applicable to all taxable debt instruments held by the taxpayer at the beginning of the first taxable year to which the election applies or thereafter acquired by the taxpayer and may not be revoked without the consent of the IRS. Prospective United States Holders should consult their tax advisors regarding the federal, state and local tax consequences concerning the purchase, holding and disposition of a Bond purchased at a premium.

*Purchase, Sale, Exchange, and Retirement of Bonds.* A United States Holder's tax basis in a Bond generally will equal its cost, increased by any market discount included in the United States Holder's income with respect to the Bond, and reduced by the amount of any amortizable bond premium applied to reduce interest on the Bond. A United States Holder generally will recognize gain or loss on the sale, exchange, or retirement of a Bond equal to the difference between the amount realized on the sale or retirement (not including any amount attributable to accrued but unpaid interest) and the United States Holder's tax adjusted basis in the Bond. Except to the extent described above under *Bonds Purchased at a Market Discount*, gain or loss recognized on the sale, exchange or retirement of a Bond will be capital gain or loss and will be long-term capital gain or loss if the Bond was held for more than one year. The material modification of the terms of any Bond may result in a deemed reissuance thereof, in which event a United States Holder may recognize taxable gain or loss without any corresponding receipt of proceeds.

*Backup Withholding.* United States Holders may be subject to backup withholding on payments of interest and, in some cases, disposition proceeds of the Bonds, if they fail to provide an accurate Form W-9, "Request for Taxpayer Identification Number and Certification," or a valid substitute form, or have been notified by the IRS of a failure to report all interest and dividends, or otherwise fail to comply with the applicable requirements of backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against the United States Holder's United States federal income tax liability (or refund) provided the required information is timely furnished to the IRS. Prospective United States Holders should consult their tax advisors concerning the application of backup withholding rules.

*Medicare Tax Affecting United States Holders.* For taxable years beginning after December 31, 2012, a United States Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a Medicare tax on the lesser of (1) the United States Holder's "net investment income" for the taxable year and (2) the excess of the United States Holder's modified adjusted gross income for the taxable year over a certain threshold. A United States Holder's net investment income will generally include its interest income and its net gains from the disposition of the Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A United States Holder that is an individual, estate, or trust, should consult its own tax advisor regarding the applicability of the Medicare tax.

#### Information Reporting

In general, information reporting requirements will apply with respect to payments to a United States Holder of principal and interest (and with respect to annual accruals of original issue discount) on the Bonds, and with respect to payments to a United States Holder of any proceeds from a disposition of the Bonds. This information reporting obligation, however, does not apply with respect to certain United States Holders including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. In the event that a United States Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or is notified by the IRS that it has failed properly to report payments of, interest and dividends, a backup withholding tax (currently at a rate of 24%) generally will be imposed on the amount of any interest and principal and the amount of any sales proceeds received by the United States Holder on or with respect to the Bonds.

Any payments of interest and original issue discount on the Bonds to a Non-United States Holder generally will be reported to the IRS and to the Non-United States Holder, whether or not such interest or original issue discount is exempt from United States withholding tax pursuant to a tax treaty or the portfolio interest exemption. Copies of these information returns also may be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the payee resides.

Information reporting requirements will apply to a payment of the proceeds of the disposition of a Bond by or through (a) a foreign office of a custodian, nominee, other agent, or broker that is a United States person, (b) a foreign custodian, nominee, other agent, or broker that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, (c) a foreign custodian, nominee, other agent, or broker that is a controlled foreign corporation for United States federal income tax purposes, or (d) a foreign partnership if at any time during its tax year one or more of its partners are United States persons who, in the aggregate, hold more than 50% of the income or capital interest of the partnership or if, at any time during its taxable year, the partnership is engaged in the conduct of a trade or business within the United States, unless the custodian, nominee, other agent, broker, or foreign partnership has documentary evidence in its records that the beneficial owner is not a United States person and certain other conditions are met, or the beneficial owner otherwise establishes an exemption.

The federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a beneficial owner's particular situation. Beneficial owners should consult their tax advisors with respect to the tax consequences of the purchase, ownership, and disposition of the Bonds, including the tax consequences under state, local, foreign, and other tax laws and the possible effects of changes in federal or other tax laws.

### ***State Taxes***

In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Prospective owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof, including the extent to which gains and losses from the sale or exchange of Bonds held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

### ***General***

The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinion. The discussion above does not purport to address all aspects of federal, state or local taxation that may be relevant to a particular owner of a Bond. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Bonds.

## **GLOBAL HEALTH EMERGENCY RISK**

### **The COVID-19 Outbreak**

The outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. The outbreak of the virus has affected travel, commerce and financial markets globally. There can be no assurances that the continuing prevalence of COVID-19 will not materially affect local, state, national, and global activity; increase public health emergency response costs; and materially adversely impact the financial condition of the Town.

### ***State and Local Efforts to Mitigate the Ongoing Impact of COVID-19***

On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the "State") and took and continues to take steps designed to mitigate the spread and impacts of COVID-19. Public schools began to operate remotely immediately following the outbreak and continued remotely through the 2019/2020 school year. For the 2020/2021 school year, schools were permitted to reopen and school districts were given the discretion to choose in-person learning, virtual learning or a hybrid model. For the 2021/2022 year, the Town's public schools have returned to full time, in-person learning.

Connecticut's COVID-19 vaccination plan commenced on December 14, 2020. The State is currently making vaccinations available to all individuals aged 12 and over, and reports that it is preparing to make booster shots available in accordance with CDC guidelines.

The Governor regularly reviews conditions and, accordingly, expands or reduces restrictions. In response to the Spring 2021 decline in the number of positive COVID-19 cases and hospitalizations, effective May 19, 2021, all capacity restrictions related to establishments and social/recreational gatherings were eliminated. Given the increase in positive COVID-19 cases since July 2021, face-covering requirements remain in effect at this time for unvaccinated individuals. Businesses and state and local government offices have the option to require masks be worn by everyone in their establishments. Effective August 5, 2021, municipal leaders have the option of requiring that masks be worn by everyone, regardless of vaccination status, in indoor public places within their respective towns and cities. Although the Town does not have such a mandate in place, all individuals entering Town buildings are strongly encouraged to wear face coverings regardless of vaccination status.

The potential long-term impact of the COVID-19 pandemic on the Town cannot be predicted at this time. The continued efforts to mitigate the spread of the outbreak and any prolonged effects on the national, State and local economy could have a materially adverse effect on the Town's finances.

### ***COVID-19 Outbreak – Municipal Tax Relief Programs***

On April 1, 2020, in response to the COVID-19 emergency, Governor Ned Lamont issued Executive Order No. 7S ("Order 7S"), as amended by Executive Order No. 7W on April 9, 2020 ("Order 7W"), which creates two short-term tax relief programs and requires all towns, cities, and boroughs as well as their water pollution control authorities to adopt either or both of them by a vote of the legislative body. One program defers tax payments and benefit assessments by three months for taxpayers based on a showing of need, while the other reduces the interest chargeable on overdue tax and assessment payments for all taxpayers in the municipality for three months.

All municipalities were directed to notify the Secretary of the Office of Policy and Management ("OPM") no later than April 25, 2020 which program or programs it intended to elect. The Town, on April 21, 2020, elected to participate in the "Tax Deferment Program" only. The "Tax Deferment Program" delayed by three months payments due on any unescrowed taxes on real estate, motor vehicles, and personal property as well as unescrowed municipal utility charges (the "Taxes and Charges") if taxpayers, businesses, nonprofits and residents demonstrate significant economic impact caused by COVID-19 and/or demonstrate that they are assisting people who are experiencing significant economic impact caused by COVID-19.

On December 16, 2020, the Governor issued Executive Order 9R ("Order 9R"), which applied the two tax relief programs to tax deadlines for Taxes and Charges that became due and payable on January 1, 2021. As of December 30, 2020, the Town was deemed to have adopted the Deferment Program. The Deferment Program deferred any Taxes and Charges that were due on January 1, 2021 through and to April 1, 2021 without penalty.

For Fiscal Year 2021, the Town did not experience a material negative financial impact as a result of the Low Interest Rate Program. As of June 30, 2021, the Town had conservatively budgeted approximately 95% of Fiscal Year 2021 budgeted tax collections, with 98.1% having been collected at the same time last year for Fiscal Year 2020 and 98.5% having been collected at the same time in Fiscal Year 2019. Cash and cash equivalents in the general fund as of June 30, 2021 were approximately \$60 million.

### ***Government Response to COVID-19's Impact on the Economy***

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Stabilization Act (the "CARES Act") that provided in excess \$2 trillion of relief to industries and entities throughout the country, including state and local governments. Under the CARES Act, \$150 billion was appropriated to states and other units of government for activities that are directly related to COVID-19. The State received approximately \$1.4 billion in such funding, and it was given the discretion to provide those funds to local governments.

On June 4, 2020, Governor Lamont established the Connecticut Municipal Coronavirus Relief Fund Program (the "Program") which established a process by which Connecticut municipalities can receive funds from the State to offset non-budgeted COVID-19 related expenditures that were incurred between March 1, 2020 and December 30, 2020. In Fiscal Year 2020, the Town received \$100,563 in reimbursement from the Program and FEMA for pandemic-related costs. The Town has received \$234,406 in reimbursement from the two programs in Fiscal Year 2021.

On December 27, 2020, President Trump signed into law the Coronavirus Response and Relief Supplemental Appropriations Act of 2021, which extends certain programs and benefits first authorized by the CARES Act. The relief package includes, among other items, over \$900 billion in stimulus for various COVID-19 relief programs, \$8.75 billion for vaccine distribution, \$54.3 billion of Elementary and Secondary School Emergency Relief Funds, \$4.1 billion for the Governors Emergency Education Relief Fund, and an allocation of \$284 billion of Paycheck Protection Program funds to support eligible small businesses and non-profits, and the legislation expands and modifies the program by allowing second draw loans for certain borrowers.

On March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the "Rescue Plan"). The Rescue Plan relief package includes, amongst other provisions, \$350 billion in state and local government aid. Of the \$350 billion, the State and its local governments are expected to receive approximately \$4.2 billion as a result of this legislation, with \$2.6 billion in State relief and another \$1.6 billion in relief for local governments.

The Rescue Plan relief package also includes approximately \$123 billion to allow for a return to full-time, in-person teaching at elementary and high schools, which funds may be used for numerous purposes, including but not limited to expanding testing, modifying classrooms, improving ventilation, and hiring more custodial staff. The State's K-12 schools are expected to receive approximately \$1.1 billion.

The Rescue Plan relief package includes another \$160 billion dedicated to COVID-19 vaccination development and distribution.

Over the next two years, the Town expects to receive \$8.2 million in federal funding as a result of the Rescue Plan. The Town received its first installment of \$4.1 million in funding from this program. The Town is developing a plan for the use of such funds that will focus on infrastructure improvements that comply with the program eligibility criteria.

#### **AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION**

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

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

#### **UNDERWRITING**

Piper Sandler & Co. (the "Underwriter") has agreed, subject to certain conditions, to purchase the Bonds from the Town at a net aggregate purchase price of \$14,027,200 (consisting of the principal amount of \$14,080,000 less underwriter's discount of \$52,800.) The Underwriter will be obligated to purchase all such Bonds if any such Bonds are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including unit investment trusts and other affiliated portfolios of certain underwriters and other dealers depositing the Bonds into investment trusts) at prices lower than the public offering prices stated on the cover page of this Official Statement, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter has entered into a distribution agreement (the "CS & Co. Distribution Agreement") with Charles Schwab & Co., Inc. for the retail distribution of certain securities offerings including the Bonds, at the original issue prices. Pursuant to the CS & Co. Distribution Agreement, CS & Co. will purchase the Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS & Co. sells.

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## II. THE ISSUER



### DESCRIPTION OF THE TOWN

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

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

Branford is an established, suburban residential community with an extensive commercial, retail and modern industrial base. The 2010 U.S. Census reported the Town's population at 28,026.

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

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

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

Air travel is a few minutes away at nearby Tweed-New Haven Regional Airport, or approximately 50 minutes away at Bradley International Airport in Hartford. Additional national and international air service is available through New York's JFK and LaGuardia airports (limo service is available from New Haven), as well as T.F. Green in Providence, Rhode Island.

Branford has a diverse economic base, composed of both traditional and high tech manufacturers, a vibrant bioscience community (the Town is host to more biotech jobs than any other single town in the state) and a broad retail component that ranges from big-box to specialty boutiques. Major corporations include, Blakeslee Prestress, Connecticut Hospice, Branford Hills Health Care, Seton Identification Products, Cintas Corporation, Harco Electric, CAS Medical, and 454 Corporation, many of them leaders in their respective fields of bioscience, medical device development, operating manufacturing and research.

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

Financial institutions in the Town include Capital One Bank, Citizens Bank, Key Bank, Wells Fargo Bank, Bank of America, People's United Bank, Liberty Bank, Guilford Savings Bank, Crosspoint Credit Union, Connex Credit Union and TD Bank.

## **ECONOMIC AND COMMUNITY DEVELOPMENT**

Branford has a diverse economic base, composed of both traditional and high tech manufacturers, a vibrant bioscience community along with a broad retail component ranging from big-box to specialty boutiques. Each sector contributes to providing the Town with a strong tax base with employment opportunities that keep the town consistently well below the region and state unemployment levels, including the most current level of 8.26% reported by Advance CT. The Town's major industry clusters include biotech R&D, medical and healthcare services, manufacturing, retail, and tourism.

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

In biotech, Branford boasts one of the state's strongest R&D communities with Ancera, Axerion Therapeutics, AxioMx, BioXcel, Celldex, Core Informatics, Evotec, Forma, FreeThink Technologies, sema4, Thetis Pharmaceuticals, and Viiv among them. Many of these companies continue to grow and expand as they work closely with the Town and by leveraging affiliations with BioCT, the state's biotech association; forging a relationship with UConn TIP – Technology Incubator Program – for start-ups to move to when they have outgrown their TIP space; and, partnering with ABCT (Accelerator for Biosciences in Connecticut), a state led competitive program for entrepreneurial research MBAs and MDs to create new bioscience ventures.

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



Branford's manufacturing sector includes aerospace specialists Arconic Howmet (formerly Alcoa) and Harco Electric, with CAS Medical Systems, Ivy Biomedical Systems, and Defibtech leading the medical manufacturing sector. American Polyfilm, Wilson Arms, and Madison Polymeric Engineering are further examples of manufacturing enterprises that have expanded, enlarging their physical footprints and increasing their workforce. American Polyfilm's recent expansion into a new 28,000 square foot state-of-the-art manufacturing facility, allowed it to double its workforce. Growing to be one of the largest manufacturers of polyfilm in the U.S. with increased exports, it also decided to keep and expand its former manufacturing facility operating due to product demand. American Polyfilm also purchased a vacant two-acre property and is completing construction of an approximately 25,000 square foot warehouse facility to free up room at its other facilities to further increase its manufacturing capacity. Wilson Arms, a manufacturer of specialty rifle barrels, has purchased a 26,000 square foot building following a recent 20,000 square foot expansion at its nearby headquarters site. Defibtech relocated to Branford in late 2016 and opened a new 24,000 square foot facility, and has plans for further expansion underway. Germany based Bausch + Strobel, is now in construction for a new, over 75,000 square foot, facility at which it will consolidate its existing operations in an adjacent town and expand its operations regarding the design and manufacture of production equipment for the pharmaceutical industry.

Branford is now home to three breweries, two occupying facilities with nearly 30,000 square feet each, with a fourth having received approval and awaiting construction. Focusing on product manufacturing and distribution, the Branford brewers have already established a footprint up the eastern seaboard and throughout the northeast. In addition to being manufacturers, each is part of the tourism industry with their tasting rooms and facility operation tours, creating visitor destinations and providing Branford with its own "beer trail" for visiting beer lovers to enjoy. In the years since it opened Stony Creek Brewery has become a major destination in the state, drawing well over 100,000 visitors a year despite the pandemic and moving the DOT to erect tourist signs along I-95 to guide visitors to its town center site. At the same time, Thimble Island Brewery moved from its original 2,500 square foot start-up site into more than 25,000 square feet, allowing for more production capability, a larger tasting room and an addition of an event room to accommodate parties and meetings. Combined with more than twenty miles of shoreline with marinas, yachts clubs and the Thimble Islands, Branford is capitalizing on this new industry and a general growth in tourism that concentrates on life-style.

Commercial and industrial investments of a more general nature include a recently completed new 33,000 square foot state-of-the-art facility for the existing Premier Subaru dealership, a new grocery store and bank under construction, as well as a proposed 100-room Hampton Inn. all along the Route 1 commercial corridor. Finally, Amazon has announced plans for a 98,000 sq. ft. fulfillment center off Route 1 at I-95 Exit 53 that is expected to employ approximately 100 people.

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

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

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

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

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

The train station itself recently underwent a second expansion with the addition of a new passenger platform on the north side of the tracks with connecting pedestrian bridge and a curbside “kiss & ride” site to facilitate commuter drop offs. These improvements anticipate expanded rail service connecting Branford to Yale University, Yale New Haven Hospital, and other major employers in New Haven, as well as connecting to Metro North service to New York, Amtrak to Boston, and the newly inaugurated New Haven-Hartford-Springfield rail line. This project was in addition to recent road and bridge improvements on the east end of town designed to increase capacity and improve safety and to better serve our business and residential communities.

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

## **FORM OF GOVERNMENT**

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

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

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

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

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

## MUNICIPAL OFFICIALS

	<u>Selection</u>	<u>Term Expires</u>	<u>Years of Service</u>
James B. Cosgrove - First Selectman.....	Elected	November 2021	8.0
Joseph E. Higgins, Jr. - Selectman.....	Elected	November 2021	8.0
Raymond Dunbar, Jr. - Selectman.....	Elected	November 2021	2.0
Lisa E. Arpin - Town Clerk.....	Elected	January 2024	7.0
Roberta Gill-Brooks - Tax Collector.....	Elected	November 2021	5.0
Kurt M. Schwanfelder - Town Treasurer.....	Elected	November 2021	2.0
William A. Aniskovich - Town Attorney.....	Appointed	Indefinite	8.0
Joseph Mooney - Board of Finance Chairman.....	Appointed	July 2022	29.0
Barbara Neal - Assessor.....	Appointed	Indefinite	20.0
Hamlet M. Hernandez - Superintendent of Schools.....	Appointed	Indefinite	11.0
James P. Finch, Jr. - Finance Director.....	Appointed	Indefinite	23.0

Source: Town of Branford.

### SUMMARY OF MUNICIPAL SERVICES

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

The Police Department is directed by the Chief and is overseen by a 6-member bipartisan volunteer, civilian police commission. The Branford Police Department is staffed by 51 sworn officers, 10 public safety Tele-communicators, 3 community service officers and 16 additional civilian support personnel including a crime analyst. The Department also maintains a cadre of 5 certified Supernumerary Police Officers.

The Police Department utilizes sophisticated computer aided dispatch and crime analysis systems along with the latest advances in mobile computing to provide exemplary community and predictive policing services to the Town. The Department is the public safety answering point ("PSAP") for the municipality and houses a fully computerized enhanced emergency 911 public safety communications center. The central communications division serves as a co-located call for service and dispatch center for all Town emergency agencies.

In addition to its patrol division, the Department also has a detective unit for major investigations, domestic violence counseling services, and youth officers, a marine division to provide services to Branford's waterways, and a police canine team. The Branford Police Department is also a member of the South Central Regional Traffic Unit and South Central Regional SWAT Team.

