

TOWN OF BRANFORD, CONNECTICUT

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2023



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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of Branford, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Branford, Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Branford, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Branford, Connecticut, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended June 30, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Branford, Connecticut's basic financial statements. The combining and individual fund financial statements and other schedules for the year ended June 30, 2023 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2023 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2023.

We also previously audited, in accordance with GAAS, the basic financial statements of the Town of Branford, Connecticut as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated December 29, 2023, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The General Fund Balance Sheet for the year ended June 30, 2022, 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 related directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the General Fund Balance Sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Board of Finance
Town of Branford, Connecticut

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2024, on our consideration of the Town of Branford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Branford, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Branford, Connecticut's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
August 12, 2024

**TOWN OF BRANFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

This discussion and analysis of Branford'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, 2023. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX. All amounts in this MD&A are expressed in thousands unless otherwise noted.

FINANCIAL HIGHLIGHTS

- Net position of our governmental activities increased by \$13,108.
- During the year, the Town had expenses that were \$13,108 less than the \$160,820 generated in tax and other revenues for governmental programs.
- Total cost of all the Town's programs was \$147,712. The General Fund reported a fund balance this year of \$56,611.
- The resources available for appropriation were \$10,760 more than budgeted for the General Fund. Expenditures were \$2,908 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.

**TOWN OF BRANFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

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.

**TOWN OF BRANFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's combined net position increased from a year ago, increasing from \$205,966 to \$219,074. 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**

	Governmental Activities	
	2023	2022
Assets:		
Current Assets	\$ 174,840	\$ 145,135
Capital Assets, Net of Accumulated Depreciation	210,885	212,068
Total Assets	<u>385,725</u>	<u>357,203</u>
Deferred Outflows of Resources	23,887	18,171
Liabilities:		
Long-Term Debt Outstanding	19,119	16,250
Other Liabilities	143,396	130,872
Total Liabilities	<u>162,515</u>	<u>147,122</u>
Deferred Inflows of Resources	<u>28,023</u>	<u>22,286</u>
Net Position:		
Net Investment in Capital Assets	137,717	138,099
Restricted	46,049	45,933
Unrestricted	35,308	21,934
Total Net Position	<u>\$ 219,074</u>	<u>\$ 205,966</u>

The Town experienced an increase in net position of its governmental activities of 6.4% 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 \$21,934 at June 30, 2022 to \$35,308 at the end of this year.

**TOWN OF BRANFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

**TABLE 2
CHANGE IN NET POSITION**

	Governmental Activities	
	2023	2022
Revenues:		
Program Revenues:		
Charges for Services	\$ 13,216	\$ 17,900
Operating Grants and Contributions	25,298	16,607
Capital Grants and Contributions	206	1,968
General Revenues:		
Property Taxes	113,032	111,168
Grants and Contributions Not Restricted to Specific Programs	1,338	753
Unrestricted Investment Earnings	4,456	112
Other General Revenues	3,274	134
Total Revenues	160,820	148,642
 Program Expenses:		
General Government	9,843	7,620
Public Safety	26,321	23,738
Public Works and Highway	16,003	14,784
Parks, Recreation and Libraries	5,127	4,899
Health and Human Services	3,292	3,576
Education	85,921	78,473
Interest Debt Service	1,205	1,639
Total Program Expenses	147,712	134,729
 Increase in Net Position	\$ 13,108	\$ 13,913

The Town's total revenues were \$160,820 while the cost of all programs and services totaled \$147,712. An analysis, which follows, considers the operations of governmental activities.

Governmental Activities

The largest single component of governmental activity is the General Fund. Total revenues were \$10,760 higher than budgeted. Of this amount, \$3,560 resulted from strong current and delinquent property tax collections from prior levies that include interest and penalties. The taxes on the current levy exceeded the budget by \$2,879. The town's conservative estimate on state assistance programs resulted in a positive balance for intergovernmental revenue of \$1,417. In addition, revenues from licenses, permits and fees exceeded the budget by \$1,642 primarily due to police extra duty, town clerk fees, building permits, and ambulance revenues. Other income exceeded the budget by \$958 primarily due to cannabis receipts, proceeds from a settlement agreement, payments in lieu of taxes from the regional water authority.

Expenditures were \$2,908 less than anticipated. Specific functional areas that realized large unexpended balances include education, police and public works. Finally, unsettled union contracts, vacancies in various departments resulted in savings across various functional areas while reducing pension and Social Security requirements.

**TOWN OF BRANFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

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**

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
General Government	\$ 9,843	\$ 7,620	\$ 5,877	\$ 5,792
Public Safety	26,321	23,738	23,002	17,987
Public Works and Highway	16,003	14,784	9,420	9,029
Parks, Recreation and Libraries	5,127	4,899	4,592	3,528
Health and Human Services	3,292	3,576	2,288	2,185
Education	85,921	78,473	62,609	58,094
Interest and Debt Service	1,205	1,639	1,205	1,639
Total	<u>\$ 147,712</u>	<u>\$ 134,729</u>	<u>\$ 108,993</u>	<u>\$ 98,254</u>

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 \$95,078, which is an increase from last year's total of \$86,099. This increase of approximately 10.4% reflects reductions in liabilities associated with bonds payable and other post-employment liabilities (OPEB).

General Fund Budgetary Highlights

The Town's General Fund expenditures plus encumbrances totaled \$122,454. 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 \$2,908. Revenues were \$10,760 higher, which reflects reduced tax collection assumptions, favorable nontax revenue experience, conservative estimates, and higher than anticipated special education grant revenue.

The Town's General Fund balance of \$56,611 reported on Exhibit IV is comprised of four categories: Nonspendable, Committed, Assigned, and Unassigned. Please refer to Exhibit A-1 for the complete breakdown.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

On June 30, 2023, the Town had \$210,885 invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment – Table 4. This amount represents a net decrease (including additions and deductions) of \$1,183 or (0.6%), less than last year. This decrease primarily reflects a large disposition of equipment belonging to our wastewater operations. Within the asset categories, construction in progress decreased significantly as these amounts were moved to buildings following the completion of renovations at the Walsh Intermediate School and the town's animal control facility. Despite the value of these changes, they were unable to offset the cumulative combined reductions associated with depreciation and asset dispositions.

**TOWN OF BRANFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

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

	Governmental Activities	
	2023	2022
Land	\$ 17,431	\$ 17,131
Intangible Assets	597	597
Land Improvements	5,581	3,738
Buildings	147,990	74,738
Machinery and Equipment	10,021	8,705
Right to Use Equipment	568	589
Construction in Progress	2,196	81,912
Infrastructure	26,501	24,658
Total	<u>\$ 210,885</u>	<u>\$ 212,068</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 planning an upgrade to the police headquarters while contemplating a new fire station on the eastern end of town as well as upgrades to athletic. 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

On June 30, 2023, the Town had \$77,160 in bonds and notes outstanding versus \$84,370 last year – a decrease of \$7,210 or approximately (8.6) %. The Town anticipates a reduction of bonded debt through FY 23-24 as the cumulative debt retirements exceed the amount of new debt issued.

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

Other obligations include net pension liability, risk management claims, 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.

**TOWN OF BRANFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

As a result of these efforts and adherence to the above guidelines, the Town adopted a General Fund budget of \$130,315,768 for 2023-2024, which represents an increase of 4% as compared to the 2022-2023 amended budget. Increased property taxes of \$3,842,446 coupled with a decrease in appropriations from fund balance of (\$1,331,800) combined with non-tax revenue will fund the increase. The Town also approved ARPA appropriations of \$2.11 million in a separate action.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

**TOWN OF BRANFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 140,415,862
Investments	2,792,812
Receivables, Net	15,578,243
Inventory	32,752
Prepaid Items	2,192,416
Net OPEB Asset	13,827,769
Capital Assets Not Being Depreciated	20,223,289
Capital Assets Being Depreciated/Amortized, Net	190,662,071
Total Assets	385,725,214
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - Pensions	19,275,082
Deferred Outflows - OPEB	4,141,370
Deferred Charge on Refunding	469,567
Total Deferred Outflows of Resources	23,886,019
LIABILITIES	
Accounts and Other Payables	11,536,819
Unearned Revenue	7,503,113
Other	78,701
Noncurrent Liabilities:	
Due Within One Year	7,691,469
Due in More Than One Year	135,704,912
Total Liabilities	162,515,014
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - Pensions	2,461,358
Deferred Inflows - OPEB	11,256,190
Lessor Receivable	109,510
Advance Property Tax Collections	14,195,497
Total Deferred Inflows of Resources	28,022,555
NET POSITION	
Net Investment in Capital Assets	137,717,108
Restricted:	
Capital Projects	30,688,594
Education Purposes	344,713
Housing Loans	292,044
Sewer Assessments	556,923
OPEB Assets	13,827,769
Expendable	238,067
Nonexpendable	100,730
Unrestricted	35,307,716
Total Net Position	\$ 219,073,664

See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
General Government	\$ 9,843,262	\$ 1,526,103	\$ 2,440,077	\$ -	\$ (5,877,082)
Public Safety	26,320,657	3,146,026	172,444	-	(23,002,187)
Public Works and Highway	16,003,488	5,382,501	1,200,805	-	(9,420,182)
Parks, Recreation, and Libraries	5,127,069	485,201	50,194	-	(4,591,674)
Health and Human Services	3,292,048	997,349	7,155	-	(2,287,544)
Education	85,920,636	1,678,624	21,427,015	206,310	(62,608,687)
Interest Expense	1,204,527	-	-	-	(1,204,527)
Total	<u>\$ 147,711,687</u>	<u>\$ 13,215,804</u>	<u>\$ 25,297,690</u>	<u>\$ 206,310</u>	(108,991,883)
GENERAL REVENUES					
					113,031,784
					1,337,673
					4,456,423
					3,274,025
					<u>122,099,905</u>
CHANGE IN NET POSITION					
					13,108,022
					205,965,642
NET POSITION - END OF YEAR					
					<u>\$ 219,073,664</u>

See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General	Capital Projects	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 82,154,713	\$ 13,284,861	\$ 6,917,543	\$ 21,014,297	\$ 123,371,414
Investments	-	2,086,065	-	706,747	2,792,812
Receivables, Net	5,466,395	7,535,712	-	2,570,609	15,572,716
Due from Other Funds	13,199	5,348,585	-	84,666	5,446,450
Inventories	-	-	-	32,752	32,752
Other Assets	2,092,416	-	-	-	2,092,416
Total Assets	<u>\$ 89,726,723</u>	<u>\$ 28,255,223</u>	<u>\$ 6,917,543</u>	<u>\$ 24,409,071</u>	<u>\$ 149,308,560</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts and Other Payables	\$ 7,754,994	\$ 1,396,007	\$ 954,068	\$ 799,660	\$ 10,904,729
Due to Other Funds	5,626,482	-	-	1,958,199	7,584,681
Unearned Revenue	1,020,281	-	5,963,475	519,357	7,503,113
Other	78,701	-	-	-	78,701
Total Liabilities	<u>14,480,458</u>	<u>1,396,007</u>	<u>6,917,543</u>	<u>3,277,216</u>	<u>26,071,224</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	3,190,696	-	-	-	3,190,696
Unavailable Revenue - Interest on Property Taxes	1,249,463	-	-	-	1,249,463
Unavailable Revenue - Special Assessments	-	-	-	556,923	556,923
Unavailable Revenue - Grants Receivable	-	7,385,228	-	985,082	8,370,310
Unavailable Revenue - Fees Receivable	-	-	-	194,446	194,446
Unavailable Revenue - Lessor Receivable	-	109,510	-	-	109,510
Unavailable Revenue - Loans Receivable	-	-	-	292,044	292,044
Advance Property Tax Collections	14,195,497	-	-	-	14,195,497
Total Deferred Inflows of Resources	<u>18,635,656</u>	<u>7,494,738</u>	<u>-</u>	<u>2,028,495</u>	<u>28,158,889</u>
FUND BALANCES					
Nonspendable	2,092,416	-	-	133,482	2,225,898
Restricted	-	19,364,478	-	10,353,579	29,718,057
Committed	343,140	-	-	8,862,145	9,205,285
Assigned	4,638,885	-	-	-	4,638,885
Unassigned	49,536,168	-	-	(245,846)	49,290,322
Total Fund Balances	<u>56,610,609</u>	<u>19,364,478</u>	<u>-</u>	<u>19,103,360</u>	<u>95,078,447</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 89,726,723</u>	<u>\$ 28,255,223</u>	<u>\$ 6,917,543</u>	<u>\$ 24,409,071</u>	<u>\$ 149,308,560</u>

See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III) \$ 95,078,447

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

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

Governmental Capital Assets	365,689,822
Less: Accumulated Depreciation/Amortization	<u>(154,804,462)</u>
Net Capital Assets	210,885,360

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	3,190,696
Interest Receivable on Property Taxes	1,249,463
Assessments Receivable	556,923
Housing Loans Receivable	292,044
School Construction Grant Receivable	8,370,310
Fees Receivable	194,446
Deferred Outflows - Pensions	19,275,082
Deferred Outflows - OPEB	4,141,370

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.

14,691,400

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	(53,880,948)
Net OPEB Asset	13,827,769
Deferred Inflows - Pensions	(2,461,358)
Deferred Inflows - OPEB	(11,256,190)
Bonds and Notes Payable	(77,160,000)
Interest Payable on Bonds and Notes	(596,887)
Compensated Absences	(4,190,085)
Lease Liability	(544,988)
Bond Premium	(2,280,257)
Deferred Charge on Refunding	469,567
Landfill	<u>(778,500)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)

\$ 219,073,664

See accompanying Notes to Financial Statements.

TOWN OF BRANFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General	Capital Projects	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 114,973,418	\$ -	\$ -	\$ -	\$ 114,973,418
Assessments and Interest	-	-	-	4,349,337	4,349,337
Intergovernmental	13,367,010	122,360	2,183,555	7,536,810	23,209,735
Charges for Services	5,580,640	-	-	3,091,381	8,672,021
Income on Investments	3,150,130	429,218	-	453,561	4,032,909
Miscellaneous	2,429,125	179,873	-	665,027	3,274,025
Total Revenues	<u>139,500,323</u>	<u>731,451</u>	<u>2,183,555</u>	<u>16,096,116</u>	<u>158,511,445</u>
EXPENDITURES					
Current:					
General Government	5,950,671	-	299,840	31,222	6,281,733
Public Safety	14,769,090	-	-	947,378	15,716,468
Public Works and Highway	6,375,144	-	-	3,757,649	10,132,793
Parks, Recreation, and Libraries	3,167,284	53,271	-	652,942	3,873,497
Health and Human Services	749,516	-	-	2,310,838	3,060,354
Education	69,784,077	-	-	8,196,515	77,980,592
Pension and Insurance	14,496,825	-	-	-	14,496,825
Capital Outlay	390,711	6,611,732	1,883,715	145,846	9,032,004
Debt Service	9,348,433	-	-	-	9,348,433
Total Expenditures	<u>125,031,751</u>	<u>6,665,003</u>	<u>2,183,555</u>	<u>16,042,390</u>	<u>149,922,699</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,468,572	(5,933,552)	-	53,726	8,588,746
OTHER FINANCING SOURCES (USES)					
Transfers In	854,203	4,948,232	-	2,191,813	7,994,248
Transfers Out	(6,622,535)	(110,104)	-	(1,261,609)	(7,994,248)
Lease Issuances	390,711	-	-	-	390,711
Total Other Financing Sources (Uses)	<u>(5,377,621)</u>	<u>4,838,128</u>	<u>-</u>	<u>930,204</u>	<u>390,711</u>
NET CHANGE IN FUND BALANCES	9,090,951	(1,095,424)	-	983,930	8,979,457
Fund Balances - Beginning of Year	47,519,658	20,459,902	-	18,119,430	86,098,990
FUND BALANCES - END OF YEAR	<u>\$ 56,610,609</u>	<u>\$ 19,364,478</u>	<u>\$ -</u>	<u>\$ 19,103,360</u>	<u>\$ 95,078,447</u>

See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 8,979,457

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

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	6,837,976
Depreciation/Amortization Expense	(6,967,114)

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. (1,053,849)

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	(1,171,199)
Property Tax Interest and Lien Revenue - Accrual Basis Change	(770,435)
Sewer Assessment Receivable - Accrual Basis Change	161,174
Housing Loans Receivable	-
Grant Receivable - Accrual Basis Change	1,054,712
Fees Receivable - Accrual Basis Change	194,446
Change in Deferred Outflows - Pensions	6,338,363
Change in Deferred Outflows - OPEB	(514,305)

Change in pension and OPEB assets and liabilities:

Change in Net OPEB Asset	6,604,064
Change in Net Pension Liability	(20,382,461)

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:

Bond and Note Principal Payments	7,210,000
Proceeds From Leases Issued	(390,711)
Lease Liability Payments	412,314

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	(533,149)
Accrued Interest	5,627
Amortization of Deferred Charge on Refunding	(108,503)
Amortization of Bond Premiums	624,468
Change in Deferred Inflows - Pensions	9,645,112
Change in Deferred Inflows - OPEB	(3,961,571)
Landfill Post Closure Care	105,000

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. 788,606

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	\$ 13,108,022
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See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023**

	Governmental Activities
	Internal Service Funds
ASSETS	
Cash and Cash Equivalents	\$ 17,044,448
Accounts Receivable	5,527
Prepaid Expenses	100,000
Due from Other Funds	2,138,231
Total Assets	19,288,206
LIABILITIES	
Accounts and Other Payables	35,203
Risk Management Claims	4,561,603
Total Liabilities	4,596,806
NET POSITION	
Unrestricted	\$ 14,691,400

See accompanying Notes to Financial Statements.

TOWN OF BRANFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023

	<u>Governmental Activities</u> <u>Internal Service Funds</u>
OPERATING REVENUES	
Contributions for Benefits	\$ 12,239,808
Total Contributions	<u>12,239,808</u>
OPERATING EXPENSES	
Benefit Claims	9,940,292
Claims Administration	<u>1,934,424</u>
Total Operating Expenses	<u>11,874,716</u>
OPERATING INCOME	365,092
NONOPERATING REVENUE	
Income on Investments	<u>423,514</u>
CHANGE IN NET POSITION	788,606
Net Position - Beginning of Year	<u>13,902,794</u>
NET POSITION - END OF YEAR	<u><u>\$ 14,691,400</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023**

	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Operating Funds	\$ 10,363,801
Cash Payments to Providers of Benefits and Administration	(12,284,669)
Net Cash Provided (Used) by Operating Activities	<u>(1,920,868)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Income on Investments	<u>423,514</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,497,354)
Cash and Cash Equivalents - Beginning of Year	<u>18,541,802</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 17,044,448</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income	\$ 365,092
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	(1,876,007)
Increase (Decrease) in Accounts Payable	<u>(409,953)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (1,920,868)</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF BRANFORD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023**

	Pension and Other Employee Benefit Trust Funds	Custodial Fund Shoreline Crimes Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 1,121,350	\$ 5,498
Investments	66,673,554	-
Total Assets	<u>67,794,904</u>	<u>5,498</u>
LIABILITIES		
Accounts Payable	<u>-</u>	<u>3,250</u>
NET POSITION		
Held in Trust for Pension or Retiree Benefits	67,794,904	-
Held for the Shorelines Technical Crimes Group	<u>-</u>	<u>2,248</u>
Total Net Position	<u><u>\$ 67,794,904</u></u>	<u><u>\$ 2,248</u></u>

See accompanying Notes to Financial Statements.

TOWN OF BRANFORD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2023

	Pension and Other Employee Benefit Trust Funds	Custodial Fund Shoreline Crimes Fund
ADDITIONS		
Contributions:		
Employer	\$ 3,896,359	\$ -
Plan Members	412,730	-
Intergovernmental Revenue	-	12,500
Total Contributions	4,309,089	12,500
Investment Income:		
Interest and Dividends	4,578,853	-
Total Additions	8,887,942	12,500
DEDUCTIONS		
Benefits	4,430,631	-
Administration	-	-
Public Safety	-	18,896
Total Deductions	4,430,631	18,896
NET INCREASE (DECREASE) IN NET POSITION	4,457,311	(6,396)
Net Position - Beginning of Year	63,337,593	8,644
NET POSITION - END OF YEAR	\$ 67,794,904	\$ 2,248

See accompanying Notes to Financial Statements.

TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Fiduciary Component Units

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

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

B. Government-Wide and Fund Financial Statements

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

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

TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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.

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:

General Fund

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.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Projects 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.

ARPA Fund

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

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

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

Additionally, the Town reports the following fund types:

Internal Service Fund

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

Pension and Other Employee Benefit Trust Funds

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.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Custodial Fund

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

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

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

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

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

D. Deposits and Investments

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

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

TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments (Continued)

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

E. Receivables and Payables

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

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

F. Inventories and Prepaid Items

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

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

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.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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:

Buildings	45 Years
Land Improvements	20 Years
Infrastructure	20 to 60 Years
Vehicles	6 to 12 Years
Office Equipment	7 to 10 Years
Computer Equipment	5 to 7 Years

H. Leases

Lessee

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

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

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Leases (Continued)

Lessee (Continued)

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

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

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

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

I. Deferred Outflows/Inflows of Resources

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

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources (Continued)

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

J. Compensated Absences

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

K. Long-Term Obligations

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

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Long-Term Obligations (Continued)

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

L. Net OPEB Liability (Asset)

The net OPEB liability (asset) 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 (asset) 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.

M. Net Pension Liability

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

N. Fund Equity

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

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

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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.

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.

O. Accounting Estimates

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

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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, 2023, the Town approved additional appropriations of \$837,800 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.

Fund Deficits

The LOCIP fund, a nonmajor governmental fund had a deficit of \$245,846 at June 30, 2023, this deficit will be funded in a future year with the receipt of intergovernmental revenue.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

A. Deposits

Deposit Custodial Credit Risk

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

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

Deposit Custodial Credit Risk (Continued)

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$23,655,995 of the Town's bank balance of \$36,520,118 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 10,339,787
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name, and Amounts Held by the Third Party Bank's in the Town's Name	13,316,208
Total Amount Subject to Custodial Credit Risk	\$ 23,655,995

B. Cash Equivalents

At June 30, 2023, the Town's cash equivalents amounted to \$88,344,394. 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.

	Standard & Poor's
State Short-Term Investment Fund (STIF)	AAAm

C. Investments

As of June 30, 2023, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1-10	Greater Than 10
Interest-Bearing Investments:					
U.S. Government Securities	N/A	\$ 15,419,811	\$ 10,524,937	\$ 4,864,058	\$ 30,816
U.S. Government Agencies	AAA	4,549,492	97,460	1,582,936	2,869,096
Municipal Bonds	A-AAA	1,148,637	-	550,620	598,017
Certificates of Deposit*	N/A	584,424	584,424	-	-
Corporate Bonds	BBB+-AAA	8,153,426	842,687	6,544,672	766,067
Subtotal		29,855,790	\$ 12,049,508	\$ 13,542,286	\$ 4,263,996
Police Pension Fund and Volunteer Firemen Pension:					
Open Ended Mutual Funds and Exchange Traded Funds	N/A	39,610,576			
Total		\$ 69,466,366			

*Subject to coverage by Federal Depository Insurance and collateralization.

N/A: Not applicable

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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, 2023:

	June 30, 2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 15,419,811	\$ -	\$ 15,419,811	\$ -
U.S. Government Agencies	4,549,492	-	4,549,492	-
Corporate Bonds	8,153,426	-	8,153,426	-
Municipal Bonds	1,148,637	-	1,148,637	-
Mutual Funds	39,610,576	39,539,094	71,482	-
Total Investments by Fair Value Level	68,881,942	<u>\$ 39,539,094</u>	<u>\$ 29,342,848</u>	<u>\$ -</u>
Investment Measured at Amortized Cost:				
Certificates of Deposit	584,424			
Total Investments	<u>\$ 69,466,366</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.

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.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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, 2023, 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.