**Fire:** Fire protection is provided by thirty-two full-time firefighters, one full-time Fire Chief, one Assistant Chief / Fire Marshall, one full-time Deputy Chief of Administration / Safety, one full-time Fire Prevention Inspector, four Deputy Fire Chiefs and four Captains. The department provides 24 hour service that includes; paramedic level emergency medical transport. Four volunteer fire companies support fire / rescue operations as a 24 hour on call force, staffed with sixty volunteers firefighters and one volunteer Deputy Chief. All Fire Companies are dispatched via a central communications center administered jointly by the Police and Fire Departments and accessible through the E911 system. The department operates six pumpers, one ladder truck, one heavy rescue truck, two light rescue trucks, one brush truck, two fireboats, five ambulances and a variety of smaller support vehicles. The department recently received a \$1.4 million Federal Assistance to Firefighters, "Staffing for Adequate Fire and Emergency Response" ("SAFER") Grant to increase staffing from twenty-four full-time firefighters to thirty-two. The department utilizes state-of-the-art fire apparatus and equipment staffed by highly trained and motivated personnel. The Town completed construction on a new fire headquarters facility in 2012. The 34,000 square foot LEED certified building provides the department with improved living quarters, administrative areas, apparatus storage and training facilities. Construction of a new 5,000 square foot satellite station, partially funded by a \$500,000 State "Small Town Economic Assistance Program" ("STEAP") grant, was completed in November 2019 in the Indian Neck section of town. This station completely replaces the previous station originally built in 1926.

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

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

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

**Parks and Recreation:** The Branford Recreation Department provides and maintains Sliney School Park, Parker Memorial Park, Foote Park, Supply Pond Park, Pisgah Brook, and Young's Pond Park. There are approximately 4,141 acres, or approximately 28% of total Town land, that is dedicated as open space for its residents, consisting of approximately 1,800 acres of Town-owned land, 1,000 acres of water authority land, 870 acres of land trust property, one parcel for wildlife reserve and a 20 mile trail system around the Town. In total, the Town has ten parks, four tennis facilities, one pool and two public beaches. The Town sponsors special events, provides programs for special interest groups of all ages, assists community groups in planning recreational activities, conducts workshops, clinics, special playgrounds and camps during the summer, provides lifeguards and beach constables for the waterfront facilities, and offers a wide variety of programs such as softball, tennis, aerobics fitness, indoor and outdoor volleyball, basketball, skiing and after-school programs for youngsters. There are four yacht clubs and fifteen marinas in Branford providing moorings for approximately one thousand boats. With the completion of a new regional YMCA facility in Branford, the Town now has two new swimming pools for residents to use.

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

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

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

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

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

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

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

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

**Library:** The Town has two libraries available for use by its citizens: The Willoughby Wallace Memorial Library, which is fully funded and operated by the Town, and the James Blackstone Memorial Library, which is partially funded by the Town and is governed by a private Board of Trustees, as established by a Special Act of the Connecticut General Assembly. Both facilities are staffed by full and part-time professional staff, and include over 100,000 volumes for public use. Extensive use is made of computer data retrieval technologies, including CD-ROMS and Internet access. Both libraries are members of the LION, a consortium of 25 libraries throughout the state that share an operating system using a common database for circulation and cataloguing services. In addition both libraries provide a variety of cultural events and programs for patrons of all ages.

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

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

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

**Water:** The South Central Connecticut Regional Water Authority (the "Authority") provides water services to the Town and the New Haven region. Under the legislation creating the Authority, the Authority is required to pay the Town an annual payment in lieu of taxes ("PILOT") for the Authority's property within the Town boundaries. The assessed value of the Authority's property in Branford is \$16,511,681 on the Grand List of 10/01/20, generating a PILOT payment of \$486,269 for fiscal year 2021-22.

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

**EDUCATIONAL SYSTEM**

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

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

**EDUCATIONAL FACILITIES**

<u>Schools</u>	<u>Grades</u>	<u>Date Occupied</u>	<u>Additions / Renovations</u>	<u>Number of Classrooms</u>	<u>Enrollment 10/01/20</u>	<u>Capacity</u>
Indian Neck.....	EYP (1)	1950		8	41	200
Mary T. Murphy.....	PreK-4 (2)	1960	1991	24	325	500
Mary R. Tisko.....	K-4 (2)	1960	1991	24	330	500
John B. Sliney.....	PreK-4 (2)	1928	1979	19	243	500
Walsh Intermediate.....	5-8	1972	2020	68	825	1,500
Branford High School.....	9-12	1958	1964, 1970, 1982, 1995, 1999	88	800	1,400
<b>Total .....</b>				<u>231</u>	<u>2,564</u>	<u>4,600</u>

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

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

Source: Central Administration - Branford Board of Education.

**SCHOOL ENROLLMENT HISTORY AND PROJECTIONS**

<b>As of October 1</b>	<b>PreK-4</b>	<b>5 - 8</b>	<b>9 - 12</b>	<b>Total (1)</b>
<b>Actual</b>				
2012	1,222	990	1,048	3,260
2013	1,247	942	1,054	3,243
2014	1,196	916	970	3,082
2015	1,179	912	954	3,045
2016	1,153	869	931	2,953
2017	1,106	889	886	2,881
2018	1,091	869	868	2,828
2019	1,076	855	845	2,776
2020	925	825	814	2,564
<b>Projected</b>				
2021	1,054	825	813	2,692
2022	1,054	784	835	2,673
2023	1,058	744	849	2,651

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

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

**MUNICIPAL EMPLOYMENT (1)**

<b>Fiscal Year</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
General Government (1).....	233	231	229	221	219
Board of Education (2).....	539	539	539	534	540
<b>Totals .....</b>	<b>772</b>	<b>770</b>	<b>768</b>	<b>755</b>	<b>759</b>

(1) Budgeted positions.

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

Source: Town Officials

**MUNICIPAL EMPLOYMENT BY CATEGORY**

<b>Department</b>	<b>Employees</b>
<b>General Government Employees (1)</b>	
General Government .....	37
Public Safety .....	115
Public Works .....	44
Health & Welfare .....	25
Recreation .....	10
Libraries .....	2
Subtotal .....	233
<b>Board of Education Employees (2)</b>	
Administration and Principals .....	18
Teachers .....	286
Other .....	235
Subtotal .....	539
<b>Total Town Employees .....</b>	<b>772</b>

(1) Budgeted positions.

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

Source: Town Officials.

**MUNICIPAL EMPLOYEES BARGAINING ORGANIZATIONS**

<u>Employees</u>	<u>Union Representation</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
<b><u>General Government</u> (1)</b>			
Dispatchers.....	Connecticut Organization for Public Safety.....	10	6/30/2021 (2)
Municipal.....	United Public Services Employees Union.....	23	6/30/2022
Police Department.....	United Public Services Employees Union.....	50	6/30/2022
Fire Department.....	United Public Services Employees Union.....	42	6/30/2022
Recreation & Custodian.....	United Public Services Employees Union.....	10	6/30/2022
Public Works.....	Teamsters #443.....	20	6/30/2019 (2)
Treatment Plant.....	United Public Services Employees Union - Local #424, Unit #5.....	13	6/30/2023
Town Employees.....	United Public Services Employees Union.....	23	6/30/2022
Town Supervisors.....	AFSCME 88-60.....	12	6/30/2021 (2)
	Total Organized.....	<u>203</u>	
	Non-Unionized.....	<u>30</u>	
	Sub-total General Government.....	233	
<b><u>Board of Education</u> (3)</b>			
Support Staff.....	Branford Association of Support Staff.....	32	6/30/2021 (2)
Administrators.....	Branford Administrators Organization.....	16	6/30/2022
Certified Teachers.....	Branford Education Association.....	286	6/30/2024
Nurses.....	AFSCME AFL-CIO # 4 Local 1303-365.....	8	6/30/2021 (2)
Custodians.....	United Public Services Employees Union.....	35	6/30/2021 (2)
Paraprofessionals.....	UE Local 222, CILU/CIPU, CILU #88.....	136	6/30/2023
	Total Organized.....	<u>513</u>	
	Non-Unionized.....	<u>26</u>	
	Sub-total Board of Education.....	<u>539</u>	
	Total Town Employees.....	<u><u>772</u></u>	

- (1) Budgeted positions.
- (2) In negotiations.
- (3) Board of Education employee figures listed are full time equivalents (“FTEs”).

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

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### III. ECONOMIC AND DEMOGRAPHIC INFORMATION

#### POPULATION TRENDS

Year	Town of Branford	New Haven County	State of Connecticut
1980	23,363	761,337	3,107,564
1990	27,603	804,219	3,287,116
2000	28,683	824,008	3,405,565
2010	28,026	862,447	3,475,097
2019	28,020	857,513	3,575,074

Source: U. S. Census Bureau, American Community Survey, 2015-2019.

#### AGE CHARACTERISTICS OF POPULATION

Age	Town of Branford		New Haven County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	1,128	4.0	44,503	5.2	183,808	5.1
5 - 9.....	1,215	4.3	46,525	5.4	198,000	5.5
10 - 14.....	1,455	5.2	51,112	6.0	221,325	6.2
15 - 19.....	1,201	4.3	58,615	6.8	244,249	6.8
20 - 24.....	1,490	5.3	59,558	6.9	244,597	6.8
25 - 34.....	3,366	12.0	114,190	13.3	441,742	12.4
35 - 44.....	2,600	9.3	100,830	11.8	424,739	11.9
45 - 54.....	4,458	15.9	117,789	13.7	508,428	14.2
55 - 59.....	2,402	8.6	61,152	7.1	264,804	7.4
60 - 64.....	2,315	8.3	57,498	6.7	242,329	6.8
65 - 74.....	3,539	12.6	81,393	9.5	336,422	9.4
75 - 84.....	1,723	6.1	41,739	4.9	174,887	4.9
Over 85.....	1,128	4.0	22,609	2.6	89,744	2.5
Total.....	28,020	100.0	857,513	100.0	3,575,074	100.0

Source: U. S. Census Bureau, American Community Survey, 2015-2019.

#### INCOME DISTRIBUTION

	Town of Branford		New Haven County		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000.....	83	1.1	7,237	3.5	24,799	2.8
\$10,000 to \$14,999.....	141	1.9	4,471	2.2	16,037	1.8
\$15,000 to \$24,999.....	328	4.5	10,368	5.0	38,364	4.3
\$25,000 to \$34,999.....	303	4.1	12,800	6.2	48,110	5.4
\$35,000 to \$49,999.....	624	8.5	18,704	9.1	77,010	8.6
\$50,000 to \$74,999.....	1,036	14.1	31,704	15.4	123,980	13.9
\$75,000 to \$99,999.....	1,142	15.5	27,804	13.5	116,676	13.1
\$100,000 to \$149,999....	1,509	20.5	42,428	20.5	186,246	20.8
\$150,000 to \$199,999....	987	13.4	24,703	12.0	109,258	12.2
\$200,000 or more.....	1,207	16.4	26,282	12.7	152,958	17.1
Total.....	7,360	100.0	206,501	100.0	893,438	100.0

Source: U. S. Census Bureau, American Community Survey, 2015-2019.

**SELECTED WEALTH AND INCOME INDICATORS**

	<b>Median Family Income</b>		<b>Per Capita Income</b>	
	(2000)	(2019)	(2000)	(2019)
Town of Branford.....	\$ 69,510	\$ 100,357	\$ 32,301	\$ 48,471
New Haven County.....	60,549	90,449	24,439	38,009
Connecticut.....	65,521	100,418	28,766	44,496
United States.....	49,600	77,362	21,690	34,103

Source: U.S. Census Bureau, Census 2000 and American Community Survey, 2015-2019.

**EDUCATIONAL ATTAINMENT**

Years of School Completed, Age 25 & Over

	<b>Town of Branford</b>		<b>New Haven County</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	383	1.8	23,682	4.0	99,837	4.0
9th to 12th grade.....	697	3.2	35,464	5.9	132,826	5.3
High School Graduate.....	5,986	27.8	183,255	30.7	666,828	26.9
Some College.....	3,718	17.3	101,941	17.1	416,175	16.8
Associate Degree.....	1,051	4.9	43,856	7.3	191,964	7.7
Bachelor Degree.....	5,262	24.4	111,165	18.6	541,380	21.8
Graduate or Professional Degree.....	4,434	20.6	97,837	16.4	434,085	17.5
Total.....	<u>21,531</u>	<u>100.0</u>	<u>597,200</u>	<u>100.0</u>	<u>2,483,095</u>	<u>100.0</u>
Total high school graduate or higher (%).....		95.0%		90.1%		90.6%
Total bachelor degree or higher (%).....		45.0%		35.0%		39.3%

Source: U. S. Census Bureau, American Community Survey, 2015-2019.

**MAJOR EMPLOYERS**

<b>Name of Employer</b>	<b>Nature of Entity</b>	<b>Estimated Number of Employees</b>
Town of Branford.....	Municipality.....	772
Connecticut Hospice.....	Hospice.....	365
Branford Hills Health Care.....	Health Care.....	285
Wal-Mart.....	Retail Store.....	260
Blakeslee Prestress.....	Manufacturing.....	250
Stop & Shop.....	Retail Store.....	190
Cintas.....	Service.....	182
Harco Labs.....	Saeronautic Engineering.....	180
Kohl's.....	Retail Store.....	163
Big Y.....	Retail Store.....	157
CAS Medical.....	Manufacturing.....	139
Arconic Howmet.....	Manufacturing.....	95

Source: Town of Branford.

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## EMPLOYMENT BY INDUSTRY

<b>Employment Sector</b>	<b>Town of Branford</b>		<b>New Haven County</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Agriculture, Forestry, Fishing, Hunting & Mining.....	46	0.3	877	0.2	7,057	0.4
Construction.....	703	4.7	25,406	5.9	109,467	6.0
Manufacturing.....	1,362	9.1	46,299	10.8	189,162	10.4
Wholesale Trade.....	851	5.7	11,286	2.6	44,344	2.4
Retail Trade.....	1,634	10.9	48,108	11.2	191,756	10.6
Transportation, Warehousing & Utilities.....	722	4.8	18,485	4.3	76,439	4.2
Information.....	315	2.1	8,582	2.0	39,585	2.2
Finance, Insurance & Real Estate.....	950	6.3	27,421	6.4	162,153	8.9
Professional, Scientific & Management.....	1,514	10.1	42,205	9.8	208,379	11.5
Educational Services & Health Care.....	4,641	30.9	132,929	30.9	484,166	26.7
Arts, Entertainment, Recreation & Food Services.....	1,003	6.7	32,560	7.6	152,041	8.4
Other Service (including nonprofit).....	623	4.2	19,587	4.6	84,915	4.7
Public Administration.....	647	4.3	16,346	3.8	66,172	3.6
<b>Total.....</b>	<b>15,011</b>	<b>100.0</b>	<b>430,091</b>	<b>100.0</b>	<b>1,815,636</b>	<b>100.0</b>

Source: U. S. Census Bureau, American Community Survey, 2015-2019.

## UNEMPLOYMENT RATE STATISTICS

<b>Yearly Average</b>	<b>Percentage Unemployed</b>			
	<b>Town of Branford Percent</b>	<b>New Haven Labor Market Percent</b>	<b>State of Connecticut Percent</b>	<b>United States Percent</b>
2011	8.4	9.3	9.0	9.0
2012	7.8	8.6	8.4	8.1
2013	7.1	8.1	8.0	7.4
2014	5.9	6.7	6.6	6.2
2015	5.2	5.6	5.6	5.3
2016	4.4	4.8	4.8	4.9
2017	3.9	4.4	4.4	4.4
2018	3.4	3.8	3.9	3.9
2019	3.2	3.5	3.6	3.7
2020	6.8	7.3	7.9	8.1
<b>2021 Monthly</b>				
January	7.2	7.9	8.5	6.8
February	6.7	7.7	8.3	6.6
March	7.1	7.6	8.2	6.2
April	6.5	7.1	7.5	5.7
May	5.6	6.5	6.8	5.5
June	5.7	6.5	6.8	6.1
July	6.0	6.6	6.9	5.7
August	5.3	5.8	6.1	5.3

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

## CHARACTERISTICS OF HOUSING UNITS

Owner Occupied

Value of Owner Occupied Units	Town of Branford		New Haven County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	276	3.3	4,167	2.0	17,522	1.9
\$50,000 to \$99,999.....	242	2.9	10,054	4.9	28,440	3.1
\$100,000 to \$149,999.....	379	4.5	21,613	10.6	78,467	8.7
\$150,000 to \$199,999.....	1,083	12.8	34,736	17.0	137,944	15.2
\$200,000 to \$299,999.....	2,418	28.7	60,981	29.8	248,431	27.4
\$300,000 to \$499,999.....	2,454	29.1	54,834	26.8	244,855	27.0
\$500,000 to \$999,999.....	1,141	13.5	15,634	7.6	107,504	11.9
\$1,000,000 and over.....	440	5.2	2,432	1.2	42,518	4.7
Total.....	<u>8,433</u>	<u>100.0</u>	<u>204,451</u>	<u>100.0</u>	<u>905,681</u>	<u>100.0</u>
Median Value .....	\$293,100		\$248,600		\$293,100	

Source: U. S. Census Bureau, American Community Survey, 2015-2019.

## AGE DISTRIBUTION OF HOUSING

Year Structure Built	Town of Branford		New Haven County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1939 or earlier.....	2,586	19.0	92,668	25.2	334,845	22.1
1940 to 1949.....	623	4.6	26,181	7.1	103,008	6.8
1950 to 1959.....	1,803	13.2	55,971	15.2	224,393	14.8
1960 to 1969.....	1,508	11.1	45,158	12.3	204,879	13.5
1970 to 1979.....	2,194	16.1	48,890	13.3	203,700	13.4
1980 to 1989.....	3,008	22.1	45,052	12.3	188,688	12.4
1990 to 1999.....	1,007	7.4	25,985	7.1	116,028	7.7
2000 to 2009.....	594	4.4	20,582	5.6	103,075	6.8
2010 to 2013.....	152	1.1	3,574	1.0	21,126	1.4
2014 or later.....	157	1.2	2,992	0.8	16,920	1.1
Total.....	<u>13,632</u>	<u>100.0</u>	<u>367,053</u>	<u>100.0</u>	<u>1,516,662</u>	<u>100.0</u>

Source: U. S. Census Bureau, American Community Survey, 2015-2019.

## NUMBER AND VALUE OF BUILDING PERMITS

Calendar Year	Single & Two Family		Commercial/Industrial		Other Construction		Total	
	Number of Permits	Value	Number of Permits	Value	Number Permits	Value	Number Permits	Value
2021 (1)	32	\$ 9,885,173	2	\$ 2,092,000	2,202	\$ 36,407,367	2,236	\$ 48,384,540
2020	30	8,912,300	4	5,102,419	1,795	41,198,566	1,829	55,213,285
2019	23	6,681,240	2	1,881,515	2,108	35,815,190	2,133	44,377,945
2018	23	6,146,778	2	4,176,664	2,538	129,220,750 (2)	2,563	139,544,192
2017	31	8,425,195	2	1,225,641	2,390	31,176,088	2,423	40,826,924
2016	30	11,870,651	1	3,605,615	2,482	25,873,502	2,513	41,349,768
2015	22	6,869,857	4	9,959,484	2,366	26,516,896	2,392	43,346,237
2014	31	7,185,413	5	6,769,098	2,008	27,147,426	2,044	41,101,937
2013	43	12,986,885	5	3,272,524	2,447	33,423,818	2,495	49,683,227
2012	29	9,120,795	2	883,650	2,148	25,116,669	2,179	35,121,114

(1) As of August 31, 2021.

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

Source: Building Department, Town of Branford.

## IV. TAX BASE DATA

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### ASSESSMENT PRACTICES

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

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

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

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

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

### PROPERTY TAX COLLECTION PROCEDURES

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

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

### MOTOR VEHICLE PROPERTY TAX RATE

Section 12-71e of the General Statutes allows municipalities to tax motor vehicles at a different rate than other taxable property but caps the motor vehicle tax rate at (1) 39.00 mills for the 2016 assessment year (fiscal year beginning July 1, 2017 and ending June 30, 2018) or (2) 45 mills for the assessment year commencing October 1, 2017 and each assessment year thereafter. Section 4-66l establishes the municipal revenue sharing account which provides that sales tax revenue diverted to the fund shall mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicle tax rates for the current 2020 assessment year (the fiscal year ending June 30, 2022) is 29.45 mills. See "Global Health Emergency Risk – The COVID-19 Outbreak – Municipal Tax Relief Programs" herein.