NOTE 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:

	General	Capital Projects	Nonmajor and Other Funds	Total
Receivables:				
Interest	\$ 1,249,459	\$ -	\$ -	\$ 1,249,459
Taxes	3,374,680	-	-	3,374,680
Accounts	1,462,871	-	320,384	1,783,255
Special Assessments	-	-	144,091	144,091
Intergovernmental	107,470	7,414,939	2,111,661	9,634,070
Lessor	-	120,773	-	120,773
Gross Receivables	6,194,480	7,535,712	2,576,136	16,306,328
Less: Allowance for Uncollectibles	(728,085)	-	-	(728,085)
Total Receivables, Net	\$ 5,466,395	\$ 7,535,712	\$ 2,576,136	\$ 15,578,243

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 17,130,864	\$ 300,100	\$ -	\$ -	\$ 17,430,964
Intangible Assets	596,800	-	-	-	596,800
Construction in Progress	81,911,768	1,542,317	(81,258,560)	-	2,195,525
Total Capital Assets Not Being Depreciated	99,639,432	1,842,417	(81,258,560)	-	20,223,289
Capital Assets Being Depreciated:					
Buildings and Improvements	133,010,625	686,501	77,165,811	(6,100,220)	204,762,717
Improvements Other Than Buildings	6,193,886	719,631	1,459,377	(74,338)	8,298,556
Machinery and Equipment	32,739,253	2,177,850	696,516	(1,276,227)	34,337,392
Infrastructure	94,011,756	1,020,866	1,936,856	(226,120)	96,743,358
Total Capital Assets Being Depreciated	265,955,520	4,604,848	81,258,560	(7,676,905)	344,142,023
Less Accumulated Depreciation for:					
Buildings and Improvements	58,271,828	3,686,323	-	(5,186,003)	56,772,148
Improvements Other Than Buildings	2,455,423	334,344	-	(72,625)	2,717,142
Machinery and Equipment	24,034,284	1,475,948	-	(1,193,454)	24,316,778
Infrastructure	69,353,843	1,059,512	-	(170,974)	70,242,381
Total Accumulated Depreciation	154,115,378	6,556,127	-	(6,623,056)	154,048,449
Right-To-Use Lease Assets:					
Equipment	933,799	390,711	-	-	1,324,510
Less Accumulated Amortization:					
Equipment	345,026	410,987	-	-	756,013
Total Capital Assets Being Depreciated/Amortized, Net	112,428,915	(1,971,555)	81,258,560	(1,053,849)	190,662,071
Governmental Activities Capital Assets, Net	<u>\$ 212,068,347</u>	<u>\$ (129,138)</u>	<u>\$ -</u>	<u>\$ (1,053,849)</u>	<u>\$ 210,885,360</u>

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

Governmental Activities:	
General Government	\$ 175,904
Public Safety	1,045,371
Public Works	2,437,294
Parks, Recreation, and Libraries	314,925
Health and Welfare	192,794
Education	2,800,826
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 6,967,114</u>

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 CAPITAL ASSETS (CONTINUED)

Active Capital Projects

The Town has active projects as of June 30, 2023. The projects include the following:

Project	Appropriation	Cumulative Expenditures	Encumbrances	Available Balance
Tabor Drive Acquisition	\$ 13,875,000	\$ 13,844,478	\$ -	\$ 30,522
Land Acquisition Fund	1,560,276	1,375,902	-	184,374
Pump Station Upgrades	2,500,000	2,496,380	-	3,620
Harbor Street Culvert Repairs	2,200,000	1,939,913	-	260,087
Community Center Improvements	12,115,000	12,101,257	728	13,015
Walsh Intermediate School Renovations	88,200,000	81,411,945	2,477,554	4,310,501
Linden Avenue Shoreline Stabilization	1,200,000	118,606	9,982	1,071,412
Animal Shelter Renovations	4,595,000	4,531,211	12,202	51,587
Energy Performance Contract	6,200,000	6,156,178	8,130	35,692
Indian Neck Firehouse Renovations	1,675,000	1,675,000	-	-
James Blackstone Memorial Library Renovations	5,745,000	5,689,400	490	55,110
Forcemain and Sewer Rehabilitation Projects	3,975,000	1,402,394	-	2,572,606
Main Street Reconstruction	2,750,000	327,731	320,269	2,102,000
Town Wide Drainage Improvements	500,000	50,478	12,964	436,558
Stony Creek Wharf Reconstruction	350,000	333,666	555	15,779
East Industrial Road Reconstruction	1,750,000	-	-	1,750,000
Police Department Headquarters Renovation	325,000	6,800	201,820	116,380

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Individual fund, interfund receivable, and payable balances at June 30, 2023 are as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 13,199
Capital Projects Fund	General Fund	3,403,585
Capital Projects Fund	Nonmajor Governmental Funds	1,945,000
Internal Service Fund	General Fund	2,138,231
Nonmajor Governmental Funds	General Fund	84,666
Total		<u>\$ 7,584,681</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
JUNE 30, 2023**

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund Transfers:

	Transfers In			Total Transfers Out
	General Fund	Capital Projects	Nonmajor Governmental	
Transfers Out:				
General Fund	\$ -	\$ 4,434,232	\$ 2,188,303	\$ 6,622,535
Capital Projects	106,594	-	3,510	110,104
Nonmajor Governmental	747,609	514,000	-	1,261,609
Total Transfers In	<u>\$ 854,203</u>	<u>\$ 4,948,232</u>	<u>\$ 2,191,813</u>	<u>\$ 7,994,248</u>

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

NOTE 7 LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General Obligation Bonds	\$ 84,370,000	\$ -	\$ 7,210,000	\$ 77,160,000	\$ 7,135,000
Bond Premiums	2,904,725	-	624,468	2,280,257	-
Total Bonds and Notes Payable	87,274,725	-	7,834,468	79,440,257	7,135,000
Landfill Closure	883,500	-	105,000	778,500	35,000
Net Pension Liability	33,498,487	20,382,461	-	53,880,948	-
Lease Liability	566,591	390,711	412,314	544,988	316,121
Compensated Absences	3,656,936	574,927	41,778	4,190,085	205,348
Risk Management Claims	4,991,654	347,601	777,652	4,561,603	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 130,871,893</u>	<u>\$ 21,695,700</u>	<u>\$ 9,171,212</u>	<u>\$ 143,396,381</u>	<u>\$ 7,691,469</u>

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities (Continued)

A schedule of bonds and notes outstanding at June 30, 2023 is presented below:

	Balance July 01, 2022	Issued	Retired	Balance June 30, 2023
General Obligation:				
School, 2.0-5.0%, Mature in 2022	\$ 157,000	\$ -	\$ 157,000	\$ -
School, 2.0-5.0%, Mature in 2032	6,040,000	-	720,000	5,320,000
School, 0.5-2.0%, Mature in 2032	9,721,000	-	49,000	9,672,000
School, 2.0-4.0%, Mature in 2038	1,340,000	-	670,000	670,000
School, 1.0-5.0%, Mature in 2038	2,925,000	-	-	2,925,000
School, 2.0-5.0%, Mature in 2039	39,000,000	-	1,585,000	37,415,000
Public Improvement Sewer, 2.0-5.0%, Mature in 2012	1,843,000	-	1,843,000	-
Public Improvement, 2.0-4.0%, Mature in 2032	3,450,000	-	320,000	3,130,000
Public Improvement Sewer, 0.5-2.0%, Mature in 2032	4,359,000	-	21,000	4,338,000
Public Improvement Sewer, 2.0-4.0%, Mature in 2038	560,000	-	280,000	280,000
Public Improvement Sewer, 1.0-5.0%, Mature in 2038	2,360,000	-	-	2,360,000
Public Improvement Sewer, 2.0-5.0%, Mature in 2039	6,000,000	-	265,000	5,735,000
Special Assessment:				
Sewer, 2.0-4.0%, Mature in 2032	660,000	-	60,000	600,000
Sewer, 1.0-5.0%, Mature in 2038	2,420,000	-	1,240,000	1,180,000
Sewer, 5.0%, Mature in 2025	3,535,000	-	-	3,535,000
Total Bonds	<u>\$ 84,370,000</u>	<u>\$ -</u>	<u>\$ 7,210,000</u>	<u>\$ 77,160,000</u>

General Obligation Refunding Bonds

On November 15, 2021, the Town advance refunding \$13,250,000 of outstanding 2018 General Obligation Bonds. As of June 30, 2023, the Town has \$13,250,000 of defeased debt outstanding from this refunding and \$13,384,252 is held in escrow to pay for the future debt service on the defeased debt. This amount is removed from the governmental activities column of the statement of net position.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 LONG-TERM DEBT (CONTINUED)

General Obligation Refunding Bonds (Continued)

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>
2024	\$ 7,135,000	\$ 1,833,645	\$ 8,968,645
2025	6,390,000	1,572,765	7,962,765
2026	5,640,000	1,400,355	7,040,355
2027	5,640,000	1,294,538	6,934,538
2028	5,930,000	1,172,788	7,102,788
2029-2033	27,250,000	3,909,245	31,159,245
2034-2038	16,175,000	1,377,514	17,552,514
2039-2040	3,000,000	77,813	3,077,813
Total	<u>\$ 77,160,000</u>	<u>\$ 12,638,663</u>	<u>\$ 89,798,663</u>

General Obligation Bonds and Notes

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

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

<u>Category</u>	<u>(In Thousands)</u>		
	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 258,059	\$ 21,853	\$ 236,206
Schools	516,119	62,337	453,782
Sewers	430,099	5,580	424,519
Urban Renewal	372,752	-	372,752
Pension Deficit	344,079	-	344,079
Total	<u>\$ 1,921,108</u>	<u>\$ 89,770</u>	<u>\$ 1,831,338</u>

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$802,851.

NOTE 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. In FY 2022-23, the Town started transitioning away from self-insurance for medical claims while retaining the risk for dental costs. The Town's claims for risks covered by insurance have not exceeded covered losses during the past three years.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 RISK MANAGEMENT (CONTINUED)

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 \$750,000 per employee per year with a stop-loss policy covering amounts exceeding the limit.

The claims liability of \$3,110,737 reported in the Internal Service Fund at June 30, 2023 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claim's liability were as follows for the last two years:

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2021-2022	\$ 3,192,678	\$ 190,057	\$ 619,599	\$ 2,763,136
2022-2023	2,763,136	1,085,703	738,102	3,110,737

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 \$1,018,566 at June 30, 2023 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claim's liability are as follows:

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2021-2022	\$ 1,110,718	\$ -	\$ 42,200	\$ 1,068,518
2022-2023	1,068,518	-	49,952	1,018,566

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 \$432,300 at June 30, 2023 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claim's liability are as follows:

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2021-2022	\$ 807,830	\$ 12,653,740	\$ 12,301,570	\$ 1,160,000
2022-2023	1,160,000	8,854,589	9,582,289	432,300

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 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 postclosure passive recreational use of the landfill.

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 30 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 (22 Years):	
Inspection and Maintenance of Final Cover (\$8,000 Annually)	176,000
Monitoring Program, Groundwater, Methane, and Stormwater (\$27,000 Annually)	594,000
Total	<u>\$ 778,500</u>

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 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, 2023, as reflected in BRRFOC's financial statements, is \$0.97 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.

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.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Pension Trust Funds

A. Plan Description

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.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Funds (Continued)

B. Summary of Significant Accounting Policies

Basis of Accounting

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

C. Method Used to Value Investments

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

D. Benefit Provisions

Police Employees Retirement Plan

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

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

Tier 2 includes Participants hired after August 2011. Additionally, Participants hired after July 2005 who made a one-time election to move from Tier 1 to Tier 2 are also included. For Participants in Tier 2, the benefit is calculated at 2% for each year of service. Participants in this tier can retire at age 55 with 10 years of service.

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

Volunteer Fire Department Pension Plan

The Town operates a Length of Service Awards Program for volunteer firefighters from date of membership to retirement date. Firefighters who were members prior to 1991 with at least 10 years of service receive credit for 5 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 65th birthday provided the member has a minimum of 10 years of service. The maximum monthly payout is \$350 per month.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Funds (Continued)

D. Benefit Provisions (Continued)

Volunteer Fire Department Pension Plan Continued)

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

At July 1, 2021 and January 1, 2023, for the Police employee's retirement plan and the volunteer fire department pension plan (date of latest valuations), plan membership consisted of the following, respectively:

	<u>Police Employees Retirement Plan</u>	<u>Volunteer Fire Department Pension Plan</u>
Retirees, Disabled and Beneficiaries Currently Receiving Benefits	52	16
Terminated Employees Entitled to Benefits But Not Yet Receiving Them	6	-
Active Plan Members	<u>51</u>	<u>228</u>
Total Participants	<u><u>109</u></u>	<u><u>244</u></u>

E. 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:

<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
Total	<u><u>100.00 %</u></u>

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Funds (Continued)

E. Investments (Continued)

Volunteer Fire Department Pension Plan:

<u>Asset Class</u>	<u>Target Allocation</u>
Large Cap Domestic Equity	14.50 %
Mid /Small Cap Domestic Equity	11.00
Developed International Equity	12.50
Emerging Markets International Equity	8.50
Core Fixed Income	35.00
High Yield Bonds	7.50
Money Market, Short Term Bonds	2.50
Real Estate (Core)	3.25
MLPs	5.25
Total	<u>100.00 %</u>

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, were 7.76% and 7.54% 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.

F. Deferred Retirement Option Program

The police employee's retirement plan includes a Deferred Retirement Option Plan (DROP). As of June 30, 2023, seven officers have elected the DROP and the DROP balance was \$888,328.

G. Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2023, were as follows:

	<u>Police Employees Retirement Plan</u>	<u>Volunteer Fire Department Pension Plan</u>
Total Pension Liability	\$ 40,462,595	\$ 1,700,515
Plan Fiduciary Net Position	27,665,078	1,518,112
Net Pension Liability	<u>\$ 12,797,517</u>	<u>\$ 182,403</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.37 %	89.27 %

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Funds (Continued)

G. Net Pension Liability of the Town (Continued)

Actuarial Assumptions

Police Employees Retirement Plan

The total pension liability was determined by an actuarial valuation as of July 1, 2021 rolled forward to the measurement date of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	Scaled from 8.40% down to 2.5% Based on Years of Service
Investment Rate of Return	6.5%, Net of Pension Plan Investment Expense, Including Inflation

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

Volunteer Fire Department Pension Plan

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

Inflation	2.40%
Investment Rate of Return	6.5%, Net of Pension Plan Investment Expense, Including Inflation

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

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Funds (Continued)

G. Net Pension Liability of the Town (Continued)

Long-Term Expected Rate of Return

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, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following tables:

Police Employees Retirement Plan:

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

Volunteer Fire Department Pension Plan:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Domestic Equity	5.00 %
Mid /Small Cap Domestic Equity	5.30
Developed International Equity	6.40
Emerging Markets International Equity	7.70
Core Fixed Income	2.08
High Yield Bonds	4.05
Money Market, Short Term Bonds	0.05
Real Estate (Core)	4.90
MLPs	4.05

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Funds (Continued)

G. Net Pension Liability of the Town (Continued)

Changes in the Net Pension Liability

	Police Employees Retirement Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2022	\$ 39,624,189	\$ 26,299,899	\$ 13,324,290
Changes for the Year:			
Service Cost	818,505	-	818,505
Interest on Total Pension Liability	2,547,907	-	2,547,907
Difference Between Expected and Actual Experience	-	-	-
Changes in Assumptions	-	-	-
Employer Contributions	-	1,424,960	(1,424,960)
Member Contributions	-	412,730	(412,730)
Net Investment Income (Loss)	-	2,055,495	(2,055,495)
Benefit Payments, Including Refund to Employee Contributions	(2,528,006)	(2,528,006)	-
Net Changes	<u>838,406</u>	<u>1,365,179</u>	<u>(526,773)</u>
Balances - June 30, 2023	<u><u>\$ 40,462,595</u></u>	<u><u>\$ 27,665,078</u></u>	<u><u>\$ 12,797,517</u></u>

	Volunteer Fire Department Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2022	\$ 1,646,220	\$ 1,361,893	\$ 284,327
Changes for the Year:			
Service Cost	23,829	-	23,829
Interest on Total Pension Liability	107,347	-	107,347
Differences Between Expected and Actual Experience	(39,182)	-	(39,182)
Changes in Assumptions	-	-	-
Employer Contributions	-	87,000	(87,000)
Member Contributions	-	-	-
Net Investment Income (Loss)	-	106,918	(106,918)
Benefit Payments, Including Refund to Employee Contributions	(37,699)	(37,699)	-
Net Changes	<u>54,295</u>	<u>156,219</u>	<u>(101,924)</u>
Balances - June 30, 2023	<u><u>\$ 1,700,515</u></u>	<u><u>\$ 1,518,112</u></u>	<u><u>\$ 182,403</u></u>

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Funds (Continued)

G. Net Pension Liability of the Town (Continued)

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:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Police Employees Retirement Plan	\$ 17,562,155	\$ 12,797,517	\$ 8,811,261
	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Volunteer Fire Department Pension Plan	\$ 452,133	\$ 182,403	\$ (37,960)

H. 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
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Funds (Continued)

I. Pension Plan Fiduciary Net Position

	Pension Trust Funds		
	Police Pension Trust Fund	Volunteer Fire Department Pension Trust Fund	Total Pension Trust Funds
ASSETS			
Cash and Cash Equivalents	\$ 77,627	\$ -	\$ 77,627
Investments	27,587,451	1,518,112	29,105,563
Total Assets	<u>27,665,078</u>	<u>1,518,112</u>	<u>29,183,190</u>
LIABILITIES			
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Held in Trust for Pension or Retiree Benefits	<u>\$ 27,665,078</u>	<u>\$ 1,518,112</u>	<u>\$ 29,183,190</u>

Changes in Pension Net Position

	Pension Trust Funds		
	Police Pension Trust Fund	Volunteer Fire Department Pension Trust Fund	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 1,424,960	\$ 87,000	\$ 1,511,960
Plan Members	412,730	-	412,730
Total Contributions	<u>1,837,690</u>	<u>87,000</u>	<u>1,924,690</u>
Net Investment Income	2,055,495	106,918	2,162,413
Total Additions	3,893,185	193,918	4,087,103
DEDUCTIONS			
Benefits	<u>2,528,006</u>	<u>37,699</u>	<u>2,565,705</u>
NET INCREASE IN NET POSITION	1,365,179	156,219	1,521,398
Net Position - Beginning of Year	<u>26,299,899</u>	<u>1,361,893</u>	<u>27,661,792</u>
NET POSITION - END OF YEAR	<u>\$ 27,665,078</u>	<u>\$ 1,518,112</u>	<u>\$ 29,183,190</u>

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Funds (Continued)

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

For the year ended June 30, 2023, the Town recognized pension expense of \$2,123,691 for the Police plan and \$68,169 for the Volunteer Fire plan. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Police Employees Retirement Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,730	\$ 303,944
Changes of Assumptions	1,213,323	59,798
Net Difference Between Projected and Actual Earning on Pension Plan Investments	1,750,332	-
Total	\$ 2,967,385	\$ 363,742
	Volunteer Fire Department Pension Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 134,601
Changes of Assumptions	70,508	1,885
Net Difference Between Projected and Actual Earning on Pension Plan Investments	92,432	-
Total	\$ 162,940	\$ 136,486

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

<u>Year Ending June 30,</u>	<u>Police Employees Retirement Plan</u>	<u>Volunteer Fire Department Pension Plan</u>
2024	\$ 791,369	\$ 23,984
2025	460,969	8,693
2026	1,317,935	49,743
2027	33,370	(7,820)
2028	-	(4,458)
Thereafter	-	(43,688)
Total	\$ 2,603,643	\$ 26,454

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Municipal Employees' Retirement System

A. 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.

B. 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.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Municipal Employees' Retirement System (Continued)

B. Benefit Provisions (Continued)

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 workers' 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.

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.

C. 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. Effective July 1, 2019, member contribution rates are set to increase by 0.5% of compensation each year for six years.

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 CMERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member. The Town's required contribution rate for the year ended June 30, 2023, was 19.59% of annual payroll. Contributions to the pension plan from the Town were \$4,412,546 for the year ended June 30, 2023.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Municipal Employees' Retirement System (Continued)

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

At June 30, 2023, the Town reports a liability of \$40,901,028 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2022. The actuarial assumptions used in the June 30, 2022 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, 2023, the Town's proportion was 2.97%. The increase in proportion from the prior year was 0.17%.

For the year ended June 30, 2023, the Town recognized pension expense of \$8,752,134. At June 30, 2023, 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	\$ 4,412,546	\$ -
Change in Proportional Share	1,458,883	562,503
Change in Assumptions	-	-
Differences Between Expected and Actual Experience	4,584,116	1,398,627
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,689,212	-
Total	<u>\$ 16,144,757</u>	<u>\$ 1,961,130</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 1,868,889
2025	2,129,916
2026	1,604,109
2027	4,168,167
Total	<u>\$ 9,771,081</u>

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Municipal Employees' Retirement System (Continued)

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

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, 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%.

Long-Term Expected Rate of Return

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.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Municipal Employees' Retirement System (Continued)

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

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	37.0 %	6.9 %
Public Credit	2.0	2.9
Core Fixed Income	13.0	0.4
Liquidity Fund	1.0	(0.4)
Risk Mitigation	5.0	0.1
Private Equity	15.0	11.2
Private Credit	10.0	6.2
Real Estate	10.0	6.3
Infrastructure and Natural Resources	7.0	7.7
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	\$ 56,556,373	\$ 40,901,028	\$ 27,770,844

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

C. Contributions

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

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

C. Contributions (Continued)

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, 2023, the amount of "on-behalf" contributions made by the state was \$8,669,538 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

At June 30, 2023, 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>109,959,851</u>
Total	<u><u>\$ 109,959,851</u></u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. At June 30, 2023, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2023, the Town recognized pension expense and revenue of \$10,627,743 in Exhibit II for on-behalf amounts for the benefits provided by the state.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

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

Actuarial Assumptions

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

Inflation	2.50%
Salary Increase	3.00-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Pension Plan Investment Expense, Including Inflation

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.

Cost-of-Living Allowance

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

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

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%.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

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

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	20.00 %	5.40 %
Developed Market International Stock Fund	11.00	6.40
Emerging Market International Stock Fund	9.00	8.60
Core Fixed Income Fund	13.00	0.80
Private Credit	5.00	6.50
Emerging Market Debt Fund	5.00	3.80
High Yield Bond Fund	3.00	3.40
Real Estate Fund	19.00	5.20
Private Equity	10.00	9.40
Alternative Investments	3.00	3.10
Liquidity Fund	2.00	(0.40)
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.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

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

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.

E. 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. Separate financial statements are not prepared for the Police Employees Retirement Plan and the Volunteer Fire Department Pension Plan.

F. 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.

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS

Retiree Health Plan

A. 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 postemployment 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.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Retiree Health Plan (Continued)

B. 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, 2022, plan membership consisted of the following:

	Postretirement Medical Program
Retired Members and Spouses	70
Active Plan Members	579
Total Participants	649

C. 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.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Retiree Health Plan (Continued)

C. Funding Policy (Continued)

- 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. Medical benefits for the finance director are 100% cost of coverage for the retiree and 50% coverage for their spouse until the employee's death.

- Life insurance benefits are not offered.

D. 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, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 6.77%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

E. Net OPEB Liability (Asset) of the Town

The Town's net OPEB liability (asset) was measured as of June 30, 2023. The components of the net OPEB liability (asset) of the Town at June 30, 2023 were as follows:

Total OPEB Liability	\$ 24,783,945
Plan Fiduciary Net Position	<u>38,611,714</u>
Net OPEB Liability (Asset)	<u>\$ (13,827,769)</u>
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	 155.79%

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Retiree Health Plan (Continued)

E. Net OPEB Liability (Asset) of the Town (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary Increases	3.40%, Average, Including Inflation,
Investment Rate of Return	6.50%, Net of OPEB Plan Investment Expense, Including Inflation
Healthcare Cost Trend Rates	6.50% for 2022, Decreasing 0.2% per Year to an Ultimate Rate of 4.40% for 2033 and Later Years. Prior, 6.50% for 2020, Decreasing 0.2% per Year to an Ultimate Rate of 4.40% for 2031 and Later Years

Mortality rates were based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 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.

Long-Term Expected Rate of Return

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, 2023, are summarized in the following table:

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Retiree Health Plan (Continued)

E. Net OPEB Liability (Asset) of the Town (Continued)

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equity	14.50 %	5.00 %
U.S. Mid/Small Cap Equity	11.00	5.30
Developed International Equity	12.50	6.40
Emerging Markets Equity	8.50	7.70
Intermediate Corp Fixed Income	18.00	2.30
Intermediate Govt Fixed Income	18.00	1.80
High Yield Fixed Income	8.00	4.05
Cash	1.00	0.05
REITs	3.25	4.90
Commodities (MLPs)	5.25	3.30
Total	<u>100.00 %</u>	

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.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Retiree Health Plan (Continued)

E. Net OPEB Liability (Asset) of the Town (Continued)

Changes in the Net OPEB (Asset) Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a)-(b)
Balances - July 1, 2022	\$ 28,452,096	\$ 35,675,801	\$ (7,223,705)
Changes for the Year:			
Service Cost	773,123	-	773,123
Interest on Total OPEB Liability	1,839,983	-	1,839,983
Differences Between Expected and Actual Experience	(5,225,247)	-	(5,225,247)
Changes of Assumption	808,916	-	808,916
Employer Contributions	-	2,290,899	(2,290,899)
Contributions - TRB Subsidy	-	93,500	(93,500)
Net Investment Income (Loss)	-	2,416,440	(2,416,440)
Benefit Payments	(1,864,926)	(1,864,926)	-
Net Changes	<u>(3,668,151)</u>	<u>2,935,913</u>	<u>(6,604,064)</u>
Balances - June 30, 2023	<u>\$ 24,783,945</u>	<u>\$ 38,611,714</u>	<u>\$ (13,827,769)</u>

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the Town, as well as what the Town's net OPEB liability (asset) 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 (Asset)	<u>\$ (10,326,011)</u>	<u>\$ (13,827,769)</u>	<u>\$ (16,693,626)</u>

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Retiree Health Plan (Continued)

E. Net OPEB Liability (Asset) of the Town (Continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease (5.50% Decreasing to 3.40%)	Healthcare Cost Trend Rates (6.50% Decreasing to 4.40%)	1% Increase (7.50% Decreasing to 5.40%)
Net OPEB Liability (Asset)	\$ (17,184,256)	\$ (13,827,769)	\$ (9,623,640)

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

For the year ended June 30, 2023, the Town recognized OPEB expense of \$162,711. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 332,356	\$ 8,306,011
Changes of Assumptions	1,238,884	2,950,179
Differences Between Projected and Actual Earnings on OPEB Plan Investments	2,570,130	-
Total	\$ 4,141,370	\$ 11,256,190

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

<u>Year Ending June 30.</u>	<u>Amount</u>
2024	\$ (113,910)
2025	(502,092)
2026	(19,220)
2027	(1,090,024)
2028	(1,073,844)
Thereafter	(4,315,730)
Total	\$ (7,114,820)

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Retiree Health Plan (Continued)

G. Trust Fund Plan Fiduciary Net Position

	Pension Trust Funds	Retiree Benefits Trust Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 77,627	\$ 1,043,723	\$ 1,121,350
Investments	29,105,563	37,567,991	66,673,554
Total Assets	<u>29,183,190</u>	<u>38,611,714</u>	<u>67,794,904</u>
LIABILITIES			
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Held in Trust for Pension or Retiree Benefits	<u>\$ 29,183,190</u>	<u>\$ 38,611,714</u>	<u>\$ 67,794,904</u>

Changes in Trust Fund Net Position

	Pension Trust Funds	Retiree Benefits Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 1,511,960	\$ 2,384,399	\$ 3,896,359
Plan Members	412,730	-	412,730
Total Contributions	<u>1,924,690</u>	<u>2,384,399</u>	<u>4,309,089</u>
Net Investment Income	<u>2,162,413</u>	<u>2,416,440</u>	<u>4,578,853</u>
Total Additions	4,087,103	4,800,839	8,887,942
DEDUCTIONS			
Benefits	<u>2,565,705</u>	<u>1,864,926</u>	<u>4,430,631</u>
CHANGE IN NET POSITION	1,521,398	2,935,913	4,457,311
Net Position - Beginning of Year	<u>27,661,792</u>	<u>35,675,801</u>	<u>63,337,593</u>
NET POSITION - END OF YEAR	<u>\$ 29,183,190</u>	<u>\$ 38,611,714</u>	<u>\$ 67,794,904</u>

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Teachers Retirement Plan

A. Plan Description

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

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

B. Benefit Provisions

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 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. A subsidy amount of \$440 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 \$440 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.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Teachers Retirement Plan (Continued)

B. Benefit Provisions (Continued)

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 \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

C. Eligibility

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

Credited Service

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

Normal Retirement

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

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.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Teachers Retirement Plan (Continued)

C. Eligibility (Continued)

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

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

Employer (School Districts)

School District employers are not required to make contributions to the plan. For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the state was \$122,622 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Teachers Retirement Plan (Continued)

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

At June 30, 2023, 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>9,629,961</u>
Total		<u><u>\$ 9,629,961</u></u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2022. At June 30, 2023, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2023, the Town recognized OPEB expense and revenue of \$580,469 in Exhibit II.

F. Actuarial Assumptions

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

Inflation	2.5%
Healthcare Cost Trend Rate	Known increases until calendar year 2024 then general trend decreasing to an ultimate rate of 4.50% by 2031
Salary Increases	3.00-6.50%, Including Inflation
Investment Rate of Return	3.53%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position Will be Depleted	2027

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

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Teachers Retirement Plan (Continued)

F. Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

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

- Discount rate changed from 2.17% to 3.53%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
- The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated;
- Long-term health care cost trend rates were updated; and
- The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

The changes in the benefit terms since the prior year are as follows:

- There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

Long-Term Expected Rate of Return

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 (0.98%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2022.

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Teachers Retirement Plan (Continued)

G. Discount Rate (Continued)

In addition to the actuarial methods and assumptions of the June 30, 2022 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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

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

I. OPEB Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at www.ct.gov.

J. Other Information

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

**TOWN OF BRANFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13 FUND BALANCES

The components of fund balance for the governmental funds at June 30, 2023 are as follows:

	Major Special Revenue Funds		Nonmajor Governmental Funds	Total
	General Fund	Capital Projects		
Fund Balances:				
Nonspendable:				
Inventory	\$ -	\$ -	\$ 32,752	\$ 32,752
Prepaid Items	2,092,416	-	-	2,092,416
Permanent Fund Principal	-	-	100,730	100,730
Restricted for:				
Capital Projects	-	19,364,478	3,288,873	22,653,351
Unspent Grant Balances	-	-	6,826,639	6,826,639
Permanent Funds	-	-	238,067	238,067
Committed to:				
Public Works Lease	340,795	-	-	340,795
General Government	-	-	855,927	855,927
Public Safety	-	-	250,067	250,067
Public Works and Highway	-	-	3,032,078	3,032,078
Parks, Recreation, and Libraries	-	-	965,588	965,588
Health and Human Services	-	-	2,402,727	2,402,727
Education	2,345	-	1,355,758	1,358,103
Assigned to:				
Subsequent Year's Budget	3,832,736	-	-	3,832,736
Purchases on Order	806,149	-	-	806,149
Unassigned	49,536,168	-	(245,846)	49,290,322
Total Fund Balances	<u>\$ 56,610,609</u>	<u>\$ 19,364,478</u>	<u>\$ 19,103,360</u>	<u>\$ 95,078,447</u>

Significant encumbrances of \$806,149, \$6,288,189, and \$1,145,627 at June 30, 2023 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.

NOTE 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.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF BRANFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES				
Taxes:				
Current Taxes	\$ 109,570,978	\$ 109,570,978	\$ 112,449,999	\$ 2,879,021
Delinquent Interest	653,776	653,776	847,693	193,917
Lien Fees	6,100	6,100	29,169	23,069
Suspense Collections	7,100	7,100	52,058	44,958
Delinquent Taxes	1,171,893	1,171,893	1,583,355	411,462
Warrant Fees	300	300	867	567
Returned Check Fees	-	-	40	40
Motor Vehicle Fees	3,000	3,000	10,237	7,237
Total Taxes	<u>111,413,147</u>	<u>111,413,147</u>	<u>114,973,418</u>	<u>3,560,271</u>
Intergovernmental Revenues:				
Education Cost Sharing	2,400,000	2,400,000	3,061,068	661,068
Special Education	475,000	475,000	618,086	143,086
Health and Welfare	-	-	6,905	6,905
Disability Exemption	2,000	2,000	2,490	490
Veterans' Reimbursement - State	-	-	18,184	18,184
Private Property Exemption	105,041	105,041	125,572	20,531
State Property Exemption	12,155	12,155	12,155	-
Municipal Revenue Sharing Grant	-	-	590,859	590,859
Miscellaneous State Grants	10,000	10,000	21,874	11,874
Miscellaneous State Grants (Emergency Management)	14,002	14,002	-	(14,002)
Wild Life Refuge	3,500	3,500	3,979	479
North Branford Probate Fees	5,500	5,500	6,443	943
North Branford Sewer Fees	130,000	130,000	106,985	(23,015)
Total Intergovernmental Revenues	<u>3,157,198</u>	<u>3,157,198</u>	<u>4,574,600</u>	<u>1,417,402</u>

**TOWN OF BRANFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES (CONTINUED)				
Licenses, Permits, and Fees:				
Building Permits	\$ 600,000	\$ 600,000	\$ 1,024,173	\$ 424,173
Excavation Permits	5,000	5,000	6,210	1,210
Sewer Connection Permits	-	-	154	154
Zoning Board of Appeals	2,000	2,000	3,025	1,025
Planning and Zoning	26,000	26,000	23,734	(2,266)
Planning and Zoning - DEP Costs	500	500	618	118
Map Copies - Building and Engineering	2,000	2,000	2,628	628
Inland Wetlands Applications	18,000	18,000	19,694	1,694
Inland Wetlands - DEP Application Costs	60	60	80	20
Building Dept - Education Fee	600	600	834	234
Transfer Station Escrow	140,558	140,558	349,711	209,153
Trip Passes	1,500	1,500	1,536	36
Sticker Revenue	16,000	16,000	14,954	(1,046)
Electrical Revenue Share	17,000	17,000	18,172	1,172
Permits and Tags - Police	4,500	4,500	3,565	(935)
Special Wages - Police	525,000	525,000	796,260	271,260
Fingerprinting Fees	10,000	10,000	11,583	1,583
False Alarm Fees	4,900	4,900	3,663	(1,237)
Pump Out Services	6,000	6,000	6,775	775
Town Clerk Other Monies	400,000	400,000	260,380	(139,620)
Conveyance Taxes	400,000	400,000	740,987	340,987
Marriage Licenses - Town Portion	4,000	4,000	4,512	512
Dog Licenses	2,000	2,000	7,635	5,635
Ambulance Service Fees	1,725,000	1,725,000	2,262,238	537,238
Miscellaneous Permits and Fees - Fire Services	2,000	2,000	2,970	970
E-Commerce Revenue Share	26,000	26,000	14,549	(11,451)
Total Licenses, Permits, and Fees	<u>3,938,618</u>	<u>3,938,618</u>	<u>5,580,640</u>	<u>1,642,022</u>
Interest Income	75,000	75,000	3,150,130	3,075,130
Other:				
Willoughby - Wallace Library Fees	1,500	1,500	1,210	(290)
Willoughby - Passport Fees	6,000	6,000	4,935	(1,065)
Employee Health Insurance Co-pay	712,493	712,493	701,297	(11,196)
In Lieu of Taxes - Telephone Access	65,000	65,000	70,581	5,581

**TOWN OF BRANFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES (CONTINUED)				
Other (Continued):				
In Lieu of Taxes - SCRW	\$ 350,000	\$ 350,000	\$ 495,958	\$ 145,958
Leases	36,000	36,000	5,701	(30,299)
Elderly Services - NGO Revenue	-	-	250	250
Recreation Department - Building Usage	8,000	8,000	12,050	4,050
Recreation Department - Facility Usage	1,000	1,000	400	(600)
Foote Family Charitable Trust	287,500	287,500	339,500	52,000
Insurance Claims and Refunds	15,000	15,000	27,537	12,537
Miscellaneous Refunds	-	-	669	669
Miscellaneous Income	15,000	15,000	122,777	107,777
Sale of Town Property	-	-	82,731	82,731
Commerce Bank Revenue Share	5,000	5,000	8,147	3,147
Returned Check Fees	-	-	80	80
Virtual Net Metering Credits	40,000	40,000	-	(40,000)
Municipal Cannabis Sales Tax Revenue	-	-	135,508	135,508
Settlement Income	-	-	408,470	408,470
Under Liquidated Encumbrances	-	-	83,157	83,157
Total Other	<u>1,542,493</u>	<u>1,542,493</u>	<u>2,500,958</u>	<u>958,465</u>
Total Revenues	120,126,456	120,126,456	130,779,746	10,653,290
OTHER FINANCING SOURCES				
Transfers in	<u>747,609</u>	<u>747,609</u>	<u>854,203</u>	<u>106,594</u>
Total Revenue and Other Financing Sources	<u>\$ 120,874,065</u>	<u>\$ 120,874,065</u>	<u>131,633,949</u>	<u>\$ 10,759,884</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.	8,669,538
State of Connecticut on-behalf OPEB contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	122,622
Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes.	(83,157)
The Town does not budget for Lease Fund revenues.	11,574
The Town budgets for bond premiums net against interest expenditures.	-
The Town does not budget for the proceeds from lease issuance	390,711
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit IV)	<u>\$ 140,745,237</u>

**TOWN OF BRANFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(NON-GAAP BUDGETARY BASIS)**

EXPENDITURES	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General Government:				
Legislative	\$ 18,503	\$ 18,503	\$ 14,414	\$ 4,089
Executive	310,104	310,104	299,145	10,959
Finance	100,039	132,539	130,061	2,478
Treasurer	500,706	500,706	493,687	7,019
Assessor	465,544	465,544	386,644	78,900
Review of Assessment	14,360	14,360	11,960	2,400
Tax Collector	836,756	938,808	938,808	-
Town Clerk	275,257	275,257	255,191	20,066
Law	450,000	450,000	367,008	82,992
Labor Relations Negotiations	62,500	115,655	115,655	-
Probate Court	15,900	15,900	13,622	2,278
Elections	253,900	311,512	260,575	50,937
Planning and Zoning	370,766	370,251	339,930	30,321
Zoning Board of Appeals	9,492	10,007	9,629	378
Economic Development Commission	19,150	19,150	1,089	18,061
Inland Wetlands Commission	142,431	142,431	135,594	6,837
General Government Buildings	1,115,381	1,115,381	998,784	116,597
Cable Television	15,100	15,304	15,203	101
Information Technology	969,871	1,009,371	961,420	47,951
Human Resources	339,968	339,968	299,713	40,255
Total General Government	6,285,728	6,570,751	6,048,132	522,619
Public Safety:				
Police Service	7,154,249	7,156,864	6,659,008	497,856
Police Service - Special Detail	525,000	525,000	525,000	-
Department of Emergency Management	30,000	30,000	30,000	-
Fire Protection	7,040,778	7,266,461	7,259,882	6,579
Building Department	218,601	223,085	217,797	5,288
Total Public Safety	14,968,628	15,201,410	14,691,687	509,723
Public Works and Highways:				
Public Works	2,657,325	2,657,325	2,342,663	314,662
Sanitation and Waste	3,593,710	3,593,710	3,516,978	76,732
General Engineering	465,339	465,339	439,417	25,922
Total Public Works and Highways	6,716,374	6,716,374	6,299,058	417,316