**PROPERTY TAX LEVIES AND COLLECTIONS**

<b>FY Ending 6/30</b>	<b>Net Taxable Grand List (1)</b>	<b>Total Tax Rate (In Mills)</b>	<b>Adjusted Tax Levy</b>	<b>% Levy Collected</b>	<b>Uncollected Taxes</b>	
					<b>End of Each Fiscal Year</b>	<b>As of 6/30/2020</b>
2022 (1)	\$ 3,712,383,391	29.45	\$ 106,034,038	N/A	N/A	N/A
2021* (1)	3,685,043,062	28.92	100,462,786	N/A	N/A	N/A
2020	3,583,125,596	29.02	105,028,822	98.1	\$ 1,953,323	\$ 1,953,323
2019	3,569,991,255	28.64	102,814,929	98.5	1,554,966	1,072,403
2018	3,537,873,236	28.47	101,116,747	98.3	1,697,731	829,150
2017	3,505,790,076	27.41	96,604,655	98.3	1,632,574	638,429
2016*	3,485,684,401	26.93	94,341,895	98.5	1,452,871	436,116
2015	3,511,071,799	26.24	92,508,065	98.5	1,381,016	147,754
2014	3,488,675,562	25.59	89,402,779	98.5	1,339,291	93,051
2013	3,466,384,192	24.95	84,399,665	98.3	1,227,068	122,426

(1) Fiscal years 2020-21 and 2021-22 adopted budgets.

\* Indicates years of revaluations.

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

**TAXABLE GRAND LIST**

<b>Grand List Dated</b>	<b>(%)</b>					<b>Gross Taxable Grand List</b>	<b>Less Exemptions</b>	<b>Net Taxable Grand List</b>
	<b>(%) Residential Property</b>	<b>Industrial &amp; Commercial Property</b>	<b>(%) Land</b>	<b>(%) Motor Vehicles</b>	<b>(%) Personal Property</b>			
10/01/20	71.5	15.1	0.5	7.3	6.1	\$ 3,759,976,426	\$ 47,593,035	\$ 3,712,383,391
10/01/19*	71.5	15.1	0.5	7.0	5.9	3,732,219,812	47,176,750	3,685,043,062
10/01/18	73.6	13.2	0.5	6.9	5.8	3,629,131,544	46,005,948	3,583,125,596
10/01/17	74.0	13.3	0.5	6.8	5.4	3,603,129,331	33,138,076	3,569,991,255
10/01/16	75.8	13.6	0.5	6.8	5.1	3,566,371,702	28,498,466	3,537,873,236
10/01/15	73.4	13.4	0.5	6.6	4.7	3,534,071,689	28,281,613	3,505,790,076
10/01/14*	73.5	14.7	0.5	6.5	4.8	3,517,174,206	31,489,805	3,485,684,401
10/01/13	75.5	13.0	0.5	6.3	4.7	3,545,764,060	34,692,261	3,511,071,799
10/01/12	75.6	13.1	0.6	6.1	4.6	3,524,625,127	35,949,565	3,488,675,562
10/01/11	76.2	13.2	0.6	6.3	3.7	3,507,013,756	40,629,564	3,466,384,192

\* Indicates years of revaluations.

Source: Assessor's office, Town of Branford.

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**LARGEST TAXPAYERS**

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>Assessment Valuation as of 10/1/2020</u>	<u>Rank</u>	<u>Percent of Total</u>
Vigliotti Alex Etals.....	Residential / Commercial.....	\$ 46,339,240	1	1.25%
Eversource.....	Utility.....	44,126,930	2	1.19%
Rogers Island LLC.....	Residential.....	22,682,100	3	0.61%
UIL Holdings.....	Utility.....	18,758,570	4	0.51%
Business Park Realty & C. Weber, Jr. Etals..	Commercial and Industrial.....	15,535,430	5	0.42%
Kiop Branford LLC.....	Shopping Plaza.....	13,891,840	6	0.37%
Beneroft Branford East LLC.....	Industrial and R&D.....	12,110,550	7	0.33%
21-23 Business Park LLC Etals.....	Commercial , R&D and Industrial....	11,763,060	8	0.32%
Nationwide Health Properties.....	Assisted Living.....	9,969,400	9	0.27%
SHM Bruce & Johnsons LLC.....	Marinas.....	9,671,650	10	0.26%
Total.....		<u>\$ 204,848,770</u>		<u>5.52%</u>

Note: South Central Connecticut Regional Water Authority (the "Authority") is required to make annual payments to the Town equivalent to the taxes which would otherwise be due for the property of the Authority in such municipality excluding any improvements to or construction on any such real property by the Authority. The Authority makes payments in lieu of taxes ("PILOT") at the current mill rate for fiscal year 2021-22 on personal and real property assessed at \$16,511,681 amounting to \$486,269. Exempt property acquired after the transfer day is not subject to taxation. Payments to the Town are not treated as taxes for accounting purposes; therefore the Authority is not considered a taxpayer.

Source: Assessor's Office, Town of Branford.

**EQUALIZED NET GRAND LIST**

<u>Grand List of 10/1</u>	<u>Equalized Net Grand List</u>	<u>% Growth</u>
2019	\$ 5,266,404,324	-2.91%
2018	5,424,165,983	-0.17%
2017	5,433,604,019	2.52%
2016	5,299,801,671	2.20%
2015	5,185,659,055	4.10%
2014	4,981,495,540	0.15%
2013	4,973,991,562	-1.13%
2012	5,030,865,923	2.55%
2011	4,905,862,518	-0.54%
2010	4,932,416,163	-0.15%
2009	4,939,663,243	-8.56%

Source: Town of Branford, Assessor's Office.

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**V. FINANCIAL INFORMATION**

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**FISCAL YEAR**

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

**ACCOUNTING POLICIES**

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

**BASIS OF ACCOUNTING**

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

**ANNUAL AUDIT**

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

The most recent annual audit covers the fiscal year ended June 30, 2020, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are Independent Auditor's Report, Management's Discussion and Analysis, the Town's Basic Financial Statements and the Notes to the Financial Statements, together with the report of the independent auditor as prepared by CliftonLarsonAllen LLP, Independent Certified Public Accountants. The information contained in "Appendix A" is not the whole audit report. A full report is available from the Finance Director, Town of Branford, upon request.

**BUDGETARY PROCEDURES**

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

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

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

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



**EMPLOYEE PENSION SYSTEMS**

Town full-time employees, with the exception of the Police Department employees, Volunteer Firemen and certified teachers and administrators, participate in the State of Connecticut Municipal Employees Retirement Fund ("MERF"), a multiple-employer public employee retirement system. Certified teachers and administrators are members of the State of Connecticut Teachers Retirement Board. The Police and Volunteer Firemen's Retirement Plans are single-employer, contributory, defined benefit, public employee retirement systems ("PERS") established and administered by the Town. For further details on the Plans, see Appendix A, page 41, "Notes to General Purpose Financial Statements".

The Town has implemented Government Accounting Standards Board's (GASB) Statement No. 67 effective Fiscal Year 2014. Net position is based on fair market value as of June 30 and the Total Pension Liability is based on the actuarial assumptions in the Town's July 1, 2019 actuarial valuation.

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

	<b>Police Employees Pension Plan</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total pension liability.....	\$ 37,281,216	\$ 37,017,523	\$ 36,291,316	\$ 34,541,745	\$ 30,789,493
Plan fiduciary net position.....	30,141,970	25,221,496	25,828,370	23,747,176	22,451,018
Net pension liability.....	<u>\$ 7,139,246</u>	<u>\$ 11,796,027</u>	<u>\$ 10,462,946</u>	<u>\$ 10,794,569</u>	<u>\$ 8,338,475</u>
Plan fiduciary net position as a % of total pension liability.....	80.9%	68.1%	71.2%	68.7%	72.9%

	<b>Volunteer Fire Department Pension Plan</b>				
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Total pension liability.....	\$ 1,539,774	\$ 1,457,734	\$ 1,346,955	\$ 1,286,599	\$ 1,203,868
Plan fiduciary net position.....	1,160,141	1,111,916	1,012,368	936,327	826,379
Net pension liability.....	<u>\$ 379,633</u>	<u>\$ 345,818</u>	<u>\$ 334,587</u>	<u>\$ 350,272</u>	<u>\$ 377,489</u>
Plan fiduciary net position as a % of total pension liability.....	75.3%	76.3%	75.2%	72.8%	68.6%

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

	<b>1% Decrease 5.50%</b>	<b>Current Discount Rate 6.50%</b>	<b>1% Increase 7.50%</b>
Plan Net Position - Police Employees....	\$ 11,336,581	\$ 7,139,246	\$ 11,336,581

	<b>1% Decrease 5.50%</b>	<b>Current Discount Rate 6.50%</b>	<b>1% Increase 7.50%</b>
Plan Net Position - Volunteer Fire.....	\$ 633,404	\$ 379,633	\$ 173,150

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Based upon a July 1, 2019 actuarial valuation, the actuarial value of assets and actuarial liabilities for the PERS plan were as follows:

**Schedule of Funding Progress – Police Employees**

<b>Actuarial Valuation July 1</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (b-a)</b>	<b>Funded Ratio (a/b)</b>
2011	\$ 17,661,592	\$ 24,236,343	\$ 6,574,751	72.87%
2013	19,663,483	26,425,916	6,762,433	74.41%
2015	22,410,598	28,755,887	6,345,289	77.93%
2017	23,628,522	33,549,471	9,920,949	70.43%
2019	26,754,408	35,994,736	9,240,328	74.33%

**Schedule of Funding Progress – Volunteer Fire**

<b>Actuarial Valuation July 1</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (b-a)</b>	<b>Funded Ratio (a/b)</b>
2013	\$ 424,557	\$ 865,542	\$ 440,985	49.05%
2015	540,595	1,120,645	580,050	48.24%
2017	954,218	1,256,486	302,268	75.94%
2019	1,129,186	1,420,301	291,115	79.50%

**Schedule of Employer Contributions – Police Employees**

<b>Year Ended June 30</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2018	\$ 911,226	\$ 1,911,484	209.8%
2019	1,056,060	1,489,164	141.0%
2020	1,056,060	1,095,000	103.7%
2021	1,178,950	1,560,000	132.3%
2022 (1)	1,187,630	1,190,000	100.2%

(1) Fiscal year 2021-22 adopted budget.

**Schedule of Employer Contributions – Volunteer Fire**

<b>Year Ended June 30</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2018	\$ 86,184	\$ 87,000	100.9%
2019	59,050	87,000	147.3%
2020	59,640	87,299	146.4%
2021	65,330	87,000	133.2%
2022 (1)	65,970	87,000	131.9%

(1) Fiscal year 2021-22 adopted budget.

Defined Contribution and Defined Benefit Plans – The Town of Branford introduced a defined contribution Plan (DC Plan) effective January 1, 2012 to provide benefits at retirement for police officers hired after 2011. The Town anticipated that the Police DC for new hires would reduce costs and induce officers retiring from other communities with a defined benefit pension plan (DB Plan) to work in Branford because they could receive their DB Plan payments, their wages, and immediately qualify for the Town's DC Plan. While the plan was initially successful it became difficult for police retiring from DB towns to work in Branford due to, among other factors, the State Comptroller's interpretation of Connecticut Municipal Employees Retirement System requirements that retirees may not simultaneously collect benefits from one community while working for another. As a result higher turnover rates presented significant operational challenges to the Branford police department. In response to operational difficulties and police officer preferences the Representative Town Meeting unanimously voted in May 2019 to allow those in the DC Plan to convert to a DB Plan. Those selecting the DB Plan will have their current DC Plan account balances transferred to the assets of the DB Plan. The assimilation of officers into the DB Plan is estimated to cost approximately \$89,116 per year (Normal Costs), an increase over the DC Plan of \$24,699. A primary driver of the higher cost, the average hire age of 51 years for police officers coming to Branford after retiring from another police department, is expected to decrease over time as the Comptroller's interpretation has eliminated inter-town hiring of police retirees, and legislation to permit such transfers has been unsuccessful.

Municipal Employees' Retirement System – All Town of Branford full-time employees, except the Police Department employees, elected officials and certified teachers and administrators, participate in the Connecticut Municipal Employee's Retirement Fund B (MERF), a cost sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions. MERF is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 165 Capitol Avenue, Hartford, Connecticut 06106 or by calling 860-702-3480.

*Funding Policy* – Plan members are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The current rate is 12.79% of annual covered payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to MERF for the years ended June 30, 2020, 2019, 2018, 2017 and 2016 were \$3,091,444, \$2,511,387, \$2,456,032, \$2,254,928 and \$2,233,161, respectively, equal to the required contributions for each year.

For further details on the plans, see Appendix A, "Notes to General Purpose Financial Statements".

## **OTHER POST-EMPLOYMENT BENEFITS**

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability.....	\$ 32,208,476	\$ 30,260,001	\$ 30,544,885	\$ 28,783,224
Plan fiduciary net position.....	31,913,829	23,488,580	16,106,492	14,231,839
Net OPEB liability.....	<u>\$ 294,647</u>	<u>\$ 6,771,421</u>	<u>\$ 14,438,393</u>	<u>\$ 14,551,385</u>
Plan fiduciary net position as a % of total OPEB liability.....	99.09%	77.62%	52.73%	49.44%

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

	<u>1% Decrease</u> <u>(5.50%)</u>	<u>Current Rate</u> <u>(6.50%)</u>	<u>1% Increase</u> <u>(7.50%)</u>
Net OPEB Liability.....	\$ 4,779,965	\$ 294,647	\$ (3,382,304)

Based upon a July 1, 2018 actuarial valuation, the actuarial value of assets and actuarial liabilities for the Town and Board of Education employees plan were as follows:

#### Schedule of Funding Progress

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value</u> <u>of Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u> <u>(b)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u> <u>(b) - (a)</u>	<u>Funded</u> <u>Ratio</u> <u>(a) / (b)</u>
7/1/2010	\$ 4,134,000	\$ 17,271,300	\$ 13,137,300	23.9%
7/1/2012	5,856,346	20,977,792	15,121,446	27.9%
7/1/2014	9,510,785	22,798,733	13,287,948	41.7%
7/1/2016	11,934,160	27,035,934	15,101,774	44.1%
7/1/2018	16,106,492	28,287,517	12,181,025	56.9%

#### Schedule of Employer Contributions

<u>Year Ended</u> <u>June 30</u>	<u>Actuarially Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2018	\$ 2,016,067	\$ 2,218,026	110.0%
2019	2,048,581	8,141,374	397.4%
2020	1,970,411	9,609,044	487.7%
2021	1,061,000	1,061,000	100.0%
2022 (1)	1,061,000	1,061,000	100.0%

(1) Fiscal year 2021-22 adopted budget.

For further details, see Appendix A, page 55, "Notes to General Purpose Financial Statements".

**INVESTMENT POLICIES AND PROCEDURES**

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

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

**REVENUES**

The Town derives its revenues from a direct tax levy on property, State and Federal aid, various fees and charges, and certain miscellaneous sources. Town revenues are summarized for fiscal years ended 2016-2020 in "Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund" herein. The prior year's appropriated surplus is also available to support current operating expenditures.

**PROPERTY TAX REVENUES**

<b>Fiscal Year</b>	<b>General Fund Revenues</b>	<b>Property Tax Revenues</b>	<b>Property Tax As a % of General Fund</b>
2022 (Adopted Budget)	\$ 119,791,733	\$ 107,550,538	89.8
2021 (Estimated Actuals)	118,828,294	108,101,070	91.0
2020	124,361,761	104,762,381	84.2
2019	117,781,260	103,143,178	87.6
2018	122,093,385	101,530,521	83.2
2017	117,075,713	96,604,984	82.5
2016	108,909,565	94,484,140	86.8
2015	106,885,659	93,137,810	87.1
2014	105,095,586	89,374,443	85.0
2013	103,895,497	87,473,879	84.2

Source: Annual audited financial statements, adopted budget for fiscal year 2021-22 and estimated actuals for fiscal year 2020-21. Fiscal years 2020-21 and 2021-22 do not include on-behalf payments for state teachers' retirement.

**INTERGOVERNMENTAL REVENUES**

<b>Fiscal Year</b>	<b>General Fund Revenues</b>	<b>Intergovernmental Revenues</b>	<b>Aid As a % of General Fund</b>
2022 (Adopted Budget)	\$ 119,791,733	\$ 2,994,769	2.5
2021 (Estimated Actuals)	118,828,294	3,654,641	3.1
2020	124,361,761	12,289,534	9.9
2019	117,781,260	7,393,145	6.3
2018	122,093,385	14,347,991	11.8
2017	117,075,713	13,980,773	11.9
2016	108,909,565	8,854,178	8.1
2015	106,885,659	8,421,875	7.9
2014	105,095,586	10,244,386	9.7
2013	103,895,497	9,900,481	9.5

Source: Annual audited financial statements, adopted budget for fiscal year 2021-22 and estimated actuals for fiscal year 2020-21. Fiscal years 2020-21 and 2021-22 do not include on-behalf payments for state teachers' retirement.

## EXPENDITURES

<b>Fiscal Year</b>	<b>Education</b>	<b>Pension &amp; Insurance</b>	<b>Public Safety</b>	<b>Debt Service</b>	<b>Public</b>	<b>General Government</b>
<b>Fiscal Year</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
2022 (Adopted Budget)	50.9	12.4	12.8	8.1	6.0	4.8
2021 (Estimated Actuals)	52.6	12.7	12.8	6.8	5.9	4.6
2020	56.1	11.8	11.9	8.0	4.8	4.4
2019	55.2	12.5	11.9	7.4	5.3	4.4
2018	58.5	12.0	10.6	7.0	4.5	4.4
2017	58.8	11.4	10.8	7.3	4.5	4.3
2016	56.2	13.2	11.0	7.6	4.7	4.3
2015	57.0	11.7	11.1	6.5	4.9	4.5
2014	57.5	11.0	10.8	7.3	5.0	4.3
2013	56.8	10.9	10.9	7.3	5.0	4.8

Source: Annual audited financial statements, adopted budget for fiscal year 2021-22 and estimated actuals for fiscal year 2020-21. Fiscal years 2020-21 and 2021-22 do not include on-behalf payments for state teachers' retirement.

### MUNICIPAL BUDGET EXPENDITURES CAP

Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded. The 2022-2023 biennium budget legislation provides funding for the municipal revenue sharing grant in fiscal years ending June 30, 2022 and June 30, 2023.