**TOWN OF BRANFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023
(NON-GAAP BUDGETARY BASIS)**

EXPENDITURES (CONTINUED)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Recreation:				
Branford Recreation Department	\$ 1,246,360	\$ 1,246,360	\$ 1,214,442	\$ 31,918
Docks and Recreational Facilities	20,442	20,442	13,665	6,777
Public Celebration	35,297	35,297	31,774	3,523
Conservation Commission	11,712	11,712	11,527	185
Total Recreation	1,313,811	1,313,811	1,271,408	42,403
Libraries:				
James Blackstone Memorial Library	1,650,816	1,650,816	1,650,816	-
Willoughby-Wallace Library	262,891	262,891	254,808	8,083
Total Libraries	1,913,707	1,913,707	1,905,624	8,083
Health and Welfare:				
Commission for the Elderly	451,843	451,843	388,982	62,861
East Shore District Health	360,473	360,473	360,473	-
Total Health and Welfare	812,316	812,316	749,455	62,861
Board of Education	60,931,374	60,931,374	60,798,502	132,872
Pension and Insurance:				
Pension and Contributions	6,515,795	6,515,795	5,707,203	808,592
Employee Group Insurance	6,429,059	6,429,059	6,429,057	2
Municipal Insurance	2,456,858	2,456,858	2,360,566	96,292
Contingency	995,824	307,439	-	307,439
Total Pension and Insurance	16,397,536	15,709,151	14,496,826	1,212,325
Debt Service:				
Principal Retirement	7,210,000	7,210,000	7,210,000	-
Interest and Fiscal Charges	2,138,436	2,138,436	2,138,433	3
Total Debt Service	9,348,436	9,348,436	9,348,433	3
Total Expenditures	118,687,910	118,517,330	115,609,125	2,908,205

**TOWN OF BRANFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
OTHER FINANCING USES				
Transfers to Other Funds:				
Special Revenue Fund:				
Animal Control Fund	\$ 207,785	\$ 212,365	\$ 212,365	\$ -
Special Programs Fund:	-	200,000	200,000	-
Sewer Utility Fund	600,000	600,000	600,000	-
Human Services Fund	1,155,938	1,155,938	1,155,938	-
Capital Projects Fund:				
Open Space Fund	26,800	26,800	26,800	-
Revaluation Fund	75,000	75,000	75,000	-
Ambulance	165,000	165,000	165,000	-
Fire Apparatus	375,000	375,000	375,000	-
Elderly Vehicles	35,000	35,000	35,000	-
Communications Fund	150,000	150,000	150,000	-
DPW Apparatus	225,000	225,000	225,000	-
Coastal Resiliency Fund	306,000	306,000	306,000	-
Ballistic Vest Fund	8,200	8,200	8,200	-
SCBA Gear Fund	85,000	85,000	85,000	-
JBML Capital Fund	35,000	35,000	35,000	-
Solid Waste Equipment Fund	-	100,000	100,000	-
Infrastructure Enhancement Fund	-	97,000	97,000	-
Capital Procurement Fund	2,386,432	2,993,232	2,993,232	-
Total Other Financing Uses	<u>5,836,155</u>	<u>6,844,535</u>	<u>6,844,535</u>	<u>-</u>
 Total Budgeted Operations	<u>\$ 124,524,065</u>	<u>\$ 125,361,865</u>	122,453,660	<u>\$ 2,908,205</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.	8,669,538
State of Connecticut on-behalf OPEB payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	122,622
The Town does not budget for Lease fund expenditures.	934,835
The Town budgets for Lease Fund transfers that are eliminated under GAAP.	(452,000)
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.	<u>(74,369)</u>

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - (Exhibit IV) \$ 131,654,286

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability:										
Service Cost	\$ 579,898	\$ 600,194	\$ 621,201	\$ 586,875	\$ 586,875	\$ 437,672	\$ 615,498	\$ 715,518	\$ 750,275	\$ 818,505
Interest	1,838,139	1,906,563	1,990,048	2,058,756	2,140,743	2,207,541	2,330,759	2,362,619	2,400,021	2,547,907
Changes of Benefit Terms	-	-	-	-	-	844,917	-	-	-	-
Differences Between Expected and Actual Experience	-	-	(680,737)	-	1,920,908	-	13,674	-	(482,736)	-
Changes of Assumptions	-	-	991,581	-	706,596	-	(219,266)	-	1,927,043	-
Benefit Payments, Including Refunds of Member Contributions	(1,519,089)	(1,400,569)	(1,564,499)	(1,644,784)	(1,602,870)	(1,740,559)	(2,014,458)	(2,814,444)	(2,251,630)	(2,528,006)
Net Change In Total Pension Liability	898,948	1,106,188	1,357,594	1,000,847	3,752,252	1,749,571	726,207	263,693	2,342,973	838,406
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	37,017,523	37,281,216	39,624,189
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	37,281,216	39,624,189	40,462,595
Plan Fiduciary Net Position:										
Contributions - Employer	920,000	898,000	910,500	914,742	1,911,484	1,489,164	1,095,000	1,560,019	1,640,000	1,424,960
Contributions - Member	282,016	301,069	280,850	258,782	211,005	243,220	399,582	372,327	436,381	412,730
Net Investment Income	2,255,408	40,613	149,903	1,542,864	776,539	1,202,629	(86,998)	5,802,572	(3,666,822)	2,055,495
Benefit Payments, Including Refunds of Member Contributions	(1,519,089)	(1,400,569)	(1,564,499)	(1,644,784)	(1,602,870)	(1,740,559)	(2,014,458)	(2,814,444)	(2,251,630)	(2,528,006)
Administrative Expense	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	886,740	-	-	-	-
Net Change In Plan Fiduciary Net Position	1,938,335	(160,887)	(223,246)	1,071,604	1,296,158	2,081,194	(606,874)	4,920,474	(3,842,071)	1,365,179
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	25,221,496	30,141,970	26,299,899
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	30,141,970	26,299,899	27,665,078
Net Pension Liability - Ending	\$ 5,561,317	\$ 6,828,392	\$ 8,409,232	\$ 8,338,475	\$ 10,794,569	\$ 10,462,946	\$ 11,796,027	\$ 7,139,246	\$ 13,324,290	\$ 12,797,517
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.65%	75.98%	71.77%	72.92%	68.75%	71.17%	68.13%	80.85%	66.37%	68.37%
Covered Payroll	\$ 3,462,045	\$ 3,462,045	\$ 3,576,246	\$ 3,576,246	\$ 2,671,132	\$ 3,806,985	\$ 4,431,836	\$ 4,609,109	\$ 4,606,877	\$ 4,717,442
Net Pension Liability as a Percentage of Covered Payroll	160.64%	197.24%	235.14%	233.16%	404.12%	274.84%	266.17%	154.89%	289.23%	271.28%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability:									
Service Cost	\$ 13,044	\$ 18,559	\$ 19,116	\$ 20,274	\$ 20,496	\$ 23,451	\$ 23,708	\$ 23,270	\$ 23,829
Interest	77,644	80,186	84,136	86,666	90,917	95,109	100,523	101,442	107,347
Differences Between Expected and Actual Experience	(34,725)	-	(733)	-	(26,189)	-	(74,479)	-	(39,182)
Changes of Assumptions	16,764	-	23,148	-	67,300	-	(2,302)	-	-
Benefit Payments, Including Refunds of Member Contributions	(40,957)	(42,937)	(42,936)	(46,584)	(41,745)	(36,520)	(34,478)	(31,238)	(37,699)
Net Change In Total Pension Liability	31,770	55,808	82,731	60,356	110,779	82,040	12,972	93,474	54,295
Total Pension Liability - Beginning	1,116,290	1,148,060	1,203,868	1,286,599	1,346,955	1,457,734	1,539,774	1,552,746	1,646,220
Total Pension Liability - Ending	1,148,060	1,203,868	1,286,599	1,346,955	1,457,734	1,539,774	1,552,746	1,646,220	1,700,515
Plan Fiduciary Net Position:									
Contributions - Employer	62,000	348,000	86,000	87,000	87,000	87,299	87,000	87,000	87,000
Net Investment Income (Loss)	(192)	2,651	66,884	35,625	54,293	(2,554)	282,330	(188,862)	106,918
Benefit Payments, Including Refunds of Member Contributions	(40,957)	(42,937)	(42,936)	(46,584)	(41,745)	(36,520)	(34,478)	(31,238)	(37,699)
Net Change In Plan Fiduciary Net Position	20,851	307,714	109,948	76,041	99,548	48,225	334,852	(133,100)	156,219
Plan Fiduciary Net Position - Beginning	497,814	518,665	826,379	936,327	1,012,368	1,111,916	1,160,141	1,494,993	1,361,893
Plan Fiduciary Net Position - Ending	518,665	826,379	936,327	1,012,368	1,111,916	1,160,141	1,494,993	1,361,893	1,518,112
Net Pension Liability - Ending	<u>\$ 629,395</u>	<u>\$ 377,489</u>	<u>\$ 350,272</u>	<u>\$ 334,587</u>	<u>\$ 345,818</u>	<u>\$ 379,633</u>	<u>\$ 57,753</u>	<u>\$ 284,327</u>	<u>\$ 182,403</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	45.18%	68.64%	72.78%	75.16%	76.28%	75.34%	96.28%	82.73%	89.27%
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 903,163	\$ 897,106	\$ 897,106	\$ 911,226	\$ 911,226	\$ 1,056,060	\$ 1,056,060	\$ 1,178,950	\$ 1,187,630	\$ 1,424,960
Contributions in Relation to the Actuarially Determined Contribution	<u>920,000</u>	<u>898,000</u>	<u>910,500</u>	<u>914,742</u>	<u>1,911,484</u>	<u>1,489,164</u>	<u>1,095,000</u>	<u>1,560,019</u>	<u>1,640,000</u>	<u>1,424,960</u>
Contribution Deficiency (Excess)	<u>\$ (16,837)</u>	<u>\$ (894)</u>	<u>\$ (13,394)</u>	<u>\$ (3,516)</u>	<u>\$ (1,000,258)</u>	<u>\$ (433,104)</u>	<u>\$ (38,940)</u>	<u>\$ (381,069)</u>	<u>\$ (452,370)</u>	<u>\$ -</u>
Covered Payroll	\$ 3,462,045	\$ 3,462,045	\$ 3,576,246	\$ 3,576,246	\$ 2,671,132	\$ 3,806,985	\$ 4,431,836	\$ 4,609,109	\$ 4,606,877	\$ 4,717,442
Contributions as a Percentage of Covered Payroll	26.57%	25.94%	25.46%	25.58%	71.56%	39.12%	24.71%	33.85%	35.60%	30.21%

Notes to Schedule:

Valuation Date July 1, 2021
 Measurement Date June 30, 2023
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:

- Actuarial Cost Method Entry Age Normal
- Amortization Method Level Percentage of Salary
- Remaining Amortization Period 16 Years
- Asset Valuation Method Asset Gains and Losses are Recognized Over a Five-Year Period at 20% per Year.
- Inflation 2.40%
- Salary Increases Scaled from 8.40% Down to 2.40% Based on Years of Service.
- Investment Rate of Return 6.50%
- Retirement Age Scaled Based on Age from 25% at age 25 to 100% at age 40
- Mortality Pub-2010 Public Retirement Plans Mortality Tables for Public Safety employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.
 Prior: RP-2014 adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2019.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 66,924	\$ 86,184	\$ 86,184	\$ 86,184	\$ 59,050	\$ 59,640	\$ 65,330	\$ 65,970	\$ 50,840
Contributions in Relation to the Actuarially Determined Contribution	<u>62,000</u>	<u>348,000</u>	<u>86,000</u>	<u>87,000</u>	<u>87,000</u>	<u>87,299</u>	<u>87,000</u>	<u>87,000</u>	<u>87,000</u>
Contribution Deficiency (Excess)	<u>\$ 4,924</u>	<u>\$ (261,816)</u>	<u>\$ 184</u>	<u>\$ (816)</u>	<u>\$ (27,950)</u>	<u>\$ (27,659)</u>	<u>\$ (21,670)</u>	<u>\$ (21,030)</u>	<u>\$ (36,160)</u>
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Valuation Date January 1, 2023
 Measurement Date June 30, 2023
 Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal
 Amortization Method Level Percentage of Salary
 Remaining Amortization Period 10 Years
 Asset Valuation Method Asset Gains and Losses are Recognized Over a Five-Year Period at 20% per Year.
 Inflation 2.40% (Prior: 2.60%)
 Salary Increases Volunteer Fire Plan, no Salary
 Investment Rate of Return 6.5%, Net of Investment-Related and Administrative Expenses
 Retirement Age Scaled Based on age from 50% at age 65 to 100% at age 70
 Mortality Pub-2010 (B) Public Retirement Plans Headcount Weighted Mortality Tables for Safety employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.25%	0.18%	0.66%	7.19%	3.42%	5.07%	-0.32%	23.10%	-12.04%	7.76%