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

	<b>Fiscal Year 2019-20</b>			<b>2020-21 Estimated Actuals</b>	<b>2021-22 Adopted Budget</b>
	<b>Final Budget</b>	<b>Actual Operations</b>	<b>Variance Favorable (Unfavorable)</b>		
<b>REVENUES</b>					
Property taxes.....	\$ 102,749,433	\$ 104,762,381	\$ 2,012,948	\$ 108,101,070	\$ 107,550,538
Intergovernmental revenue.....	3,344,596	3,780,592	435,996	3,654,641	2,994,769
Interest income.....	525,000	942,674	417,674	82,834	91,000
Licenses, permits and fees.....	3,975,600	4,844,290	868,690	6,989,749	5,322,690
Fund balance brought forward.....	-	-	-	-	3,832,736
Other.....	1,666,533	1,993,707	327,174	-	-
<b>TOTAL REVENUES.....</b>	<b>112,261,162</b>	<b>116,323,644</b>	<b>4,062,482</b>	<b>118,828,294</b>	<b>119,791,733</b>
<b>EXPENDITURES</b>					
Current:					
General government.....	5,578,745	5,238,578	340,167	5,161,470	5,702,308
Public safety.....	14,273,586	13,756,028	517,558	14,289,209	15,030,950
Public works.....	6,041,411	5,657,326	384,085	6,563,773	7,074,668
Recreation.....	1,231,808	1,204,940	26,868	1,250,482	1,329,147
Libraries.....	1,689,899	1,676,764	13,135	1,672,641	1,855,276
Health and welfare.....	688,399	628,766	59,633	1,716,736	1,854,507
Education.....	57,731,600	57,010,074	721,526	58,828,962	59,905,541
Pension and insurance.....	14,243,345	13,708,169	535,176	14,221,701	14,617,421
Contingency.....	383,934	-	383,934	465,994	824,261
Debt service.....	8,648,562	8,648,556	6	7,631,886	9,593,879
<b>TOTAL EXPENDITURES</b>	<b>110,511,289</b>	<b>107,529,201</b>	<b>2,982,088</b>	<b>111,802,854</b>	<b>117,787,958</b>
Excess (deficiency) of revenues over expenditures.....	1,749,873	8,794,443	7,044,570	7,025,440	2,003,775
Other financing sources (uses):					
Operating transfers in.....	694,225	694,225	-	1,305,522	723,582
Operating transfers out:					
Special revenue fund.....	(1,796,459)	(1,796,459)	-	-	-
Lease fund.....				(232,000)	(235,000)
Capital projects fund.....	(3,862,196)	(3,862,196)	-	(5,838,558)	(2,492,357)
Total other financing sources (uses).....	(4,964,430)	(4,964,430)	-	(4,765,036)	(2,003,775)
Excess of Revenues and other financing sources over expenditures and other financing uses.....	<b>\$ (3,214,557)</b>	<b>\$ 3,830,013</b>	<b>\$ 7,044,570</b>	<b>\$ 2,260,404</b>	<b>\$ -</b>

Source: Annual audited financial statements, fiscal year 2019-20, estimated actuals for fiscal year 2020-21 and adopted budget for fiscal year 2021-22.

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

FISCAL YEAR ENDED:	2016	2017	2018	2019	2020
<b>ASSETS</b>					
Cash and cash equivalents.....	\$ 31,397,294	\$ 32,834,577	\$ 33,659,952	\$ 34,161,369	\$ 51,196,678
Investments.....	7,742,264	8,034,591	9,662,953	8,774,687	1,551,276
Receivables, net.....	5,103,004	5,880,248	6,247,389	6,652,589	8,178,370
Due from other funds.....	-	-	-	36,073	-
Other assets.....	16,297	16,571	16,554	17,105	17,970
<b>TOTAL ASSETS.....</b>	<b>\$ 44,258,859</b>	<b>\$ 46,765,987</b>	<b>\$ 49,586,848</b>	<b>\$ 49,641,823</b>	<b>\$ 60,944,294</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts and other payables.....	\$ 2,542,059	\$ 2,282,764	\$ 2,765,579	\$ 3,413,638	\$ 4,720,547
Due to other funds.....	5,519,009	2,985,724	4,021,229	4,150,181	4,809,031
Unearned revenue.....	727,605	779,747	721,295	606,728	753,325
Other.....	149,763	142,313	502,273	198,576	112,293
Total Liabilities.....	8,938,436	6,190,548	8,010,376	8,369,123	10,395,196
Deferred Inflows of Resources:					
Unavailable revenue:					
Property taxes.....	2,869,073	3,403,197	3,621,428	3,796,530	4,812,011
Interest on property taxes.....	1,183,780	1,445,997	1,555,185	1,734,058	2,134,277
School building grants.....	61,443	19,111	-	-	-
Advance property tax collections.....	6,588,263	8,371,160	5,774,141	3,142,845	6,350,540
Total deferred inflows of resources.....	10,702,559	13,239,465	10,950,754	8,673,433	13,296,828
Fund Balances:					
Nonspendable.....	16,297	16,571	16,554	17,105	17,970
Committed.....	64,517	80,447	94,468	279,458	359,748
Assigned.....	3,250,167	6,921,026	3,390,015	3,532,847	7,880,553
Unassigned.....	21,286,883	20,317,930	27,124,681	28,769,857	28,993,999
Total fund balances.....	24,617,864	27,335,974	30,625,718	32,599,267	37,252,270
Total Liabilities, Deferred Inflows of Resources and Fund Balances..	\$ 44,258,859	\$ 46,765,987	\$ 49,586,848	\$ 49,641,823	\$ 60,944,294

Source: Annual audited financial statements.

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

	Actual 2015-16	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20
Nonspendable.....	\$ 16,297	\$ 16,571	\$ 16,554	\$ 17,105	\$ 17,970
Committed.....	64,517	80,447	94,468	279,458	359,748
Assigned.....	3,250,167	6,921,026	3,390,015	3,532,847	7,880,553
Unassigned.....	21,286,883	20,317,930	27,124,681	28,769,857	28,993,999
<b>Total Fund Balance.....</b>	<b>\$ 24,617,864</b>	<b>\$ 27,335,974</b>	<b>\$ 30,625,718</b>	<b>\$ 32,599,267</b>	<b>\$ 37,252,270</b>
Unassigned Fund Balance as % of Total Expenditures & Transfers.....	19.41%	17.77%	22.58%	24.66%	23.87%

Source: Annual audited financial statements.



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

<b>FISCAL YEAR ENDED:</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>REVENUES</b>					
Property taxes.....	\$ 94,484,140	\$ 96,604,984	\$ 101,530,521	\$ 103,143,178	\$ 104,762,381
Intergovernmental.....	8,854,178	13,980,773	14,347,991	7,393,145	12,289,534
Charges for services.....	3,859,805	4,007,159	4,114,526	4,439,210	4,844,290
Interest on investments.....	160,784	291,774	604,138	1,197,565	943,520
Miscellaneous.....	1,550,658	1,439,309	1,496,209	1,608,162	1,522,036
<b>TOTAL REVENUES.....</b>	<b>108,909,565</b>	<b>116,323,999</b>	<b>122,093,385</b>	<b>117,781,260</b>	<b>124,361,761</b>
<b>EXPENDITURES</b>					
General government.....	4,535,547	4,691,073	5,101,621	4,863,758	5,085,899
Public safety.....	11,606,349	11,851,797	12,192,083	13,083,005	13,751,069
Public works and highway.....	4,974,626	4,930,119	5,178,734	5,823,607	5,596,745
Health and human services.....	577,517	598,413	633,721	652,291	631,716
Parks, recreation and libraries.....	2,551,438	2,677,908	2,742,330	2,840,993	2,875,863
Pension and insurance.....	13,878,697	12,518,448	13,775,472	13,778,315	13,708,168
Education.....	59,226,125	64,679,977	67,243,333	60,733,892	65,141,599
Debt service.....	8,018,795	8,039,014	8,086,493	8,174,355	9,233,555
<b>TOTAL EXPENDITURES.....</b>	<b>105,369,094</b>	<b>109,986,749</b>	<b>114,953,787</b>	<b>109,950,216</b>	<b>116,024,614</b>
Excess (deficiency) of revenues over expenditures.....	3,540,471	6,337,250	7,139,598	7,831,044	8,337,147
Other financing sources (uses)					
Operating transfers in.....	597,452	751,714	648,814	684,887	694,225
Operating transfers (out).....	(4,280,246)	(4,370,854)	(5,180,330)	(6,703,214)	(5,426,655)
Bond premiums.....	-	-	681,662	160,832	1,048,286
Total other financing sources (uses)	(3,682,794)	(3,619,140)	(3,849,854)	(5,857,495)	(3,684,144)
Net change in fund balances.....	(142,323)	2,718,110	3,289,744	1,973,549	4,653,003
Fund Balance - July 1.....	24,760,187	24,617,864	27,335,974	30,625,718	32,599,267
Fund Balance - June 30.....	<u>\$ 24,617,864</u>	<u>\$ 27,335,974</u>	<u>\$ 30,625,718</u>	<u>\$ 32,599,267</u>	<u>\$ 37,252,270</u>

Source: Annual audited financial statements.

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**VI. DEBT SUMMARY**

**PRINCIPAL AMOUNT OF INDEBTEDNESS**  
As of November 15, 2021 (Pro Forma)

**Long-Term Debt: Bonds**

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding as of 11/15/2021 (1)</u>	<u>Date of Fiscal Year Maturity</u>
<i>General Purpose</i>					
05/15/15	Refunding - General Purpose....	2.00 - 5.00	\$ 16,269,000	\$ 1,843,000	2023
09/15/17	General Purpose.....	2.00 - 4.00	4,975,000	3,450,000	2033
08/07/18	General Purpose.....	2.00 - 4.00	5,500,000	560,000	2024
10/24/19	General Purpose.....	2.00 - 5.00	6,000,000	6,000,000	2040
07/02/20	General Purpose.....	1.00 - 5.00	2,360,000	2,360,000	2038
11/15/21	Refunding - General Purpose....	0.50 - 2.00	4,359,000	4,359,000	2032
			<u>\$ 39,463,000</u>	<u>\$ 18,572,000</u>	
<i>Schools</i>					
05/15/15	Refunding - Schools.....	2.00 - 5.00	\$ 1,311,000	\$ 157,000	2023
09/15/17	Schools.....	2.00 - 4.00	9,125,000	6,040,000	2033
08/07/18	Schools.....	2.00 - 4.00	12,500,000	1,340,000	2024
10/24/19	Schools.....	2.00 - 5.00	39,000,000	39,000,000	2040
07/02/20	Schools.....	1.00 - 5.00	2,925,000	2,925,000	2038
11/15/21	Refunding - Schools.....	0.50 - 2.00	9,721,000	9,721,000	2032
			<u>\$ 74,582,000</u>	<u>\$ 59,183,000</u>	
<i>Sewers</i>					
09/15/17	Sewers.....	2.00 - 4.00	\$ 900,000	\$ 660,000	2033
07/02/20	Sewers.....	1.00 - 5.00	2,420,000	2,420,000	2038
07/02/20	Refunding Sewers.....	1.00 - 5.00	5,400,000	3,535,000	2025
			<u>\$ 8,720,000</u>	<u>\$ 6,615,000</u>	
	<b>Total.....</b>		<u><u>\$ 122,765,000</u></u>	<u><u>\$ 84,370,000</u></u>	

(1) Excludes the refunded bonds includes the Bonds.

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

As of November 15, 2021

(Pro Forma)

<b>Fiscal Year</b>	<b>Principal Payments (1)</b>	<b>Interest Payments (1)</b>	<b>Total Debt Service (1)</b>	<b>Refunded Bonds Principal Payments</b>	<b>Refunding Bonds Payments</b>	<b>All Issues Principal (1)</b>
2022 (1)	\$ -	\$ 1,246,875	\$ 1,246,875	\$ -	\$ -	\$ -
2023	7,140,000	2,325,500	9,465,500	-	70,000	7,210,000
2024	5,685,000	2,024,875	7,709,875	-	1,450,000	7,135,000
2025	5,890,000	1,764,500	7,654,500	(950,000)	1,450,000	6,390,000
2026	5,140,000	1,582,550	6,722,550	(950,000)	1,450,000	5,640,000
2027	5,140,000	1,469,413	6,609,413	(950,000)	1,450,000	5,640,000
2028	5,270,000	1,344,225	6,614,225	(950,000)	1,610,000	5,930,000
2029	5,270,000	1,212,225	6,482,225	(950,000)	1,650,000	5,970,000
2030	5,170,000	1,084,138	6,254,138	(950,000)	1,650,000	5,870,000
2031	5,170,000	956,494	6,126,494	(950,000)	1,650,000	5,870,000
2032	5,170,000	823,100	5,993,100	(950,000)	1,650,000	5,870,000
2033	4,620,000	693,425	5,313,425	(950,000)	-	3,670,000
2034	4,265,000	574,506	4,839,506	(950,000)	-	3,315,000
2035	4,265,000	463,169	4,728,169	(950,000)	-	3,315,000
2036	4,265,000	352,344	4,617,344	(950,000)	-	3,315,000
2037	4,165,000	240,394	4,405,394	(950,000)	-	3,215,000
2038	3,465,000	138,819	3,603,819	(450,000)	-	3,015,000
2039	1,950,000	66,000	2,016,000	(450,000)	-	1,500,000
2040	1,500,000	19,688	1,519,688	-	-	1,500,000
	<u>\$ 83,540,000</u>	<u>\$ 18,382,238</u>	<u>\$ 101,922,238</u>	<u>\$ (13,250,000)</u>	<u>\$ 14,080,000</u>	<u>\$ 84,370,000</u>

(1) Excludes \$6,815,000 in principal payments and \$1,407,000 in interest payments made as of November 15, 2021.

Source: Town of Branford.

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

**OVERLAPPING AND UNDERLYING INDEBTEDNESS**

The Town has no overlapping indebtedness. Other political subdivisions with power to issue underlying indebtedness or cause taxes to be levied on taxable property in the Town are numerous tax districts and other associations. There is no outstanding indebtedness of these districts as of November 15, 2021. (See "Computation of Statutory Debt Limit" footnote (1) herein).

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**DEBT STATEMENT**  
As of November 15, 2021  
(Pro Forma)

<b>Long-Term Indebtedness</b> (1,2)	
The Refunding Bonds (This Issue).....	\$ 14,080,000
General Purpose.....	14,213,000
Schools.....	49,462,000
Sewers.....	6,615,000
<b>Total Long-Term Indebtedness</b> .....	<u>84,370,000</u>
<b>Short-Term Indebtedness</b>	
Notes Payable.....	-
<b>Total Direct Indebtedness</b>	<u>84,370,000</u>
<b>Exclusions:</b>	-
<b>Net Direct Indebtedness</b> .....	<u><u>\$ 84,370,000</u></u>

(1) Does not include authorized but unissued debt of \$17,964,129. (See "Authorized but Unissued Debt" herein).

(2) Excludes the Refunded Bonds.

Source: Town Officials.

**CURRENT DEBT RATIOS**  
As of November 15, 2021  
(Pro Forma)

Total Direct Indebtedness.....	\$ 84,370,000
Total Net Direct Indebtedness.....	\$ 84,370,000
Population (1)	28,020
Net Taxable Grand List (10/1/20).....	\$ 3,712,383,391
Estimated Full Value.....	\$ 5,303,404,844
Equalized Net Taxable Grand List (2019) (2).....	\$ 5,266,404,324
Per Capita Income (2019) (1).....	\$ 48,471
<b>Total Direct Indebtedness:</b>	
Per Capita.....	\$ 3,011.06
To Net Taxable Grand List .....	2.27%
To Estimated Full Value .....	1.59%
To Equalized Net Taxable Grand List.....	1.60%
Per Capita to Per Capita Income.....	6.21%
<b>Total Net Direct Indebtedness:</b>	
Per Capita.....	\$ 3,011.06
To Net Taxable Grand List.....	2.27%
To Estimated Full Value.....	1.59%
To Equalized Net Taxable Grand List.....	1.60%
Per Capita to Per Capita Income.....	6.21%

(1) U. S. Census Bureau, American Community Survey, 2015-2019.

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

**LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING**

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

**TEMPORARY FINANCING**

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

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

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

**SCHOOL BUILDING GRANT REIMBURSEMENTS**

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

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

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

**LIMITATION OF INDEBTEDNESS**

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

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

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

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

**STATEMENT OF STATUTORY DEBT LIMITATION**  
As of November 15, 2021  
(Pro Forma)

Total Receipts for fiscal year ended June 30, 2020	\$ 103,251,000
(including interest and lien fees)	
Coterminous Municipalities (1)	1,852,000
Base for Establishing Debt Limit (Thousands)	\$ 105,103,000

Debt Limitation	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base).....	\$ 236,481,750					
(4.50 times base).....		\$ 472,963,500				
(3.75 times base).....			\$ 394,136,250			
(3.25 times base).....				\$ 341,584,750		
(3.00 times base).....					\$ 315,309,000	
(7.00 times base).....						\$ 735,721,000
<b>Indebtedness (Including the Bonds) (2)</b>						
Bonds Payable.....	\$ 14,213,000	\$ 49,462,000	\$ 6,615,000	\$ -	\$ -	\$ 70,290,000
The Refunding Bonds (This Issue)..	4,359,000	9,721,000	-	-	-	14,080,000
Authorized but Unissued Debt.....	6,845,000	9,806,456	1,312,673	-	-	17,964,129
Total Indebtedness.....	25,417,000	68,989,456	7,927,673	-	-	102,334,129
Less:						
School grants receivable (3).....	-	(6,729,207)	-	-	-	(6,729,207)
Total Net Indebtedness.....	25,417,000	62,260,249	7,927,673	-	-	95,604,922
<b>Excess of Limit Over</b>						
Outstanding and						
Authorized Debt.....	\$ 211,064,750	\$ 410,703,251	\$ 386,208,577	\$ 341,584,750	\$ 315,309,000	\$ 640,116,078

- (1) Other political subdivisions with power to cause taxes to be levied on taxable property in the Town are numerous tax districts and other associations (hereafter, "districts"). There is no outstanding indebtedness of these districts as of November 15, 2021, of which the Town is aware. Under State Statutes the districts are required to file annual audits and to notify the Town when debt is issued. Information regarding the districts relies upon compliance with the filing requirements.
- (2) Excludes the Refunded Bonds.
- (3) It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$26,122,751 during the construction of the project. As of November 15, 2021, the Town has received \$19,393,544 in progress payments. (See "School Building Grants Reimbursements" herein).

Source: Town Officials

## AUTHORIZED BUT UNISSUED DEBT

Projects	Original Amount Authorized	Revised Amount Authorized	Prior Financings	Paydowns/ Grants	Authorized But Unissued
Main Street Improvements (2020).....	\$ 2,750,000	\$ 2,750,000	\$ 245,000	\$ -	\$ 2,505,000 (1)
Linden Avenue Stabilization.....	1,220,000	1,220,000	275,000	-	945,000 (2)
Walsh Intermediate School Project.....	88,200,000	88,200,000	59,000,000	19,393,544	9,806,456 (3)
Sewer System Improvements (2019).....	3,975,000	3,975,000	2,710,000	-	1,265,000
Town Wide Drainage Improvements....	500,000	500,000	452,327	-	47,673
Dan Cosgrove Animal Shelter.....	2,895,000	4,595,000	-	1,200,000 (4)	3,395,000
<b>Total.....</b>	<b>\$ 99,540,000</b>	<b>\$ 101,240,000</b>	<b>\$ 62,682,327</b>	<b>\$ 20,593,544</b>	<b>\$ 17,964,129</b>

- (1) \$2,500,000 of State grants expected.
- (2) \$915,000 of State grants expected.
- (3) It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$26,122,751 during the construction of the project. As of November 15, 2021, the Town has received \$19,393,544 in progress payments. (See "School Building Grants Reimbursements" herein).
- (4) Expected funding from other sources.

## HISTORICAL DEBT STATEMENT

	2020-21 (1)	2019-20	2018-19	2017-18	2016-17
Population (2).....	28,020	28,020	28,020	28,094	28,149
Net taxable grand list.....	\$ 3,685,043,062	\$ 3,583,125,596	\$ 3,569,991,255	\$ 3,537,873,236	\$ 3,505,790,076
Estimated full value.....	\$ 5,264,347,231	\$ 5,118,750,851	\$ 5,099,987,507	\$ 5,054,104,623	\$ 5,008,271,537
Equalized net taxable grand list (3)....	\$ 5,266,404,324	\$ 5,424,165,983	\$ 5,433,604,019	\$ 5,299,801,671	\$ 5,185,659,055
Per capita income (2).....	\$ 48,471	\$ 48,471	\$ 48,471	\$ 49,036	\$ 47,070
Short-term debt.....	\$ -	\$ -	\$ -	\$ -	\$ 5,305,000
Long-term debt.....	\$ 90,355,000	\$ 88,037,636	\$ 49,474,973	\$ 38,086,596	\$ 29,988,115
Total Direct Indebtedness.....	\$ 90,355,000	\$ 88,037,636	\$ 49,474,973	\$ 38,086,596	\$ 35,293,115
Net Direct Indebtedness.....	\$ 90,355,000	\$ 87,539,027	\$ 49,184,573	\$ 37,749,716	\$ 35,115,084

- (1) Unaudited estimates.
- (2) U. S. Census Bureau, American Community Survey, 2015-2019.
- (3) Office of Policy and Management, State of Connecticut, Grand List Year.