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	-0.04%	0.44%	7.55%	3.58%	5.06%	-0.22%	23.07%	-12.10%	7.54%

*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Town's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated With the Town	64,784,314	70,090,168	91,314,924	86,553,802	84,369,802	109,420,810	119,142,154	94,361,596	109,959,851
Total	<u>\$ 64,784,314</u>	<u>\$ 70,090,168</u>	<u>\$ 91,314,924</u>	<u>\$ 86,553,802</u>	<u>\$ 84,369,802</u>	<u>\$ 109,420,810</u>	<u>\$ 119,142,154</u>	<u>\$ 94,361,596</u>	<u>\$ 109,959,851</u>
Town's Covered Payroll	\$ 22,361,702	\$ 25,437,705	\$ 25,585,052	\$ 26,087,583	\$ 25,670,355	\$ 26,997,429	\$ 27,094,747	\$ 27,083,522	\$ 27,688,745
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%	49.24%	60.77%	54.06%

Notes to Schedule:

Changes in Benefit Terms	Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Closed
Single Equivalent Amortization Period	27.8 years
Asset Valuation Method	4-Year Smoothed Market
Inflation	2.50%
Salary Increase	3.00%-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Investment Related Expense

*Notes:

- This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 2,224,976	\$ 2,284,715	\$ 2,233,161	\$ 2,254,928	\$ 2,456,032	\$ 2,511,387	\$ 3,091,444	\$ 3,488,893	\$ 3,365,469	\$ 4,412,546
Contributions in Relation to the Actuarially Determined Contribution	<u>2,224,976</u>	<u>2,284,715</u>	<u>2,233,161</u>	<u>2,254,928</u>	<u>2,456,032</u>	<u>2,511,387</u>	<u>3,091,444</u>	<u>3,488,893</u>	<u>3,365,469</u>	<u>4,412,546</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 16,641,556	\$ 16,787,032	\$ 18,444,678	\$ 18,428,703	\$ 19,160,897	\$ 19,552,183	\$ 19,967,045	\$ 19,919,543	\$ 20,529,299	\$ 22,953,381
Contributions as a Percentage of Covered Payroll	13.37%	13.61%	12.11%	12.24%	12.82%	12.84%	15.48%	17.51%	16.39%	19.22%

Notes to Schedule:

Valuation Date June 30, 2022
 Measurement Date June 30, 2022
 The actuarially determined contributions are calculated as of June 30, for the fiscal year ending two years after the valuation date.

Methods and Assumptions Used to Determine

Contribution Rates:

- Actuarial Cost Method Entry Age Normal
- Amortization Method Level dollar, closed
- Single Equivalent Amortization Period 20 years
- Asset Valuation Method 5 years smoothed market
- Inflation 2.50%
- Salary Increases 3.50% - 10.00%, including inflation
- Investment Rate of Return 7%, 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, 2020 valuation to include: 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
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS*

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Town's Proportion of the Net Pension Liability	3.57%	3.29%	3.22%	3.35%	3.07%	2.94%	2.93%	2.80%	2.97%
Town's Proportionate Share of the Net Pension Liability	\$ 3,519,712	\$ 6,345,626	\$ 10,725,931	\$ 8,314,503	\$ 29,349,746	\$ 30,340,054	\$ 32,645,487	\$ 19,889,870	\$ 40,901,028
Town's Covered Payroll	\$ 16,787,032	\$ 18,444,678	\$ 18,428,703	\$ 19,160,897	\$ 19,552,183	\$ 19,967,045	\$ 19,919,543	\$ 20,529,299	\$ 22,953,381
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	20.97%	34.40%	58.20%	43.39%	150.11%	151.95%	163.89%	96.89%	178.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.48%	92.72%	88.29%	91.68%	73.60%	72.69%	71.18%	82.59%	68.71%

*Notes:

- This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available
- The measurement date is one year earlier than the employer's reporting date.

TOWN OF BRANFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
RETIREE HEALTH PLAN
LAST SEVEN FISCAL YEARS*

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability:							
Service Cost	\$ 808,381	\$ 838,695	\$ 884,463	\$ 1,011,077	\$ 1,053,546	\$ 740,539	\$ 773,123
Interest	1,849,268	1,963,934	2,066,626	1,997,540	2,119,102	1,763,781	1,839,983
Differences Between Expected and Actual Experience	124,760	29,728	(2,500,899)	36,501	(2,911,119)	355,593	(5,225,247)
Changes of Assumptions	-	-	917,229	-	(3,955,923)	-	808,916
Benefit Payments	<u>(1,035,117)</u>	<u>(1,070,696)</u>	<u>(1,652,303)</u>	<u>(1,096,643)</u>	<u>(1,342,019)</u>	<u>(1,579,882)</u>	<u>(1,864,926)</u>
Net Change in Total OPEB Liability	1,747,292	1,761,661	(284,884)	1,948,475	(5,036,413)	1,280,031	(3,668,151)
Total OPEB Liability - Beginning	<u>27,035,934</u>	<u>28,783,226</u>	<u>30,544,887</u>	<u>30,260,003</u>	<u>32,208,478</u>	<u>27,172,065</u>	<u>28,452,096</u>
Total OPEB Liability - Ending	28,783,226	30,544,887	30,260,003	32,208,478	27,172,065	28,452,096	24,783,945
Plan Fiduciary Net Position:							
Contributions - Employer	2,216,607	2,218,026	8,141,374	9,609,044	2,346,149	2,589,512	2,290,899
Contributions - TRB Subsidy	25,410	64,570	51,480	53,020	56,870	51,370	93,500
Net Investment Income	1,090,779	662,753	841,537	(140,172)	4,522,716	(2,882,744)	2,416,440
Benefit Payments	<u>(1,035,117)</u>	<u>(1,070,696)</u>	<u>(1,652,303)</u>	<u>(1,096,643)</u>	<u>(1,342,019)</u>	<u>(1,579,882)</u>	<u>(1,864,926)</u>
Net Change in Plan Fiduciary Net Position	2,297,679	1,874,653	7,382,088	8,425,249	5,583,716	(1,821,744)	2,935,913
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>	<u>31,913,829</u>	<u>37,497,545</u>	<u>35,675,801</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>	<u>37,497,545</u>	<u>35,675,801</u>	<u>38,611,714</u>
Net OPEB Liability - Ending	<u>\$ 14,551,387</u>	<u>\$ 14,438,395</u>	<u>\$ 6,771,423</u>	<u>\$ 294,649</u>	<u>\$ (10,325,480)</u>	<u>\$ (7,223,705)</u>	<u>\$ (13,827,769)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	49.44%	52.73%	77.62%	99.09%	138.00%	125.39%	155.79%
Covered-Employee Payroll	\$ 49,561,870	\$ 51,420,440	\$ 44,608,973	\$ 46,214,896	\$ 46,157,107	\$ 47,726,448	\$ 48,874,575
Net OPEB Liability as a Percentage of Covered-Employee Payroll	29.36%	28.08%	15.18%	0.64%	-22.37%	-15.14%	-28.29%

*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution (1)	\$ 1,790,540	\$ 1,835,900	\$ 1,847,914	\$ 1,907,215	\$ 2,016,067	\$ 2,048,581	\$ 1,970,411	\$ 2,018,432	\$ 298,455	\$ 326,473
Contributions in Relation to the Actuarially Determined Contribution	<u>1,964,000</u>	<u>1,808,700</u>	<u>1,560,200</u>	<u>2,216,607</u>	<u>2,218,026</u>	<u>8,141,374</u>	<u>9,609,044</u>	<u>2,346,149</u>	<u>2,589,512</u>	<u>2,290,899</u>
Contribution Deficiency (Excess)	<u>\$ (173,460)</u>	<u>\$ 27,200</u>	<u>\$ 287,714</u>	<u>\$ (309,392)</u>	<u>\$ (201,959)</u>	<u>\$ (6,092,793)</u>	<u>\$ (7,638,633)</u>	<u>\$ (327,717)</u>	<u>\$ (2,291,057)</u>	<u>\$ (1,964,426)</u>
Covered-Employee Payroll	\$ 48,861,400	\$ 48,861,400	\$ 47,770,477	\$ 49,561,870	\$ 51,420,440	\$ 44,608,973	\$ 46,214,896	\$ 46,157,107	\$ 47,726,448	\$ 48,874,575
Contributions as a Percentage of Covered-Employee Payroll	4.02%	3.70%	3.27%	4.47%	4.31%	18.25%	20.79%	5.08%	5.43%	4.69%

Notes to Schedule:

Valuation Date July 1, 2022
 Measurement Date June 30, 2023
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:

- Actuarial Cost Method Entry Age Normal
- Amortization Method Level Percentage of Salary, Closed
- Amortization Period 25 Years
- Asset Valuation Method Market Value
- Inflation 2.40%
- Healthcare Cost Trend Rates 6.50% in 2022, Decreasing 0.20% per Year to an Ultimate Rate of 4.40% for 2033 and Later.
 Prior: (6.50% in 2020, Decreasing 0.20% per Year to an Ultimate Rate of 4.40% for 2031 and Later.)
- Salary Increases 3.40%, Average, Including Inflation
- Investment Rate of Return 6.50%, Net of Pension Plan Investment Expense, Including Inflation
- Retirement Age Expected Retirement Ages of Employees are Based on Union Agreements and Other Expectations
- Mortality Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	8.44%	4.50%	4.72%	-0.57%	14.16%	-7.68%	6.77%

*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	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>9,629,961</u>	<u>10,280,523</u>	<u>17,770,057</u>	<u>17,064,792</u>	<u>16,866,066</u>	<u>22,277,963</u>
Total	<u>\$ 9,629,961</u>	<u>\$ 10,280,523</u>	<u>\$ 17,770,057</u>	<u>\$ 17,064,792</u>	<u>\$ 16,866,066</u>	<u>\$ 22,277,963</u>
Town's Covered Payroll	\$ 27,688,745	\$ 27,083,522	\$ 27,094,747	\$ 26,997,429	\$ 25,670,355	\$ 26,087,583
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule:

Changes in Benefit Terms
Changes of Assumptions

There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440. Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2022 was updated to equal the SEIR of 3.53% as of June 30, 2022; Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience; The assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated; Long-term health care cost trend rates were updated; and The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

Actuarial Cost Method
Amortization Method
Remaining Amortization Period
Asset Valuation Method
Investment Rate of Return
Price Inflation

Entry Age
Level Percent of Payroll Over an Open Period
30 Years
Market Value of Assets
3.00%, Net of Investment Related Expense, Including Price Inflation
2.50%

***Notes:**

- This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**TOWN OF BRANFORD, CONNECTICUT
COMPARATIVE BALANCE SHEET
GENERAL FUND
JUNE 30, 2023 AND 2022**

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 82,154,713	\$ 58,548,291
Receivables:		
Taxes, Net of Allowance for 2023 and 2022 of \$728,085 and \$379,764, Respectfully	2,646,595	4,509,356
Interest	1,249,459	2,019,894
Intergovernmental	107,470	194,761
Other	1,462,871	877,712
Due from Other Funds	13,199	33,749
Prepaid Items	2,092,416	1,478,987
Total Assets	\$ 89,726,723	\$ 67,662,750
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 7,754,994	\$ 6,991,453
Due to Other Funds	5,626,482	2,929,871
Unearned Revenue	1,020,281	1,023,240
Other	78,701	78,699
Total Liabilities	14,480,458	11,023,263
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	3,190,696	4,361,895
Unavailable Revenue - Interest on Property Taxes	1,249,463	2,019,898
Advance Property Tax Collections	14,195,497	2,738,036
Total Deferred Inflows of Resources	18,635,656	9,119,829
FUND BALANCE		
Nonspendable	2,092,416	1,478,987
Committed	343,140	423,690
Assigned	4,638,885	4,647,673
Unassigned	49,536,168	40,969,308
Total Fund Balance	56,610,609	47,519,658
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 89,726,723	\$ 67,662,750