## HISTORICAL DEBT RATIOS

	2020-21 (1)	2019-20	2018-19	2017-18	2016-17
<b>Total Direct Indebtedness:</b>					
Per capita.....	\$3,224.66	\$3,141.96	\$1,765.70	\$1,355.68	\$1,253.80
To net taxable grand list.....	2.45%	2.46%	1.39%	1.08%	1.01%
To estimated full value.....	1.72%	1.72%	0.97%	0.75%	0.70%
To equalized net taxable grand list.....	1.72%	1.62%	0.91%	0.72%	0.68%
Debt per capita to per capita income.....	6.65%	6.48%	3.64%	2.76%	2.66%
<b>Net Direct Indebtedness:</b>					
Per capita.....	\$3,224.66	\$3,124.16	\$1,755.34	\$1,343.69	\$1,247.47
To net taxable grand list.....	2.45%	2.44%	1.38%	1.07%	1.00%
To estimated full value.....	1.72%	1.71%	0.96%	0.75%	0.70%
To equalized net taxable grand list.....	1.72%	1.61%	0.91%	0.71%	0.68%
Debt per capita to per capita income.....	6.65%	6.45%	3.62%	2.74%	2.65%

- (1) Unaudited estimates.

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

<b>Fiscal Year Ended 6/30</b>	<b>Annual Debt Service</b>	<b>Total General Fund Expenditures and Transfers out</b>	<b>Ratio of General Fund Debt Service to Total General Fund Expenditures and Transfers Out %</b>
2022 (1)	\$ 9,593,879	\$ 120,515,315	7.96%
2021 (1)	7,631,886	117,873,412	6.47%
2020	9,233,555	121,451,269	7.60%
2019	8,174,355	116,653,430	7.01%
2018	8,086,493	120,134,117	6.73%
2017	8,039,014	114,357,603	7.03%
2016	8,018,795	109,649,340	7.31%
2015	6,553,266	106,137,297	6.17%
2014	7,310,265	104,249,868	7.01%
2013	7,257,251	102,080,054	7.11%

(1) Adopted budget for fiscal year 2021-22 and estimated actuals for fiscal year 2020-21.

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## VII. LEGAL AND OTHER LITIGATION

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### LITIGATION

The Town of Branford, its officers, employees, boards and commissions are defendants in various lawsuits. Following consultation with 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 which would materially adversely affect its financial position.

### MUNICIPAL ADVISOR

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

### DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

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

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

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the office of U.S. Bank National Association of Hartford, Connecticut and will be available for examination upon reasonable request.

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**CONCLUDING STATEMENT**

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

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

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

**TOWN OF BRANFORD, CONNECTICUT**

**BY:** /s/ James B. Cosgrove  
**James B. Cosgrove**  
*First Selectman*

**BY:** /s/ Kurt M. Schwanfelder  
**Kurt M. Schwanfelder**  
*Town Treasurer*

**BY:** /s/ James P. Finch, Jr.  
**James P. Finch, Jr.**  
*Finance Director*

**Dated: November 3, 2021**

## APPENDIX A - FINANCIAL STATEMENTS

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JUNE 30, 2020

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**Appendix A - Financial Statements** - is taken from the Annual Financial Report of the Town of Branford for the Fiscal Year ending June 30, 2020 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Finance Director, Town of Branford, Connecticut.



## Independent Auditors' Report

To the Board of Finance  
Town of Branford, Connecticut

### Report on the Financial Statements

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, 2020, 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.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Branford, Connecticut, as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

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

### ***Other Information***

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

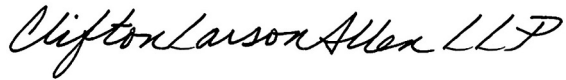
The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing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

The financial statements as of June 30, 2019 were audited by Blum, Shapiro & Company, P.C., whose partners and staff joined CliftonLarsonAllen LLP as of January 1, 2021 and has subsequently ceased operations. Blum, Shapiro & Company, P.C.'s report dated February 25, 2020 expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet for the year ended June 30, 2019 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 financial statements. The General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2019 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 auditing standards generally accepted in the United States of America. 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, 2019.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2021 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
August 4, 2021

**TOWN OF BRANFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020. 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 \$16,145.
- During the year, the Town had expenses that were \$16,145 less than the \$151,304 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$135,159. The General Fund reported a fund balance this year of \$37,252.
- The resources available for appropriation were \$4,001 more than budgeted for the General Fund. Expenditures were \$2,982 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 \$155,977 to \$172,123. 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>2020</b>	<b>2019</b>
Current assets	\$ 135,147	\$ 98,815
Capital assets, net of accumulated depreciation	191,072	162,710
Total assets	<u>326,219</u>	<u>261,525</u>
Deferred outflows of resources	<u>21,249</u>	<u>22,384</u>
Long-term debt outstanding	144,059	109,074
Other liabilities	19,735	12,469
Total liabilities	<u>163,794</u>	<u>121,543</u>
Deferred inflows of resources	<u>11,551</u>	<u>6,389</u>
Net Position:		
Net investment in capital assets	112,584	111,244
Restricted	35,623	334
Unrestricted	<u>23,916</u>	<u>44,399</u>
Total Net Position	<u>\$ 172,123</u>	<u>\$ 155,977</u>

The Town experienced an increase in net position of its governmental activities of 10.4% as compared to the prior year. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed from \$44,399 at June 30, 2019 to \$23,916 at the end of this year.

**TABLE 2  
CHANGE IN NET POSITION**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Revenues:		
Program revenues:		
Charges for services	\$ 11,206	\$ 10,982
Operating grants and contributions	17,599	13,059
Capital grants and contributions	13,967	12,088
General revenues:		
Property taxes	106,178	103,497
Grants and contributions not restricted to specific programs	610	580
Unrestricted investment earnings	1,487	2,015
Other general revenues	257	414
Total revenues	<u>151,304</u>	<u>142,635</u>
Program expenses:		
General government	8,944	10,132
Public safety	27,808	26,177
Public works and highway	14,600	15,447
Parks, recreation and libraries	7,171	7,590
Health and human services	3,962	3,383
Education	70,244	68,436
Interest debt service	2,430	1,402
Total program expenses	<u>135,159</u>	<u>132,567</u>
Increase in Net Position	<u>\$ 16,145</u>	<u>\$ 10,068</u>

The Town's total revenues were \$151,304 while the cost of all programs and services totaled \$135,159. Our 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 \$4,001 higher than budgeted. Of this amount, \$2,013 resulted from strong current and delinquent property tax collections from prior levies that include interest and penalties. Taxes on the current levy exceeded the budget by \$1,793. The town's conservative estimate on state assistance programs resulted in a positive balance for intergovernmental revenue of \$436. In addition, revenues from licenses, permits and fees exceeded the budget by \$869 primarily due to police extra duty, and ambulance revenue. Interest on investments exceeded estimates by \$418. Other income exceeded the budget by \$266 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 \$2,982 less than anticipated. The global pandemic and related shutdowns influenced expenditure balances as some services were cancelled or curtailed resulting in unused appropriations. Specific functional areas that realized large unexpended balance include education, police, public works, contingency transfers, coupled with vacancies 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>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
General government	\$ 8,944	\$ 10,132	\$ 6,276	\$ 5,514
Public safety	27,808	26,177	23,350	22,381
Public works and highway	14,600	15,447	7,922	9,801
Parks, recreation and libraries	7,171	7,590	5,220	6,287
Health and human services	3,962	3,383	2,785	2,114
Education	70,244	68,436	44,404	48,940
Interest and debt service	2,430	1,402	2,430	1,402
<b>Total</b>	<b>\$ 135,159</b>	<b>\$ 132,567</b>	<b>\$ 92,387</b>	<b>\$ 96,439</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 \$77,734, which is a significant increase from last year's total of \$52,247.

***General Fund Budgetary Highlights***

The Town's General Fund expenditures plus encumbrances totaled \$113,188. 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 \$2,982. Revenues were \$4,001 higher, which reflects strong tax collections, favorable nontax revenue experience, conservative estimates, an unanticipated grant for firefighters and receipt of non-recurring revenue items.

The Town's General Fund balance of \$37,252 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, 2020, the Town had \$191,072 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 \$28,362 or 17.43%, over last year. This increase primarily reflects construction in progress increases associated with the renovation of the Walsh Intermediate School. Additionally, the town completed the Community Center, Harbor Street Culvert, and a renovation of the Indian Neck Firehouse. The cumulative value of these additions exceeded the combined reductions associated with depreciation and asset dispositions.

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

	Governmental Activities	
	2020	2019
Land	\$ 17,106	\$ 17,106
Intangible assets	597	597
Land improvements	3,846	3,595
Buildings	78,483	68,741
Machinery and equipment	8,091	7,673
Construction in progress	57,939	41,495
Infrastructure	25,010	23,503
Total	\$ <u>191,072</u>	\$ <u>162,710</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, 2020, the Town had \$88,038 in bonds and notes outstanding versus \$49,475 last year - an increase of \$38,563 or approximately 77.9%. The Town anticipates a reduction of bonded debt in future years as the cumulative debt retirements will be exceed the amount of new debt issued.

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

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

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

The Town's elected and appointed officials were profoundly aware that the 2020-2021 budget was forged in the midst of a national pandemic due to the COVID 19 virus. Admittedly officials were hard pressed to find a comparable experience in all of their collective experience. Nevertheless they 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 undesignated fund balance; continue to invest in new vehicles and equipment to ensure continued service delivery; preserve the Town's investment in its properties and buildings; and to continue to fund many capital items on a pay-as-you-go basis so as to limit the amount of outstanding debt. The Town's conservative budgeting posture was also represented by reducing the tax collection rate to 95% and offsetting the impact to the taxpayers through an appropriation from the general fund balance reflecting a concern that one out of twenty taxpayers would have difficulty in paying their tax bill.

As a result of these efforts and adherence to the above guidelines, the Town adopted a General Fund budget of \$118,017,243 for 2020-2021, which represents an increase of \$2,497,856 or 2.2% as compared to the 2019-2020 amended budget. A decrease in budgeted property taxes of approximately \$820,000 thousand combined with a \$6.9 million appropriation from fund balance will supplement nontax revenues and insulate the town against the specter of lower tax collections.

## **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, 2020**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 112,251,207
Investments	2,245,862
Receivables, net	20,515,082
Inventory	16,717
Prepaid items	117,970
Capital assets not being depreciated	75,642,284
Capital assets being depreciated, net of accumulated depreciation	115,429,774
<b>Total assets</b>	<b><u>326,218,896</u></b>
<b>Deferred Outflows of Resources:</b>	
Deferred outflows related to pensions	18,308,785
Deferred outflows related to OPEB	2,771,075
Deferred charge on refunding	168,993
<b>Total deferred outflows of resources</b>	<b><u>21,248,853</u></b>
<b>Liabilities:</b>	
Accounts and other payables	11,241,868
Unearned revenue	1,609,067
Due to OPEB trust fund	6,771,421
Other	112,293
Noncurrent liabilities:	
Due within one year	9,096,117
Due in more than one year	134,963,057
<b>Total liabilities</b>	<b><u>163,793,823</u></b>
<b>Deferred Inflows of Resources:</b>	
Deferred inflows related to pensions	3,154,591
Deferred inflows related to OPEB	2,046,191
Advance property tax collections	6,350,540
<b>Total deferred inflows of resources</b>	<b><u>11,551,322</u></b>
<b>Net Position:</b>	
Net investment in capital assets	112,584,311
Restricted for Trusts:	
Capital projects	29,227,245
Unspent grant balances	6,059,703
Expendable	236,123
Nonexpendable	99,459
Unrestricted	23,915,763
<b>Total Net Position</b>	<b><u>\$ 172,122,604</u></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, 2020**

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:					
General government	\$ 8,943,701	\$ 1,468,660	\$ 782,922	\$ 416,761	\$ (6,275,358)
Public safety	27,808,318	3,814,781	440,385	202,822	(23,350,330)
Public works and highway	14,599,808	3,810,470	1,669,685	1,197,902	(7,921,751)
Parks, recreation and libraries	7,171,230	535,462	290,535	1,125,000	(5,220,233)
Health and human services	3,961,648	538,782	637,855		(2,785,011)
Education	70,243,694	1,038,021	13,777,319	11,024,351	(44,404,003)
Interest expense	2,430,110				(2,430,110)
<b>Total</b>	<b>\$ 135,158,509</b>	<b>\$ 11,206,176</b>	<b>\$ 17,598,701</b>	<b>\$ 13,966,836</b>	<b>(92,386,796)</b>
General revenues:					
Property taxes					106,178,081
Grants and contributions not restricted to specific programs					609,457
Unrestricted investment earnings					1,487,282
Miscellaneous					257,403
Total general revenues					<u>108,532,223</u>
Change in net position					16,145,427
Net Position at Beginning of Year					<u>155,977,177</u>
Net Position at End of Year					<u>\$ 172,122,604</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF BRANFORD, CONNECTICUT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 51,196,678	\$ 22,820,374	\$ 15,030,029	\$ 89,047,081
Investments	1,551,276		694,586	2,245,862
Receivables, net	8,178,370	10,186,013	1,876,604	20,240,987
Due from other funds		6,533,830	250,201	6,784,031
Inventories			16,717	16,717
Other assets	17,970			17,970
Total Assets	<u>\$ 60,944,294</u>	<u>\$ 39,540,217</u>	<u>\$ 17,868,137</u>	<u>\$ 118,352,648</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts and other payables	\$ 4,720,547	\$ 5,289,974	\$ 688,003	\$ 10,698,524
Due to other funds	4,809,031		1,975,000	6,784,031
Unearned revenue	753,325		855,742	1,609,067
Other	112,293			112,293
Total liabilities	<u>10,395,196</u>	<u>5,289,974</u>	<u>3,518,745</u>	<u>19,203,915</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	4,812,011			4,812,011
Unavailable revenue - interest on property taxes	2,134,277			2,134,277
Unavailable revenue - special assessments			498,609	498,609
Unavailable revenue - school construction grants		7,327,199		7,327,199
Unavailable revenue - loans receivable			292,044	292,044
Advance property tax collections	6,350,540			6,350,540
Total deferred inflows of resources	<u>13,296,828</u>	<u>7,327,199</u>	<u>790,653</u>	<u>21,414,680</u>
Fund Balances:				
Nonspendable	17,970		116,176	134,146
Restricted		26,923,044	8,600,027	35,523,071
Committed	359,748		4,842,536	5,202,284
Assigned	7,880,553			7,880,553
Unassigned	28,993,999			28,993,999
Total fund balances	<u>37,252,270</u>	<u>26,923,044</u>	<u>13,558,739</u>	<u>77,734,053</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 60,944,294</u>	<u>\$ 39,540,217</u>	<u>\$ 17,868,137</u>	<u>\$ 118,352,648</u>

(Continued on next page)



**TOWN OF BRANFORD, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2020**

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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)	\$	77,734,053
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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	\$	335,060,997	
Less accumulated depreciation		<u>(143,988,939)</u>	
Net capital assets			191,072,058

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	4,812,011
Interest receivable on property taxes	2,134,277
Assessments receivable	498,609
Housing loans receivable	292,044
School construction grant receivable	7,327,199
Deferred outflows relating to pensions	18,308,785
Deferred outflows relating to OPEB	2,771,075

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.

11,530,666

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	(42,515,714)
Net OPEB liability	(294,647)
Deferred inflows relating to pensions	(3,154,591)
Deferred inflows relating to OPEB	(2,046,191)
Bonds and notes payable	(88,037,636)
Interest payable on bonds and notes	(459,448)
Compensated absences	(4,360,839)
Notes payable	(250,000)
Bond premium	(2,524,600)
Deferred charge on refunding	168,993
Landfill	<u>(883,500)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>172,122,604</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, 2020**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 104,762,381	\$	\$	\$ 104,762,381
Assessments and interest			2,834,108	2,834,108
Intergovernmental	12,289,534	9,814,255	5,207,924	27,311,713
Charges for services	4,844,290		2,872,761	7,717,051
Income on investments	943,520	114,319	113,326	1,171,165
Miscellaneous	1,522,036	441,504	400,606	2,364,146
Total revenues	<u>124,361,761</u>	<u>10,370,078</u>	<u>11,428,725</u>	<u>146,160,564</u>
Expenditures:				
Current:				
General government	5,085,899	181,359	71,928	5,339,186
Public safety	13,751,069		804,720	14,555,789
Public works and highway	5,596,745		3,388,280	8,985,025
Parks, recreation and libraries	2,875,863	39,336	412,596	3,327,795
Health and human services	631,716		2,187,384	2,819,100
Education	65,141,599		3,585,056	68,726,655
Pension and insurance	13,708,168			13,708,168
Capital outlay		39,354,232	522,880	39,877,112
Debt service	9,233,555	149,369		9,382,924
Total expenditures	<u>116,024,614</u>	<u>39,724,296</u>	<u>10,972,844</u>	<u>166,721,754</u>
Excess (Deficiency) of Revenues over Expenditures	<u>8,337,147</u>	<u>(29,354,218)</u>	<u>455,881</u>	<u>(20,561,190)</u>
Other Financing Sources (Uses):				
Transfers in	694,225	5,403,860	2,155,459	8,253,544
Transfers out	(5,426,655)	(290,000)	(2,536,889)	(8,253,544)
Proceeds from bond issuance		45,000,000		45,000,000
Bond premiums	1,048,286			1,048,286
Total other financing sources (uses)	<u>(3,684,144)</u>	<u>50,113,860</u>	<u>(381,430)</u>	<u>46,048,286</u>
Net Change in Fund Balances	4,653,003	20,759,642	74,451	25,487,096
Fund Balances at Beginning of Year	<u>32,599,267</u>	<u>6,163,402</u>	<u>13,484,288</u>	<u>52,246,957</u>
Fund Balances at End of Year	<u>\$ 37,252,270</u>	<u>\$ 26,923,044</u>	<u>\$ 13,558,739</u>	<u>\$ 77,734,053</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, 2020**

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) \$ 25,487,096

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	33,966,015
Depreciation expense	(5,360,377)

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. (243,407)

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

Property tax receivable - accrual basis change	1,015,481
Property tax interest and lien revenue - accrual basis change	400,219
Sewer assessment receivable - accrual basis change	(31,418)
School construction receivable - accrual basis change	3,442,973
Change in deferred outflows relating to pensions	(2,426,283)
Change in deferred outflows relating to OPEB	1,339,700

Change in pension and OPEB assets and liabilities:

Change in net OPEB liability	6,476,774
Change in net pension liability	(2,357,204)

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:

Bonds issued	(45,000,000)
Bond and note principal payments	6,437,337
Notes payable principal payments	125,000
Bond issuance premium	(1,048,286)

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	(831,252)
Accrued interest	81,530
Amortization of deferred charge on refunding	(48,429)
Amortization of bond premiums	357,376
Change in deferred inflows relating to pensions	(2,182,450)
Change in deferred inflows relating to OPEB	227,354
Landfill post closure care	165,000

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities. (3,847,322)

Change in Net Position of Governmental Activities (Exhibit II) \$ 16,145,427

The accompanying notes are an integral part of the financial statements

**TOWN OF BRANFORD, CONNECTICUT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2020**

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	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
Assets:	
Cash and cash equivalents	\$ 23,204,126
Accounts receivable	204,570
Prepaid expenses	<u>100,000</u>
Total assets	<u>23,508,696</u>
Liabilities:	
Accounts and other payables	14,371
Risk management claims	5,192,238
Due to other funds	<u>6,771,421</u>
Total liabilities	<u>11,978,030</u>
Net Position:	
Unrestricted	<u>\$ 11,530,666</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, 2020**

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	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
Operating Revenues:	
Contributions for benefits	\$ 15,204,239
Other	384,026
Total contributions	<u>15,588,265</u>
Operating Expenses:	
Benefit claims	10,893,298
OPEB contribution	6,771,421
Claims administration	2,086,985
Total operating expenses	<u>19,751,704</u>
Operating Income	(4,163,439)
Nonoperating Revenue:	
Income on investments	<u>316,117</u>
Change in Net Position	(3,847,322)
Net Position at Beginning of Year	<u>15,377,988</u>
Net Position at End of Year	<u>\$ 11,530,666</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, 2020**

	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
Cash Flows from Operating Activities:	
Cash received from operating funds	\$ 15,677,518
Cash payments to providers of benefits and administration	<u>(13,653,408)</u>
Net cash provided by (used in) operating activities	2,024,110
Cash Flows from Investing Activities:	
Income on investments	<u>316,117</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,340,227
Cash and Cash Equivalents at Beginning of Year	<u>20,863,899</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 23,204,126</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ (4,163,439)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
(Increase) decrease in receivables	126,995
Increase (decrease) in accounts payable	(710,867)
Increase (decrease) in due to other funds	<u>6,771,421</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 2,024,110</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, 2020**

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	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>
Assets:		
Cash and cash equivalents	\$ 2,261,327	\$ 1,845,044
Investments	49,271,499	
Due from other funds	<u>6,771,421</u>	<u>                    </u>
Total assets	<u>58,304,247</u>	<u>\$ 1,845,044</u>
Liabilities:		
Accounts payable	8,781	\$
Due to students and others	<u>                    </u>	<u>1,845,044</u>
Total liabilities	<u>8,781</u>	<u>\$ 1,845,044</u>
Net Position:		
Held in Trust for Pension or Retiree Benefits	<u>\$ 58,295,466</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.

**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.

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.

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

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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.

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 Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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

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

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

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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 liened.

**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. 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).

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). 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.

**I. 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 General Fund.

**J. 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.

**K. 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.

**L. 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.

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

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**M. 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.

**N. Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 resulted could differ from those estimates.

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

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**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, 2020 the Town approved additional appropriations of \$872,480, \$482,923 from unanticipated revenues and \$389,557 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.

**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.

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

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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.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$38,632,996 of the Town’s bank balance of \$52,388,886 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 6,384,320
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>32,248,676</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 38,632,996</u>

**Cash Equivalents**

At June 30, 2020, the Town’s cash equivalents amounted to \$69,450,214. 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.

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



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

**Investments**

As of June 30, 2020, 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. treasury notes	N/A	\$ 4,859,527	\$ 1,384,024	\$ 2,752,343	\$ 723,160
Other debt securities	AAA	2,003,620	298	133,488	1,869,834
Municipal bonds	A-AA+	725,762		656,740	69,022
Corporate bonds	A-AAA	8,320,562	1,157,301	6,276,603	886,658
Certificates of deposit*	N/A	2,113,922	2,113,922		
Subtotal			<u>\$ 4,655,545</u>	<u>\$ 9,819,174</u>	<u>\$ 3,548,674</u>
Other investments:					
Common stock	N/A	1,472,779			
Police Pension Fund and Volunteer Firemen Pension:					
Open ended mutual funds and exchange traded funds	N/A	<u>32,021,189</u>			
Total		<u>\$ 51,517,361</u>			

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

N/A: Not applicable

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, 2020:

	June 30, 2020	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
U.S. Government securities	\$ 4,859,527	\$ 4,859,527	\$	\$
U.S. Government agencies	2,003,620		2,003,620	
Corporate / municipal bonds	9,046,324		9,046,324	
Common stock	1,472,779	1,472,779		
Mutual funds	<u>32,021,189</u>	<u>32,021,189</u>		
Total investments by fair value level	49,403,439	<u>\$ 38,353,495</u>	<u>\$ 11,049,944</u>	<u>\$ -</u>
Certificates of deposit	<u>2,113,922</u>			
Total Investments	<u>\$ 51,517,361</u>			

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

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

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**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.

**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, 2020, 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	\$ 2,134,273	\$	\$	\$ 2,134,273
Taxes	5,622,291			5,622,291
Accounts	512,035		422,117	934,152
Special assessments			489,632	489,632
Intergovernmental	423,388	10,186,013	877,381	11,486,782
Loans			292,044	292,044
Gross receivables	<u>8,691,987</u>	<u>10,186,013</u>	<u>2,081,174</u>	<u>20,959,174</u>
Less allowance for uncollectibles	<u>(513,617)</u>			<u>(513,617)</u>
Net Total Receivables	<u>\$ 8,178,370</u>	<u>\$ 10,186,013</u>	<u>\$ 2,081,174</u>	<u>\$ 20,445,557</u>

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

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 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	\$ 17,106,478	\$	\$	\$	\$ 17,106,478
Intangible assets	596,800				596,800
Construction in progress	41,494,824	29,716,656	(13,272,474)		57,939,006
Total capital assets not being depreciated	<u>59,198,102</u>	<u>29,716,656</u>	<u>(13,272,474)</u>	<u>-</u>	<u>75,642,284</u>
Capital assets being depreciated:					
Buildings and improvements	119,480,381	1,251,360	11,384,528	(701,400)	131,414,869
Improvements other than buildings	5,282,879	443,043	105,341	(71,460)	5,759,803
Machinery and equipment	28,464,321	1,732,418		(273,904)	29,922,835
Infrastructure	89,716,063	822,538	1,782,605		92,321,206
Total capital assets being depreciated	<u>242,943,644</u>	<u>4,249,359</u>	<u>13,272,474</u>	<u>(1,046,764)</u>	<u>259,418,713</u>
Less accumulated depreciation for:					
Buildings and improvements	50,739,625	2,708,770		(516,410)	52,931,985
Improvements other than buildings	1,687,665	249,528		(23,224)	1,913,969
Machinery and equipment	20,791,679	1,303,688		(263,723)	21,831,644
Infrastructure	66,212,950	1,098,391			67,311,341
Total accumulated depreciation	<u>139,431,919</u>	<u>5,360,377</u>	<u>-</u>	<u>(803,357)</u>	<u>143,988,939</u>
Total capital assets being depreciated, net	<u>103,511,725</u>	<u>(1,111,018)</u>	<u>13,272,474</u>	<u>(243,407)</u>	<u>115,429,774</u>
Governmental Activities Capital Assets, Net	<u>\$ 162,709,827</u>	<u>\$ 28,605,638</u>	<u>\$ -</u>	<u>\$ (243,407)</u>	<u>\$ 191,072,058</u>

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

Governmental activities:	
General government	\$ 161,826
Public safety	935,839
Public works	2,520,127
Parks, recreation and libraries	215,972
Health and welfare	116,010
Education	<u>1,410,603</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,360,377</u>

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

**Active Capital Projects**

The Town has active projects as of June 30, 2020. 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
School Ground Road Bridge	4,975,000	4,198,523		776,477
Land Acquisition Fund	1,535,276	1,351,517		183,759
Pump Station Upgrades	2,500,000	2,027,430	235,163	237,407
Harbor Street Culvert Repairs	2,100,000	1,939,703	12,933	147,364
Community Center Improvements	12,115,000	12,105,226		9,774
Branford Hills Demolition	300,000	294,330		5,670
BOE Bathroom Renovations	150,000	103,483		46,517
WIS Pool	300,000			300,000
Walsh Intermediate School Renovations	88,200,000	58,821,511	20,920,219	8,458,270
Linden Avenue Shoreline Stabilization	1,200,000	114,717	10,877	1,074,406
Branford High School Locker Room Renovation	300,000	235,216		64,784
Energy Performance Contract	6,200,000	5,832,743	188,369	178,888
Indian Neck Firehouse Renovations	1,675,000	1,624,120	21,873	29,007
James Blackstone Memorial Library Renovation	5,745,000	5,017,658	93,730	633,612
BHS Tennis Court Replacement	252,400	252,400		-
Forcemain & Sewer Rehabilitation Projects	3,975,000	667,984	198,561	3,108,455
Main Street Reconstruction	2,750,000			2,750,000
Town Wide Drainage Improvements	500,000			500,000
Stony Creek Wharf Reconstruction	350,000			350,000
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, 2020 are as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	\$ 250,201
Pension and Other Employee Benefit Trust Funds	Internal Service Fund	6,771,421
Capital Projects Fund	General Fund	4,558,830
Capital Projects Fund	Nonmajor Governmental Funds	<u>1,975,000</u>
Total		<u>\$ 13,555,452</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	\$	\$ 3,323,006	\$ 2,103,649	\$ 5,426,655
Capital Projects	238,190		51,810	290,000
Nonmajor Governmental	456,035	2,080,854		2,536,889
Total Transfers In	\$ <u>694,225</u>	\$ <u>5,403,860</u>	\$ <u>2,155,459</u>	\$ <u>8,253,544</u>

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, 2020 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	\$ 41,985,000	\$ 45,000,000	\$ 4,885,000	\$ 82,100,000	\$ 4,850,000
Clean water notes	7,489,973		1,552,337	5,937,636	1,583,670
Bond premiums	1,833,690	1,048,286	357,376	2,524,600	
Total bonds and notes payable	51,308,663	46,048,286	6,794,713	90,562,236	6,433,670
Landfill closure	1,048,500		165,000	883,500	35,000
Net pension liability	40,158,510	2,357,204		42,515,714	
Net OPEB liability	6,771,421		6,476,774	294,647	
Compensated absences	3,529,587	979,492	148,240	4,360,839	143,497
Risk management claims	5,882,490	10,893,298	11,583,550	5,192,238	2,358,950
Notes payable	375,000		125,000	250,000	125,000
Total Governmental Activities Long-Term Liabilities	\$ <u>109,074,171</u>	\$ <u>60,278,280</u>	\$ <u>25,293,277</u>	\$ <u>144,059,174</u>	\$ <u>9,096,117</u>

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

A schedule of bonds and notes outstanding at June 30, 2020 is presented below:

	<u>Balance June 30, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
General Obligation:				
School, 2.0-5.0%, mature in 2022	\$ 832,000	\$	\$ 223,000	\$ 609,000
School, 2.0-5.0%, mature in 2032	8,170,000		705,000	7,465,000
School, 2.0-4.0%, mature in 2038	12,500,000		670,000	11,830,000
School, 2.0-5.0%, mature in 2039		39,000,000		39,000,000
Public improvement sewer, 2.0-5.0%, mature in 2012	9,703,000		2,612,000	7,091,000
Public improvement, 2.0-4.0%, mature in 2032	4,440,000		335,000	4,105,000
Public improvement sewer, 2.0-4.0%, mature in 2038	5,500,000		280,000	5,220,000
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	840,000		60,000	780,000
<b>Total Bonds</b>	<b>41,985,000</b>	<b>45,000,000</b>	<b>4,885,000</b>	<b>82,100,000</b>
State of Connecticut, CWF, 2%, mature in 2022				
	3,657,844		1,100,295	2,557,549
State of Connecticut, CWF, 2% mature in 2027				
	2,657,330		323,961	2,333,369
State of Connecticut, CWF, 2% mature in 2028				
	1,174,799		128,081	1,046,718
<b>Total Bonds and Notes</b>	<b>\$ 49,474,973</b>	<b>\$ 45,000,000</b>	<b>\$ 6,437,337</b>	<b>\$ 88,037,636</b>

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

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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>
2021	\$ 4,850,000	\$ 2,330,750	\$ 7,180,750
2022	4,950,000	2,132,500	7,082,500
2023	5,900,000	1,881,750	7,781,750
2024	3,800,000	1,659,250	5,459,250
2025	4,700,000	1,475,750	6,175,750
2026-2030	23,400,000	5,619,659	29,019,659
2031-2035	20,650,000	3,028,469	23,678,469
2036-2040	<u>13,850,000</u>	<u>755,968</u>	<u>14,605,968</u>
Total	<u>\$ 82,100,000</u>	<u>\$ 18,884,096</u>	<u>\$ 100,984,096</u>

**Clean Water Fund Notes**

The Town is currently participating in a Capital Project (Wastewater Design Project) under the State of Connecticut Clean Water Fund established in accordance with Section 22a-477 of the General Statutes of Connecticut. The Clean Water Fund is administered by the State Department of Environmental Protection and provides grant and loan funds to municipalities for “eligible water quality project costs.” The notes carry an interest rate of 2%.

The following is a summary of debt maturities for repayment of clean water fund notes:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,583,670	\$ 104,288	\$ 1,687,958
2022	1,615,635	72,323	1,687,958
2023	769,855	45,552	815,407
2024	489,659	34,897	524,556
2025	499,542	25,014	524,556
2026-2028	<u>979,275</u>	<u>20,324</u>	<u>999,599</u>
Total	<u>\$ 5,937,636</u>	<u>\$ 302,398</u>	<u>\$ 6,240,034</u>

**General Obligation Bonds and Notes**

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

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

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

Category	(In Thousands)		
	Debt Limit	Indebtedness	Balance
General purpose	\$ 236,482	\$ 36,081	\$ 200,401
Schools	472,964	79,879	393,085
Sewers	394,136	10,793	383,343
Urban renewal	341,585		341,585
Pension deficit	315,309		315,309

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$735,721.

**Notes Payable**

The Town has entered into a multi-year note payable for the energy efficiency projects. Principal payments for 2020 were \$125,000. Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 are as follows:

Year Ending June 30	Governmental Activities
2021	\$ 125,000
2022	125,000
Total minimum lease payments	250,000
Less amount representing interest	-
Present Value of Minimum Lease Payments	\$ 250,000

**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 \$3,231,900 reported in the Internal Service Fund at June 30, 2020 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:

	<u>Liability July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30,</u>
2018-2019	\$ 1,757,684	\$ 2,261,659	\$ 653,046	\$ 3,366,297
2019-2020	3,366,297	577,116	711,513	3,231,900

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 \$1,217,338 at June 30, 2020 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:

	<u>Liability July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30,</u>
2018-2019	\$ 1,347,262	\$ 279,900	\$ 169,969	\$ 1,457,193
2019-2020	1,457,193		239,855	1,217,338

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 \$743,000 at June 30, 2020 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:

	<u>Liability July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30,</u>
2018-2019	\$ 972,000	\$ 16,845,155	\$ 16,758,155	\$ 1,059,000
2019-2020	1,059,000	10,316,182	10,632,182	743,000

**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>\$ 883,500</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, 2020 as reflected in BRRFOC's financial statements is \$1.21 million. A complete set of financial statements for BRRFOC can be obtained from the administrative office at 43 Enterprise Drive, Bristol, Connecticut.

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

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

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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 three 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 regular members of the Police Department are eligible. Participants are 100% vested after five years of service. The retirement benefit is calculated at 2% of the highest annual salary out of the last three years immediately prior to retirement multiplied by up to 33-1/3 years of service. Police officers are required to contribute 8.5% of their base salaries to the PERS. The Plan provides for automatic post-retirement increases on retiree pensions up to a maximum of 66-2/3% of pay. If an employee leaves covered employment before five years of service, accumulated employee contributions and related investment earnings are refunded. Benefits and contributions are established by the Town and may be amended only by the Representative Town Meeting.

*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.

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

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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, 2019 and January 1, 2019, 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	49	17
Terminated employees entitled to benefits but not yet receiving them	4	
Active plan members	<u>53</u>	<u>221</u>
Total Participants	<u><u>106</u></u>	<u><u>238</u></u>

**Investments**

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

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

Police Employees Retirement Plan

<b>Asset Class</b>	<b>Target Allocation</b>
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	<u>2.00%</u>
Total	<u><u>100.00%</u></u>

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

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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, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, were (0.32%) and (0.22%) 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, 2020, seven officers have elected the DROP and the DROP balance was \$1,590,035.

**Net Pension Liability of the Town**

The components of the net pension liability of the Town at June 30, 2020 were as follows:

	<u>Police Employees Retirement Plan</u>	<u>Volunteer Fire Department Pension Plan</u>
Total pension liability	\$ 37,017,523	\$ 1,539,774
Plan fiduciary net position	<u>25,221,496</u>	<u>1,160,141</u>
Net Pension Liability	<u><u>\$ 11,796,027</u></u>	<u><u>\$ 379,633</u></u>
Plan fiduciary net position as a percentage of the total pension liability	68.13%	75.34%

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

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**Actuarial Assumptions**

*Police Employees Retirement Plan*

The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	Scaled from 8.50% 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 RP-2014 Mortality Table adjusted to 2006 Blue Collar Mortality Table projected to the valuation date with Scale MP-2019.

*Volunteer Fire Department Pension Plan*

The total pension liability was determined by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

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.

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, 2020 (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%

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

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%

**Changes in the Net Pension Liability**

	<u>Police Employees Retirement Plan</u>		
	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Balances as of June 30, 2019	\$ 36,291,316	\$ 25,828,370	\$ 10,462,946
Changes for the year:			
Service cost	615,498		615,498
Interest on total pension liability	2,330,759		2,330,759
Changes of benefit terms	13,674		13,674
Changes in assumptions	(219,266)		(219,266)
Employer contributions		1,095,000	(1,095,000)
Member contributions		399,582	(399,582)
Net investment income (loss)		(86,998)	86,998
Benefit payments, including refund to employee contributions	(2,014,458)	(2,014,458)	
Net changes	<u>726,207</u>	<u>(606,874)</u>	<u>1,333,081</u>
Balances as of June 30, 2020	<u>\$ 37,017,523</u>	<u>\$ 25,221,496</u>	<u>\$ 11,796,027</u>

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

	<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, 2019	\$ 1,457,734	\$ 1,111,916	\$ 345,818
Changes for the year:			
Service cost	23,451		23,451
Interest on total pension liability	95,109		95,109
Employer contributions		87,299	(87,299)
Net investment income (loss)		(2,554)	2,554
Benefit payments, including refund to employee contributions	(36,520)	(36,520)	-
Net changes	82,040	48,225	33,815
Balances as of June 30, 2020	\$ 1,539,774	\$ 1,160,141	\$ 379,633

**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:

	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
Police Employees Retirement Plan	\$ 15,939,271	\$ 11,796,027	\$ 8,325,562
Volunteer Fire Department Pension Plan	\$ 633,404	\$ 379,633	\$ 173,150

**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	\$ 588,204	\$ 26,221	\$ 614,425
Investments	24,633,292	1,133,920	25,767,212
Accounts receivable			
 Total assets	<u>25,221,496</u>	<u>1,160,141</u>	<u>26,381,637</u>
 Net Position:			
Held in Trust for Pension or Retiree Benefits	<u>\$ 25,221,496</u>	<u>\$ 1,160,141</u>	<u>\$ 26,381,637</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	\$ 1,095,000	\$ 87,299	\$ 1,182,299
Plan members	399,582		399,582
Total contributions	<u>1,494,582</u>	<u>87,299</u>	<u>1,581,881</u>
 Net investment income	<u>(86,998)</u>	<u>(2,554)</u>	<u>(89,552)</u>
 Total additions	1,407,584	84,745	1,492,329
 Deductions:			
Benefits	<u>2,014,458</u>	<u>36,520</u>	<u>2,050,978</u>
 Net Increase in Net Position	(606,874)	48,225	(558,649)
 Net Position at Beginning of Year	<u>25,828,370</u>	<u>1,111,916</u>	<u>26,940,286</u>
 Net Position at End of Year	<u>\$ 25,221,496</u>	<u>\$ 1,160,141</u>	<u>\$ 26,381,637</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, 2020, the Town recognized pension expense of \$2,458,526. At June 30, 2020, 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	\$ 526,554	\$
Changes of assumptions	189,576	179,399
Net difference between projected and actual earning on pension plan investments	<u>1,907,059</u>	<u></u>
Total	<u>\$ 2,623,189</u>	<u>\$ 179,399</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	\$	\$ 47,193
Changes of assumptions	88,796	
Net difference between projected and actual earning on pension plan investments	<u>80,546</u>	<u></u>
Total	<u>\$ 169,342</u>	<u>\$ 47,193</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>Police Employees Retirement Plan</b>	<b>Volunteer Fire Department Pension Plan</b>
2021	\$ 1,168,667	\$ 25,338
2022	604,338	26,847
2023	377,761	21,063
2024	311,711	17,954
2025	(18,687)	2,664
Thereafter		28,283

**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, 2020, the Town reports a liability of \$30,340,054 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2019. The actuarial assumptions used in the June 30, 2019 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, 2020, the Town's proportion was 2.94%. The decrease in proportion from the prior year was 0.13%.

For the year ended June 30, 2020, the Town recognized pension expense of \$8,621,365. At June 30, 2020, 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	\$ 3,091,444	\$
Change in proportional share	284,468	674,274
Change in assumptions	7,660,735	
Differences between expected and actual experience	3,318,798	2,253,725
Net difference between projected and actual earnings on pension plan investments	<u>1,160,809</u>	
Total	<u>\$ 15,516,254</u>	<u>\$ 2,927,999</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**

2021	\$	3,851,659
2022		2,644,093
2023		3,150,698
2024		<u>(149,639)</u>
Total	\$	<u><u>9,496,811</u></u>

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2019, 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	\$ 44,086,630	\$ 30,340,054	\$ 18,821,931

**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, 2020, the amount of "on-behalf" contributions made by the State was \$8,582,573 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, 2020, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>109,420,810</u>
Total	\$	<u>109,420,810</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2020, the Town recognized pension expense and revenue of \$9,469,019 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, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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

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



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

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

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The 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>	<u>Standard Deviation</u>
Public Equity - US Equity	8.10 %	20.00 %	17.00 %
Public Equity - International Developed Equity	8.50	11.00	19.00
Public Equity - Emerging Markets Equity	10.40	9.00	24.00
Fixed Income - Core Fixed Income	4.60	16.00	7.00
Fixed Income - Inflation Linked Bonds	3.60	5.00	7.00
Fixed Income - High Yield	6.50	6.00	11.00
Fixed Income - Emerging Market Debt	5.20	5.00	11.00
Private Equity	9.80	10.00	23.00
Real Estate	7.00	10.00	15.00
Alternative Investments - Real Assets	8.20	4.00	17.00
Alternative Investments - Hedge Funds	5.40	3.00	7.00
Liquidity Fund	2.90	1.00	1.00
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, 2018, plan membership consisted of the following:

	<b>Post-Retirement Medical Program</b>
Retired members and spouses	67
Active plan members	586
Total Participants	653

**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, 2020, the annual money-weighted rate of return on investments, net of investment expense, was (0.57)%. 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, 2020. The components of the net OPEB liability of the Town at June 30, 2020 were as follows:

Total OPEB liability	\$	32,208,476
Plan fiduciary net position		<u>31,913,829</u>
Net OPEB Liability	\$	<u><u>294,647</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		99.09%

**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, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary increases	3.60%, average, including inflation
Investment rate of return	6.50%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	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 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, 2018 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor.

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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equity	14.50 %	4.50 %
U.S. Mid/Small Cap Equity	11.00	5.00
Developed International Equity	12.50	5.25
Emerging Markets Equity	8.50	6.25
Intermediate Corp Fixed Income	18.00	2.50
Intermediate Govt Fixed Income	18.00	1.50
High Yield Fixed Income	8.00	3.25
Cash	1.00	0.00
REITs	3.25	4.50
Commodities (MLPs)	5.25	4.50
Total	<u>100.00 %</u>	

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

**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**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2019	\$ 30,260,001	\$ 23,488,580	\$ 6,771,421
Changes for the year:			
Service cost	1,011,077		1,011,077
Interest on total OPEB liability	1,997,540		1,997,540
Differences between expected and actual experience	36,501		36,501
Employer contributions		9,609,044	(9,609,044)
Contributions - TRB subsidy		53,020	(53,020)
Net investment income (loss)		(140,172)	140,172
Benefit payments	(1,096,643)	(1,096,643)	-
Net changes	<u>1,948,475</u>	<u>8,425,249</u>	<u>(6,476,774)</u>
Balances as of June 30, 2020	\$ <u>32,208,476</u>	\$ <u>31,913,829</u>	\$ <u>294,647</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:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB Liability	\$ 4,779,965	\$ 294,647	\$ (3,382,304)

**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 (6.00% decreasing to 3.60%)</b>	<b>Healthcare Cost Trend Rates (7.00% decreasing to 4.60%)</b>	<b>1% Increase (8.00% decreasing to 5.60%)</b>
Net OPEB Liability	\$ (4,323,210)	\$ 294,647	\$ 6,066,480

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

For the year ended June 30, 2020, the Town recognized OPEB expense of \$1,565,216. At June 30, 2020, 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	\$ 54,949	\$ 2,046,191
Changes of assumptions	750,461	
Differences between projected and actual earnings on OPEB plan investments	<u>1,965,665</u>	
Total	<u>\$ 2,771,075</u>	<u>\$ 2,046,191</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**

2021	\$ 410,371
2022	410,371
2023	342,745
2024	250,186
2025	(137,998)
Thereafter	(550,791)

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

**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	\$ 614,425	\$ 1,646,902	\$ 2,261,327
Investments	25,767,212	23,504,287	49,271,499
Due from other funds	<u>6,771,421</u>	<u>6,771,421</u>	<u>6,771,421</u>
Total assets	26,381,637	31,922,610	58,304,247
<b>Liabilities:</b>			
Accounts payable	<u>8,781</u>	<u>8,781</u>	<u>8,781</u>
<b>Net Position:</b>			
Held in Trust for Pension or Retiree Benefits	\$ <u>26,381,637</u>	\$ <u>31,913,829</u>	\$ <u>58,295,466</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	\$ 1,182,299	\$ 9,609,044	\$ 10,791,343
Plan members	399,582		399,582
Other	<u>53,020</u>	<u>53,020</u>	<u>53,020</u>
Total contributions	1,581,881	9,662,064	11,243,945
Net investment income	<u>(89,552)</u>	<u>(140,172)</u>	<u>(229,724)</u>
Total additions	1,492,329	9,521,892	11,014,221
<b>Deductions:</b>			
Benefits	<u>2,050,978</u>	<u>1,096,643</u>	<u>3,147,621</u>
Change in Net Position	(558,649)	8,425,249	7,866,600
Net Position at Beginning of Year	<u>26,940,286</u>	<u>23,488,580</u>	<u>50,428,866</u>
Net Position at End of Year	\$ <u>26,381,637</u>	\$ <u>31,913,829</u>	\$ <u>58,295,466</u>

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

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**B. Teachers Retirement Plan**

**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).

**Benefit Provisions**

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

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

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

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

**Survivor Health Care Coverage**

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



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

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### **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.

### **Contributions**

#### *State of Connecticut*

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

#### *Employer (School Districts)*

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$226,369 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/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.

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

At June 30, 2020, 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>17,064,792</u>
Total	\$	<u>17,064,792</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of \$(1,248,743) in Exhibit II.

**Actuarial Assumptions**

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

Inflation	2.50%
Health care costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

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

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

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

**Discount Rate**

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

**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.

**Other Information**

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

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

**13. FUND BALANCES**

The components of fund balance for the governmental funds at June 30, 2020 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	\$	\$	\$ 16,717	\$ 16,717
Prepaid items	17,970			17,970
Permanent fund principal			99,459	99,459
Restricted for:				
Capital projects		26,923,044	2,304,201	29,227,245
Unspent grant balances			6,059,703	6,059,703
Permanent funds			236,123	236,123
Committed to:				
Public works lease	357,634			357,634
General government			739,804	739,804
Public safety			244,007	244,007
Public works and highway			1,928,846	1,928,846
Parks, recreation and libraries			612,528	612,528
Health and human services			1,113,299	1,113,299
Education	2,114		204,052	206,166
Assigned to:				
Subsequent year's budget	6,910,736			6,910,736
Purchases on order	969,817			969,817
Unassigned	28,993,999			28,993,999
<b>Total Fund Balances</b>	<b>\$ 37,252,270</b>	<b>\$ 26,923,044</b>	<b>\$ 13,558,739</b>	<b>\$ 77,734,053</b>

Significant encumbrances of \$969,817, \$22,748,952, and \$911,149 at June 30, 2020 are contained in the above table in the assigned category of the General Fund, the restricted category of the Capital Projects Funds, and the restricted and committed categories of the Nonmajor Governmental Funds, respectively.

**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  
NOTES TO FINANCIAL STATEMENTS**

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**15. CORONAVIRUS (COVID-19)**

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 10, 2020, the Governor of the State of Connecticut declared a public health emergency and a civil preparedness emergency due to COVID-19.

The Town derives a significant portion of its revenues from property taxes. While the Town has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the Town's health care costs, changes in interest rates, investment valuation and the future federal or state fiscal relief.

**16. SUBSEQUENT EVENTS**

On July 2, 2020, the Town issued \$7,705,000 of general obligation bonds with interest rates of 1.00-5.00% maturing serially from July 1, 2021 through July 1, 2037, for various capital projects. Additionally, on July 2, 2020, the Town issued \$5,400,000 of general obligation bonds with interest rates of 1.00-5.00% to refund \$5,899,557 of Clean Water Fund notes.

**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, 2020**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Taxes:				
Current Taxes	\$ 101,282,533	\$ 101,282,533	\$ 103,075,499	\$ 1,792,966
Delinquent Interest	515,000	515,000	608,316	93,316
Lien Fees	6,100	6,100	6,321	221
Suspense Collections	7,100	7,100	15,904	8,804
Delinquent Taxes	935,000	935,000	1,051,996	116,996
Warrant Fees	600	600	487	(113)
Returned Check Fees	100	100	90	(10)
Motor Vehicle Fees	3,000	3,000	3,768	768
Total taxes	<u>102,749,433</u>	<u>102,749,433</u>	<u>104,762,381</u>	<u>2,012,948</u>
Intergovernmental Revenues:				
Education Cost Sharing	1,900,000	1,900,000	2,493,731	593,731
Special Education	476,000	476,000	372,078	(103,922)
Health and Welfare	5,900	5,900	7,634	1,734
Disability Exemption	2,000	2,000	2,365	365
Veterans' Reimbursement - State			23,109	23,109
Private Property Exemption	105,041	105,041	105,041	-
State Property Exemption	12,155	12,155	12,155	-
Miscellaneous State Grants	26,000	26,000	15,085	(10,915)
Wild Life Refuge			3,816	3,816
SAFER Grant	660,000	660,000	593,212	(66,788)
North Branford Probate Fees	5,500	5,500	5,405	(95)
North Branford Sewer Fees	152,000	152,000	146,961	(5,039)
Total intergovernmental revenues	<u>3,344,596</u>	<u>3,344,596</u>	<u>3,780,592</u>	<u>435,996</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, 2020**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Licenses, Permits and Fees:				
Building Permits	\$ 490,000	\$ 490,000	\$ 451,899	\$ (38,101)
Excavation Permits	6,000	6,000	3,825	(2,175)
Sewer Connection Permits			92	92
Zoning Board of Appeals	2,500	2,500	1,600	(900)
Planning and Zoning	20,000	20,000	20,027	27
Planning and Zoning - DEP Costs	500	500	500	-
Map Copies - Building and Engineering	1,600	1,600	2,344	744
Inland Wetlands Applications	15,000	15,000	57,993	42,993
Inland Wetlands - DEP Application Costs			62	62
Building Dept - Education Fee	300	300	385	85
Transfer Station Escrow	105,000	105,000	128,073	23,073
Trip Passes	1,500	1,500	1,226	(274)
Sticker Revenue	20,000	20,000	16,260	(3,740)
Electrical Revenue Share			17,260	17,260
Permits and Tags - Police	6,000	6,000	4,240	(1,760)
Special Wages - Police	525,000	736,000	1,207,542	471,542
Fingerprinting Fees	12,500	12,500	10,981	(1,519)
False Alarm Fees	4,900	4,900	4,950	50
Pump Out Services	6,000	6,000	7,075	1,075
Town Clerk Other Monies	325,000	325,000	316,870	(8,130)
Conveyance Taxes	400,000	400,000	496,473	96,473
DEP Licenses - Town Portion	400	400		(400)
Marriage Licenses - Town Portion	2,900	2,900	3,184	284
Dog Licenses	3,500	3,500	5,341	1,841
Ambulance Service Fees	1,800,000	1,800,000	2,067,626	267,626
Miscellaneous Permits and Fees - Fire Services	2,000	2,000	2,250	250
E-Commerce Revenue Share	14,000	14,000	16,212	2,212
Total licenses, permits and fees	<u>3,764,600</u>	<u>3,975,600</u>	<u>4,844,290</u>	<u>868,690</u>
Interest Income	<u>525,000</u>	<u>525,000</u>	<u>942,674</u>	<u>417,674</u>
Other:				
Willoughby - Wallace Library Fees	3,000	3,000	3,082	82
Willoughby - Passport Fees	6,000	6,000	3,920	(2,080)
Employee Health Insurance Co-pay	600,000	600,000	644,827	44,827
In Lieu of Taxes - Telephone Access	65,000	65,000	66,881	1,881

(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, 2020**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Other: (Continued)				
In Lieu of Taxes - SCRW	\$ 270,000	\$ 270,000	\$ 380,905	\$ 110,905
Leases	26,000	26,000	27,361	1,361
Elderly Services - Building Usage	2,800	2,800	1,465	(1,335)
Elderly Services - NGO Revenue			125	125
Recreation Department - Building Usage	1,500	1,500	2,700	1,200
Recreation Department - Facility Usage	2,500	2,500		(2,500)
Foote Family Charitable Trust	200,000	250,000	250,000	-
Insurance Claims and Refunds	20,000	20,000	38,143	18,143
Miscellaneous Refunds			303	303
Miscellaneous Income	100,000	307,733	428,667	120,934
Sale of Town Property	95,000	95,000	62,830	(32,170)
Board of Education - Tuition Reimbursement	1,000	1,000		
Commerce Bank Revenue Share	16,000	16,000	11,317	(4,683)
Returned Check Fees			140	140
Virtual Net Metering Credits			62,656	62,656
Under Liquidated Encumbrances			8,385	8,385
Total other	<u>1,408,800</u>	<u>1,666,533</u>	<u>1,993,707</u>	<u>328,174</u>
Total revenues	111,792,429	112,261,162	116,323,644	4,063,482
Other Financing Sources:				
Transfers in	<u>680,035</u>	<u>694,225</u>	<u>694,225</u>	<u>-</u>
Total Revenue and Other Financing Sources	<u>\$ 112,472,464</u>	<u>\$ 112,955,387</u>	117,017,869	<u>\$ 4,063,482</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf pension contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			8,282,573	
State of Connecticut on-behalf OPEB contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			226,369	
Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes.			(8,385)	
The Town does not budget for Board of Education severance fund revenues.			846	
The Town budgets for part of the bond premium net against interest expenditures.			<u>585,000</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>\$ 126,104,272</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government:				
Legislative	\$ 18,187	\$ 18,462	\$ 14,211	\$ 4,251
Executive	373,414	377,947	298,350	79,597
Finance	92,654	92,654	89,794	2,860
Treasurer	462,775	466,811	459,231	7,580
Assessor	440,899	445,917	423,184	22,733
Review of Assessment	18,872	18,872	17,706	1,166
Tax Collector	323,848	361,287	328,777	32,510
Town Clerk	259,064	262,873	257,369	5,504
Law	417,000	476,000	462,593	13,407
Labor Relations Negotiations	62,500	62,500	35,922	26,578
Probate Court	12,850	12,850	10,500	2,350
Elections	194,316	194,316	147,395	46,921
Planning and Zoning	313,613	314,799	302,426	12,373
Zoning Board of Appeals	8,966	8,966	7,398	1,568
Economic Development Commission	16,235	16,235	8,233	8,002
Inland Wetlands Commission	131,518	132,827	119,422	13,405
General Government Buildings	991,960	999,994	969,840	30,154
Cable Television	9,680	9,680	8,182	1,498
Information Technology	821,388	976,388	975,231	1,157
Human Resources	327,567	329,367	302,814	26,553
Total	<u>5,297,306</u>	<u>5,578,745</u>	<u>5,238,578</u>	<u>340,167</u>
Public Safety:				
Police Service	6,850,269	6,879,086	6,423,842	455,244
Police Service - Special Detail	525,000	736,000	735,490	510
Department of Emergency Management	-	14,000	12,000	2,000
Fire Protection	6,359,765	6,452,239	6,396,540	55,699
Building Department	192,261	192,261	188,156	4,105
Total	<u>13,927,295</u>	<u>14,273,586</u>	<u>13,756,028</u>	<u>517,558</u>
Public Works and Highways:				
Public Works	2,462,800	2,488,303	2,198,469	289,834
Sanitation and Waste	3,185,296	3,186,479	3,098,481	87,998
General Engineering	364,372	366,629	360,376	6,253
Total	<u>6,012,468</u>	<u>6,041,411</u>	<u>5,657,326</u>	<u>384,085</u>

(Continued on next page)

**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, 2020**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Recreation:				
Branford Recreation Department	\$ 1,171,256	\$ 1,179,112	\$ 1,165,750	\$ 13,362
Docks and Recreational Facilities	18,071	18,071	12,576	5,495
Public Celebration	30,143	30,143	25,216	4,927
Conservation Commission	4,482	4,482	1,398	3,084
Total	<u>1,223,952</u>	<u>1,231,808</u>	<u>1,204,940</u>	<u>26,868</u>
Libraries:				
James Blackstone Memorial Library	1,443,962	1,443,962	1,443,962	-
Willoughby-Wallace Library	245,937	245,937	232,802	13,135
Total	<u>1,689,899</u>	<u>1,689,899</u>	<u>1,676,764</u>	<u>13,135</u>
Health and Welfare:				
Commission for the Elderly	428,336	428,336	368,703	59,633
East Shore District Health	260,063	260,063	260,063	-
Total	<u>688,399</u>	<u>688,399</u>	<u>628,766</u>	<u>59,633</u>
Board of Education	<u>57,731,600</u>	<u>57,731,600</u>	<u>57,010,074</u>	<u>721,526</u>
Pension and Insurance:				
Pension and Contributions	5,219,334	5,056,934	4,532,600	524,334
Employee Group Insurance	6,803,654	6,803,654	6,803,654	-
Municipal Insurance	2,362,757	2,382,757	2,371,915	10,842
Contingency	999,998	383,934		383,934
Total	<u>15,385,743</u>	<u>14,627,279</u>	<u>13,708,169</u>	<u>919,110</u>
Debt Service:				
Principal Retirement	6,562,337	6,562,337	6,562,337	-
Interest and Fiscal Charges	1,903,497	2,086,225	2,086,219	6
Total	<u>8,465,834</u>	<u>8,648,562</u>	<u>8,648,556</u>	<u>6</u>
Total expenditures	<u>110,422,496</u>	<u>110,511,289</u>	<u>107,529,201</u>	<u>2,982,088</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Uses:				
Transfers to Other Funds:				
Special Revenue Fund:				
Animal Control Fund	\$ 139,032	\$ 139,032	\$ 139,032	\$ -
Special Programs Fund		14,155	14,155	-
Sewer Utility Fund	600,000	601,380	601,380	-
Human Services Fund	1,041,892	1,041,892	1,041,892	-
Capital Projects Fund:				
Open Space Fund	26,800	26,800	26,800	-
Revaluation Fund	75,000	75,000	75,000	-
Ambulance	75,000	75,000	75,000	-
Fire Apparatus	225,000	225,000	225,000	-
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	250,000	250,000	250,000	-
Coastal Resiliency Fund	300,000	300,000	300,000	-
Capital Procurement Fund	2,047,244	2,573,389	2,573,389	-
Total other financing uses	<u>4,874,968</u>	<u>5,658,655</u>	<u>5,658,655</u>	<u>-</u>
Total Budgeted Operations	\$ <u>115,297,464</u>	\$ <u>116,169,944</u>	113,187,856	\$ <u>2,982,088</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf pension payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			8,282,573	
State of Connecticut on-behalf OPEB payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			226,369	
The Town does not budget for Lease fund expenditures.			227,556	
The Town budgets for Lease fund transfers that are eliminated under GAAP.			(307,000)	
The Town budgets for part of the bond premium net against interest expenditures.			585,000	
The Town budgets for certain expenditures that are recognized in the subsequent year under GAAP.			(474,170)	
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>(276,915)</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>121,451,269</u>	

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total pension liability:							
Service cost	\$ 579,898	\$ 600,194	\$ 621,201	\$ 586,875	\$ 586,875	\$ 437,672	\$ 615,498
Interest	1,838,139	1,906,563	1,990,048	2,058,756	2,140,743	2,207,541	2,330,759
Changes of benefit terms						844,917	
Differences between expected and actual experience			(680,737)		1,920,908		13,674
Changes of assumptions			991,581		706,596		(219,266)
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)
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
Total pension liability - beginning	26,425,916	27,324,864	28,431,052	29,788,646	30,789,493	34,541,745	36,291,316
Total pension liability - ending	27,324,864	28,431,052	29,788,646	30,789,493	34,541,745	36,291,316	37,017,523
Plan fiduciary net position:							
Contributions - employer	920,000	898,000	910,500	914,742	1,911,484	1,489,164	1,095,000
Contributions - member	282,016	301,069	280,850	258,782	211,005	243,220	399,582
Net investment income	2,255,408	40,613	149,903	1,542,864	776,539	1,202,629	(86,998)
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)
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)
Plan fiduciary net position - beginning	19,825,212	21,763,547	21,602,660	21,379,414	22,451,018	23,747,176	25,828,370
Plan fiduciary net position - ending	21,763,547	21,602,660	21,379,414	22,451,018	23,747,176	25,828,370	25,221,496
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>
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%
Covered payroll	\$ 3,462,045	\$ 3,462,045	\$ 3,576,246	\$ 3,576,246	\$ 2,671,132	\$ 3,806,985	\$ 4,431,836
Net pension liability as a percentage of covered payroll	160.64%	197.24%	235.14%	233.16%	404.12%	274.84%	266.17%

\*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 SIX FISCAL YEARS\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total pension liability:						
Service cost	\$ 13,044	\$ 18,559	\$ 19,116	\$ 20,274	\$ 20,496	\$ 23,451
Interest	77,644	80,186	84,136	86,666	90,917	95,109
Differences between expected and actual experience	(34,725)		(733)		(26,189)	
Changes of assumptions	16,764		23,148		67,300	
Benefit payments, including refunds of member contributions	(40,957)	(42,937)	(42,936)	(46,584)	(41,745)	(36,520)
Net change in total pension liability	31,770	55,808	82,731	60,356	110,779	82,040
Total pension liability - beginning	1,116,290	1,148,060	1,203,868	1,286,599	1,346,955	1,457,734
Total pension liability - ending	<u>1,148,060</u>	<u>1,203,868</u>	<u>1,286,599</u>	<u>1,346,955</u>	<u>1,457,734</u>	<u>1,539,774</u>
Plan fiduciary net position:						
Contributions - employer	62,000	348,000	86,000	87,000	87,000	87,299
Net investment income (loss)	(192)	2,651	66,884	35,625	54,293	(2,554)
Benefit payments, including refunds of member contributions	(40,957)	(42,937)	(42,936)	(46,584)	(41,745)	(36,520)
Net change in plan fiduciary net position	20,851	307,714	109,948	76,041	99,548	48,225
Plan fiduciary net position - beginning	497,814	518,665	826,379	936,327	1,012,368	1,111,916
Plan fiduciary net position - ending	<u>518,665</u>	<u>826,379</u>	<u>936,327</u>	<u>1,012,368</u>	<u>1,111,916</u>	<u>1,160,141</u>
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>
Plan fiduciary net position as a percentage of the total pension liability	45.18%	68.64%	72.78%	75.16%	76.28%	75.34%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 1,014,103	\$ 1,041,413	\$ 889,632	\$ 903,163	\$ 897,106	\$ 897,106	\$ 911,226	\$ 911,226	\$ 1,056,060	\$ 1,056,060
Contributions in relation to the actuarially determined contribution	<u>887,078</u>	<u>960,000</u>	<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>
Contribution Deficiency (Excess)	<u>\$ 127,025</u>	<u>\$ 81,413</u>	<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>
Covered payroll	\$ 3,993,027	\$ 4,217,112	\$ 4,217,112	\$ 3,462,045	\$ 3,462,045	\$ 3,576,246	\$ 3,576,246	\$ 2,671,132	\$ 3,806,985	\$ 4,431,836
Contributions as a percentage of covered payroll	22.22%	22.76%	21.86%	26.57%	25.94%	25.46%	25.58%	71.56%	39.12%	24.71%

**Notes to Schedule**

Valuation Date: July 1, 2019

Measurement Date: June 30, 2020

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 dollar
Remaining amortization period	18 Years
Asset valuation method	Asset gains and losses are recognized over a five-year period at 20% per year.
Inflation	2.50%
Salary increases	Scaled from 8.50% down to 2.50% 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 (Prior: Scaled based on age from 20% at age 25 to 100% at age 40)
Mortality	RP-2014 adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2019 Prior: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2017

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 66,924	\$ 86,184	\$ 86,184	\$ 86,184	\$ 59,050	\$ 59,640
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>
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>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule**

Valuation Date: January 1, 2019  
Measurement Date: June 30, 2020

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 dollar
Remaining amortization period	10 years
Asset valuation method	Asset gains and losses are recognized over a five-year period at 20% per year.
Inflation	2.60% (Prior: 2.75%)
Salary increases	Volunteer fire plan, no salary
Investment rate of return	6.50% (Prior: 6.75%)
Retirement age	Scaled based on age from 50% at age 65 to 100% at age 70
Mortality	Pub-2010 (B) Public Retirement Plans Headcount Weighted Mortality Tables for Safety employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2018. Prior: RPH-2014 Mortality Table adjusted to 2006 total dataset, headcount-weighted, projected to the measurement date with Scale MP-2017.

\*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 SEVEN FISCAL YEARS\***

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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</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%

\*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 SIX FISCAL YEARS\***

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

\*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 SIX FISCAL YEARS\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Town's proportion of the net pension liability	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>
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>
Town's covered payroll	\$ 22,361,702	\$ 25,437,705	\$ 25,585,052	\$ 26,087,583	\$ 25,670,355	\$ 26,997,429
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%
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%

**Notes to Schedule**

Changes in benefit terms	<p>HB 7424 made the following provision changes:</p> <ul style="list-style-type: none"> <li>- Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0%.</li> <li>- For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of benefit commencement, the difference is paid to the Member's beneficiary.</li> </ul>
Changes of assumptions	<p>HB 7424 made the following assumption changes:</p> <ul style="list-style-type: none"> <li>- Reduce the inflation assumption from 2.75% to 2.50%.</li> <li>- Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.00% to 6.90%.</li> <li>- Increase the annual rate of wage increase assumption from 0.50% to 0.75%.</li> <li>- Phase in to a level dollar amortization method for the June 30, 2024 valuation.</li> </ul>
Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	17.6 years
Asset valuation method	4-year smoothed market
Inflation	2.75%
Salary increase	3.25%-6.50%, including inflation
Investment rate of return	8.00%, net of investment related expense

\*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  
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
LAST TEN FISCAL YEARS**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 1,683,907	\$ 2,065,555	\$ 2,144,563	\$ 2,224,976	\$ 2,284,715	\$ 2,233,161	\$ 2,254,928	\$ 2,456,032	\$ 2,511,387	\$ 3,091,444
Contributions in relation to the actuarially determined contribution	1,683,907	2,065,555	2,144,563	2,224,976	2,284,715	2,233,161	2,254,928	2,456,032	2,511,387	3,091,444
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 15,915,945	\$ 16,149,765	\$ 16,458,657	\$ 16,641,556	\$ 16,787,032	\$ 18,444,678	\$ 18,428,703	\$ 19,160,897	\$ 19,552,183	\$ 19,967,045
Contributions as a percentage of covered payroll	10.58%	12.79%	13.03%	13.37%	13.61%	12.11%	12.24%	12.82%	12.84%	15.48%

**Notes to Schedule**

Valuation date: June 30, 2019  
Measurement date: June 30, 2019  
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	21 years
Asset valuation method	5-year smoothed market (20% write up)
Inflation	3.25%
Salary increases	4.25% - 11.00%, including inflation
Investment rate of return	8.00%, net of investment-related expense
Changes in assumptions	In 2019, the latest experience study for the System updated most of the actuarial assumptions utilized in the June 30, 2019 valuation. Rates of inflation, real investment return mortality, withdrawal, disability, retirement and salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2017.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Town's proportion of the net pension liability	3.57%	3.29%	3.22%	3.35%	3.07%	2.94%
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
Town's covered payroll	\$ 16,787,032	\$ 18,444,678	\$ 18,428,703	\$ 19,160,897	\$ 19,552,183	\$ 19,967,045
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%
Plan fiduciary net position as a percentage of the total pension liability	90.48%	92.72%	88.29%	91.68%	73.60%	72.69%

\*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 CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
LAST FOUR FISCAL YEARS\***

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB liability:				
Service cost	\$ 808,381	\$ 838,695	\$ 884,463	\$ 1,011,077
Interest	1,849,266	1,963,934	2,066,626	1,997,540
Differences between expected and actual experience	124,760	29,728	(2,500,899)	36,501
Changes of assumptions			917,229	
Benefit payments	<u>(1,035,117)</u>	<u>(1,070,696)</u>	<u>(1,652,303)</u>	<u>(1,096,643)</u>
Net change in total OPEB liability	1,747,290	1,761,661	(284,884)	1,948,475
Total OPEB liability - beginning	<u>27,035,934</u>	<u>28,783,224</u>	<u>30,544,885</u>	<u>30,260,001</u>
Total OPEB liability - ending	<u>28,783,224</u>	<u>30,544,885</u>	<u>30,260,001</u>	<u>32,208,476</u>
Plan fiduciary net position:				
Contributions - employer	2,216,607	2,218,026	8,141,374	9,609,044
Contributions - TRB subsidy	25,410	64,570	51,480	53,020
Net investment income	1,090,779	662,753	841,537	(140,172)
Benefit payments	<u>(1,035,117)</u>	<u>(1,070,696)</u>	<u>(1,652,303)</u>	<u>(1,096,643)</u>
Net change in plan fiduciary net position	2,297,679	1,874,653	7,382,088	8,425,249
Plan fiduciary net position - beginning	<u>11,934,160</u>	<u>14,231,839</u>	<u>16,106,492</u>	<u>23,488,580</u>
Plan fiduciary net position - ending	<u>14,231,839</u>	<u>16,106,492</u>	<u>23,488,580</u>	<u>31,913,829</u>
Net OPEB Liability - Ending	<u>\$ 14,551,385</u>	<u>\$ 14,438,393</u>	<u>\$ 6,771,421</u>	<u>\$ 294,647</u>
Plan fiduciary net position as a percentage of the total OPEB liability	49.44%	52.73%	77.62%	99.09%
Covered-employee payroll	\$ 49,561,870	\$ 51,420,440	\$ 44,608,973	\$ 46,214,896
Net OPEB liability as a percentage of covered-employee payroll	29.36%	28.08%	15.18%	0.64%

\*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**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution (1)	\$ 1,997,300	\$ 1,613,000	\$ 1,651,000	\$ 1,790,540	\$ 1,835,900	\$ 1,847,914	\$ 1,907,215	\$ 2,016,067	\$ 2,048,581	\$ 1,970,411
Contributions in relation to the actuarially determined contribution	1,503,300	1,276,100	1,584,500	1,964,000	1,808,700	1,560,200	2,216,607	2,218,026	8,141,374	9,609,044
Contribution Deficiency (Excess)	\$ <u>494,000</u>	\$ <u>336,900</u>	\$ <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>
Covered-employee payroll	\$ 39,028,800	\$ 39,169,500	\$ 39,169,500	\$ 48,861,400	\$ 48,861,400	\$ 47,770,477	\$ 49,561,870	\$ 51,420,440	\$ 44,608,973	\$ 46,214,896
Contributions as a percentage of covered-employee payroll	3.85%	3.26%	4.05%	4.02%	3.70%	3.27%	4.47%	4.31%	18.25%	20.79%

**Notes to Schedule**

Valuation date: July 1, 2018

Measurement date: June 30, 2020

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent of salary, closed
Amortization period	27 years
Asset valuation method	Market Value
Inflation	2.60% (Prior: 2.75%)
Healthcare cost trend rates	7.00% in 2018, decreasing 0.50% per year to an ultimate rate of 4.60% for 2023 and later. (Prior: 7.75% for 2016, decreasing 0.50% per year, to an ultimate rate of 4.75% for 2022 and later.)
Salary increases	3.60% (Prior 3.75%), average, including inflation
Investment rate of return	6.50% (Prior: 6.75%), net of pension plan investment expense, including inflation
Retirement age	Expected retirement ages of employees are based on union agreements and other expectations
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018. (Prior: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2016.)

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

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

\*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 THREE FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	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>17,064,792</u>	<u>16,866,066</u>	<u>22,277,963</u>
Total	<u>\$ 17,064,792</u>	<u>\$ 16,866,066</u>	<u>\$ 22,277,963</u>
Town's covered payroll	\$ 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%
Plan fiduciary net position as a percentage of the total OPEB liability	2.08%	1.49%	1.79%

**Notes to Schedule**

Changes in benefit terms	The Plan was amended by the Board, effective January 1, 2019, during the September 12, 2018 meeting. The Board elected a new prescription drug plan, which is expected to reduce overall costs and allow for the Board to receive a government subsidy for members whose claims reach a catastrophic level. These changes were communicated to retired members during the months leading up to the open enrollment period that preceded the January 1, 2019 implementation date.
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, 2019 was updated to equal the Municipal Bond Index Rate of 3.50% as of June 30, 2019. Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2019. The expected rate of inflation was decreased, and the real wage growth assumption was increased.
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	2.75%

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



## APPENDIX B - FORM OF OPINION OF BOND COUNSEL

November 15, 2021

Town of Branford  
1019 Main Street  
Branford, Connecticut 06405

We have acted as Bond Counsel in connection with the issuance by the Town of Branford, Connecticut (the "Town"), of its \$14,080,000 General Obligation Refunding Bonds, Issue of 2021 (Federally Taxable) (the "Bonds") dated November 15 2021. In such capacity, we have examined a record of proceedings of the Town authorizing the Bonds, and such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Bonds are duly certified by U.S. Bank National Association, they will be valid and legally binding general obligations of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We are of the opinion that, under existing law, interest on the Bonds is included in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. We express no opinion regarding other State income tax consequences caused by the ownership or disposition of, or receipt of interest on the Bonds.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement, the Official Statement and other offering material relating to the Bonds.

We have not undertaken to advise whether any events after the date of issuance of the Bonds, including the adoption of federal tax legislation, may affect the tax status of interest on the Bonds.

Although we have rendered an opinion that interest on the Bonds is excluded from gross income for state income tax purposes, state income tax liability may otherwise be affected by the ownership or disposition of the Bonds. We express no opinion regarding any tax consequence caused by ownership or disposition of, or receipt of interest income on, the Bonds not specifically described herein.

Respectfully,

PULLMAN & COMLEY, LLC

## APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT

*In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Issuer will agree, pursuant to a Continuing Disclosure Agreement for the Bonds to be executed by the Issuer substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure by the Issuer to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for the Bonds.*

### **CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (this “Agreement”) is executed and delivered as of November 15, 2021, by the Town of Branford, Connecticut (the “Issuer”), acting by its undersigned officers, duly authorized, in connection with the issuance of \$14,080,000 General Obligation Refunding Bonds, Issue of 2021 (Federally Taxable), dated November 15, 2021 (the “Bonds”) for the benefit of the beneficial owners from time to time of the Bonds.

#### **Section 1. Definitions.**

For purposes of this Agreement, the following capitalized terms shall have the following meanings:

“Final Official Statement” means the official statement of the Issuer, dated November 3, 2021, prepared in connection with the Bonds.

“Listed Events” means any of the events listed in Section 3 of this Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” means the MSRB, through the operation of the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 59061 and maintained by the MSRB for purposes of the Rule, or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“Rule” means rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as of the date of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

#### **Section 2. Annual Financial Information.**

(a) The Issuer agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, and otherwise in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2021) as follows:

(i) Audited financial statements of the Issuer as of and for the year ending on its Fiscal Year End prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer is required to prepare audited financial statements of its various funds and accounts.

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

- (A) the amounts of the gross and net taxable grand list;
- (B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;
- (C) the percentage or amount of the annual property tax levy collected and uncollected;
- (D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;
- (E) a calculation of the direct debt, net direct debt and overall net debt (reflecting overlapping and underlying debt);
- (F) the direct debt and overall net debt of the Issuer per capita;
- (G) the ratios of direct debt and overall net debt of the Issuer to the Issuer's equalized net (taxable) grand list;
- (H) a statement of statutory debt limitations and debt margins;
- (I) the funding status of the Issuer's pension benefit obligation.

(b) The financial statements and other financial information and operating data described above will be provided on or before the date eight (8) months after the close of the fiscal year for which such information is being provided. The Issuer's fiscal year currently ends on June 30. The Issuer agrees that if audited information is not available eight (8) months after the close of any fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

(c) Annual financial information or operating data may be provided in whole or in part by specific reference to other documents available to the public on the MSRB's Electronic Municipal Market Access (EMMA) system, the current internet web address of which is [www.emma.msrb.org](http://www.emma.msrb.org), or filed with the SEC. If the document to be cross-referenced is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by cross-reference. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in mandated statutory accounting principles as in effect from time to time, provided that the Issuer agrees that the exercise of any such right will be done in a manner consistent with the Rule.

(e) The Issuer may file information with the Repository, from time to time, in addition to that specifically required by this Agreement (a "Voluntary Filing"). If the Issuer chooses to make a Voluntary Filing, the Issuer shall have no obligation under this Agreement to update information contained in such Voluntary Filing or include such information in any future filing. Notwithstanding the foregoing provisions of this Section 2(e), the Issuer is under no obligation to provide any Voluntary Filing.

### **Section 3. Reporting of Listed Events.**

The Issuer agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of the occurrence of any of the following Listed Events with respect to the Bonds, in a timely manner not later than ten (10) business days after the occurrence of any such Listed Event:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (l): For the purposes of the event identified in clause (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

Note to clauses (o) and (p): For the purposes of the events identified in clauses (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

**Section 4. Notice of Failure to Provide Annual Financial Information.**

The Issuer agrees to provide, or cause to be provided, in a timely manner, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

**Section 5. Use of Agents.**

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

**Section 6. Termination.**

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

**Section 7. Enforcement.**

The Issuer acknowledges that the undertakings set forth in Sections 2, 3 and 4 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to undertakings set forth in Section 2 of this Agreement or five (5) business days with respect to undertakings set forth in Sections 3 and 4 of this Agreement) from the time the First Selectman, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. For purposes of this section, notice to the Issuer should be made to the First Selectman, Town of Branford, 1019 Main Street, Branford, Connecticut 06405.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any of the Bonds shall be entitled only to the remedy of specific performance. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

**Section 8. Miscellaneous.**

(a) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Issuer elects to provide any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

(c) Notwithstanding any other provisions of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, (ii) this Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment or waiver is supported by either an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds or an approving vote by the holders of not less than 66 2/3% of the aggregate principal amount of the Bonds then outstanding. A copy of any such amendment or waiver will be filed in a timely manner with the Repository in electronic format. The annual financial information provided on the first date following adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating or financial information provided.

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

TOWN OF BRANFORD, CONNECTICUT

By: \_\_\_\_\_  
JAMES B. COSGROVE  
First Selectman

By: \_\_\_\_\_  
KURT M. SCHWANFELDER  
Town Treasurer

By: \_\_\_\_\_  
JAMES P. FINCH, JR.  
Finance Director

*(Signature Page to Continuing Disclosure Agreement.)*

Municipal Advisory Services

Provided by