**TOWN OF BRANFORD, CONNECTICUT
REPORT OF TAX COLLECTOR
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

Grand List	Uncollected Taxes	Lawful Corrections	Transfers to Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes
	July 1, 2022				Taxes	Interest	Liens	Total	June 30, 2023
2007 and Earlier	\$ 90,045	\$ (5,888)	\$ (14,002)	\$ 70,155	\$ 377	\$ 1,643	\$ 24	\$ 2,044	\$ 69,778
2008	48,913	(4,877)	(6,137)	37,899	12,029	1,349	-	13,378	25,870
2009	53,423	(4,370)	(5,970)	43,083	19,834	20,715	96	40,645	23,249
2010	63,443	(3,489)	(4,532)	55,422	19,699	17,116	72	36,887	35,723
2011	86,032	(3,043)	(10,013)	72,976	23,794	20,915	96	44,805	49,182
2012	63,482	-	(3,654)	59,828	13,888	3,157	96	17,141	45,940
2013	72,072	-	(2,892)	69,180	16,887	6,951	120	23,958	52,293
2014	193,242	(20,832)	(14,403)	158,007	60,346	61,326	2,067	123,739	97,661
2015	357,987	(52,584)	(23,547)	281,856	143,888	127,769	4,835	276,492	137,968
2016	130,428	-	(3,704)	126,724	27,468	13,529	363	41,360	99,256
2017	567,016	(55,468)	(106,891)	404,657	202,171	143,568	2,935	348,674	202,486
2018	661,301	(56,116)	(28,010)	577,175	217,783	107,238	22,616	347,637	359,392
2019	900,649	(47,484)	(31,274)	821,891	381,023	103,839	2,156	487,018	440,868
2020	1,601,087	(87,656)	(34,837)	1,478,594	861,771	164,439	5,032	1,031,242	616,823
2021	113,874,565	(266,321)	(40,055)	113,568,189	112,449,998	281,240	12,711	112,743,949	1,118,191
Total	\$ 118,763,685	\$ (608,128)	\$ (329,921)	\$ 117,825,636	114,450,956	1,074,794	53,219	115,578,969	\$ 3,374,680
					<u>126,721</u>	<u>113,551</u>	<u>6,523</u>	<u>246,795</u>	
				Total	\$ 114,577,677	\$ 1,188,345	\$ 59,742	\$ 115,825,764	

**TOWN OF BRANFORD, CONNECTICUT
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2023**

	General	Surety Bond Fund	Board of Education Severance Fund	Lease Fund	Eliminations	Total General Fund
ASSETS						
Cash and Cash Equivalents	\$ 80,378,936	\$ 1,432,637	\$ 2,345	\$ 340,795	\$ -	\$ 82,154,713
Receivables, Net	5,466,395	-	-	-	-	5,466,395
Due from Other Funds	13,199	-	-	-	-	13,199
Other Assets	2,092,416	-	-	-	-	2,092,416
Total Assets	<u>\$ 87,950,946</u>	<u>\$ 1,432,637</u>	<u>\$ 2,345</u>	<u>\$ 340,795</u>	<u>\$ -</u>	<u>\$ 89,726,723</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts and Other Payables	\$ 6,322,357	\$ 1,432,637	\$ -	\$ -	\$ -	\$ 7,754,994
Due to Other Funds	5,626,482	-	-	-	-	5,626,482
Unearned Revenue	1,020,281	-	-	-	-	1,020,281
Other	78,701	-	-	-	-	78,701
Total Liabilities	<u>13,047,821</u>	<u>1,432,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,480,458</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	3,190,696	-	-	-	-	3,190,696
Unavailable Revenue - Interest on Property Taxes	1,249,463	-	-	-	-	1,249,463
Advance Property Tax Collections	14,195,497	-	-	-	-	14,195,497
Total Deferred Inflows of Resources	<u>18,635,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,635,656</u>
FUND BALANCES						
Nonspendable	2,092,416	-	-	-	-	2,092,416
Committed	-	-	2,345	340,795	-	343,140
Assigned	4,638,885	-	-	-	-	4,638,885
Unassigned	49,536,168	-	-	-	-	49,536,168
Total Fund Balances	<u>56,267,469</u>	<u>-</u>	<u>2,345</u>	<u>340,795</u>	<u>-</u>	<u>56,610,609</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 87,950,946</u>	<u>\$ 1,432,637</u>	<u>\$ 2,345</u>	<u>\$ 340,795</u>	<u>\$ -</u>	<u>\$ 89,726,723</u>

TOWN OF BRANFORD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	General	Surety Bond Fund	Board of Education Severance Fund	Lease Fund	Eliminations	Total General Fund
REVENUES						
Property Taxes	\$ 114,973,418	\$ -	\$ -	\$ -	\$ -	\$ 114,973,418
Intergovernmental	13,367,010	-	-	-	-	13,367,010
Charges for Services	5,580,640	-	-	-	-	5,580,640
Income on Investments	3,150,130	-	-	-	-	3,150,130
Miscellaneous	2,417,551	-	-	11,574	-	2,429,125
Total Revenues	<u>139,488,749</u>	<u>-</u>	<u>-</u>	<u>11,574</u>	<u>-</u>	<u>139,500,323</u>
EXPENDITURES						
Current:						
General Government	5,950,671	-	-	-	-	5,950,671
Public Safety	14,769,090	-	-	-	-	14,769,090
Public Works and Highway	6,234,437	-	-	140,707	-	6,375,144
Parks, Recreation, and Libraries	3,167,284	-	-	-	-	3,167,284
Health and Human Services	749,516	-	-	-	-	749,516
Education	69,380,660	-	-	403,417	-	69,784,077
Pension and Insurance	14,496,825	-	-	-	-	14,496,825
Capital Outlay	-	-	-	390,711	-	390,711
Debt Service	9,348,433	-	-	-	-	9,348,433
Total Expenditures	<u>124,096,916</u>	<u>-</u>	<u>-</u>	<u>934,835</u>	<u>-</u>	<u>125,031,751</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,391,833	-	-	(923,261)	-	14,468,572
OTHER FINANCING SOURCES (USES)						
Transfers In	854,203	-	-	452,000	(452,000)	854,203
Transfers Out	(7,074,535)	-	-	-	452,000	(6,622,535)
Lease Issuances	-	-	-	390,711	-	390,711
Total Other Financing Sources (Uses)	<u>(6,220,332)</u>	<u>-</u>	<u>-</u>	<u>842,711</u>	<u>-</u>	<u>(5,377,621)</u>
NET CHANGE IN FUND BALANCE	9,171,501	-	-	(80,550)	-	9,090,951
Fund Balances - Beginning of Year	<u>47,095,968</u>	<u>-</u>	<u>2,345</u>	<u>421,345</u>	<u>-</u>	<u>47,519,658</u>
FUND BALANCES - END OF YEAR	<u>\$ 56,267,469</u>	<u>\$ -</u>	<u>\$ 2,345</u>	<u>\$ 340,795</u>	<u>\$ -</u>	<u>\$ 56,610,609</u>

NONMAJOR GOVERNMENTAL FUNDS

**TOWN OF BRANFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023**

	Special Revenue								
	Board of Education								
	Sewer Assessment	Water Assessment	Adult Education Program	Day Care	Educational Grants	Cafeteria	Building Usage	Small Cities Fund	Town Aid Road
ASSETS									
Cash and Cash Equivalents	\$ 5,233,873	\$ 10,643	\$ 63,770	\$ 811,122	\$ 798,349	\$ 502,116	\$ 2,099	\$ 149,753	\$ 4,199,411
Investment	-	-	-	-	-	-	-	-	-
Accounts Receivable	72,049	6,143	-	-	-	1,869	-	-	-
Intergovernmental Receivable	-	-	-	-	722,097	265,184	-	292,044	-
Due from Other Funds	-	-	-	-	84,666	-	-	-	-
Inventory	-	-	-	-	-	32,752	-	-	-
Total Assets	<u>\$ 5,305,922</u>	<u>\$ 16,786</u>	<u>\$ 63,770</u>	<u>\$ 811,122</u>	<u>\$ 1,605,112</u>	<u>\$ 801,921</u>	<u>\$ 2,099</u>	<u>\$ 441,797</u>	<u>\$ 4,199,411</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE									
LIABILITIES									
Accounts Payable	\$ -	\$ -	\$ 1,189	\$ 17,776	\$ 308,341	\$ 83,616	\$ -	\$ -	\$ -
Due to Other Funds	1,945,000	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	249,502	-	-	-	-
Total Liabilities	<u>1,945,000</u>	<u>-</u>	<u>1,189</u>	<u>17,776</u>	<u>557,843</u>	<u>83,616</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Special Assessments	72,049	6,143	-	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	-	-	-	-	702,556	36,680	-	-	-
Unavailable Revenue - Fees Receivable	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	292,044	-
Total Deferred Inflows of Resources	<u>72,049</u>	<u>6,143</u>	<u>-</u>	<u>-</u>	<u>702,556</u>	<u>36,680</u>	<u>-</u>	<u>292,044</u>	<u>-</u>
FUND BALANCE									
Nonspendable	-	-	-	-	-	32,752	-	-	-
Restricted	3,288,873	-	-	-	344,713	-	-	149,753	4,199,411
Committed	-	10,643	62,581	793,346	-	648,873	2,099	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balance	<u>3,288,873</u>	<u>10,643</u>	<u>62,581</u>	<u>793,346</u>	<u>344,713</u>	<u>681,625</u>	<u>2,099</u>	<u>149,753</u>	<u>4,199,411</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 5,305,922</u>	<u>\$ 16,786</u>	<u>\$ 63,770</u>	<u>\$ 811,122</u>	<u>\$ 1,605,112</u>	<u>\$ 801,921</u>	<u>\$ 2,099</u>	<u>\$ 441,797</u>	<u>\$ 4,199,411</u>

**TOWN OF BRANFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2023**

	Special Revenue								
	Pass Through Grants	Park and Recreation	Special Programs	Counseling Center	Willoughby Wallace Library	Elderly Commission	Animal Control	Sewer Utility Fund	FEMA Fund
ASSETS									
Cash and Cash Equivalents	\$ -	\$ 719,615	\$ 2,035,410	\$ 251,939	\$ 120,015	\$ 467,206	\$ 130,903	\$ 2,342,221	\$ 172,930
Investment	-	-	-	-	122,323	-	-	584,424	-
Accounts Receivable	-	-	-	-	-	-	-	65,899	-
Intergovernmental Receivable	-	-	61	-	-	-	172,444	413,985	-
Due from Other Funds	-	-	-	-	-	-	-	245,846	-
Inventory	-	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ 719,615	\$ 2,035,471	\$ 251,939	\$ 242,338	\$ 467,206	\$ 303,347	\$ 3,652,375	\$ 172,930
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE									
LIABILITIES									
Accounts Payable	\$ -	\$ 70,226	\$ 75,639	\$ 1,795	\$ 622	\$ 285	\$ 24,560	\$ 139,010	\$ -
Due to Other Funds	-	-	-	-	-	-	-	13,199	-
Unearned Revenue	-	241,135	-	-	-	-	28,720	-	-
Total Liabilities	-	311,361	75,639	1,795	622	285	53,280	152,209	-
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-	478,731	-
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Fees Receivable	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	478,731	-
FUND BALANCE									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	1,959,832	-	-	-	-	-	172,930
Committed	-	408,254	-	250,144	241,716	466,921	250,067	3,021,435	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balance	-	408,254	1,959,832	250,144	241,716	466,921	250,067	3,021,435	172,930
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ -	\$ 719,615	\$ 2,035,471	\$ 251,939	\$ 242,338	\$ 467,206	\$ 303,347	\$ 3,652,375	\$ 172,930

**TOWN OF BRANFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2023**

	Special Revenue								
	LOCIP Fund	Human Services Fund	Academy on the Green Fund	Shellfish Commission Fund	Conservation Fund	Elderly Commission Fund	Medical Transport Fund	Fireworks Committee Fund	Student Activity Fund
ASSETS									
Cash and Cash Equivalents	\$ -	\$ 1,314,879	\$ 21,773	\$ 279,187	\$ 1,754	\$ 232,283	\$ 93,040	\$ 16,423	\$ 704,786
Investment	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	312,988	-	-	-	-	-	-	-
Intergovernmental Receivable	245,846	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 245,846</u>	<u>\$ 1,627,867</u>	<u>\$ 21,773</u>	<u>\$ 279,187</u>	<u>\$ 1,754</u>	<u>\$ 232,283</u>	<u>\$ 93,040</u>	<u>\$ 16,423</u>	<u>\$ 704,786</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE									
LIABILITIES									
Accounts Payable	\$ -	\$ 72,686	\$ -	\$ -	\$ -	\$ 226	\$ 170	\$ 3,519	\$ -
Due to Other Funds	245,846	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>245,846</u>	<u>72,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226</u>	<u>170</u>	<u>3,519</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	245,846	-	-	-	-	-	-	-	-
Unavailable Revenue - Fees Receivable	-	194,446	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>245,846</u>	<u>194,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	1,360,735	21,773	279,187	1,754	232,057	92,870	12,904	704,786
Unassigned	(245,846)	-	-	-	-	-	-	-	-
Total Fund Balance	<u>(245,846)</u>	<u>1,360,735</u>	<u>21,773</u>	<u>279,187</u>	<u>1,754</u>	<u>232,057</u>	<u>92,870</u>	<u>12,904</u>	<u>704,786</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 245,846</u>	<u>\$ 1,627,867</u>	<u>\$ 21,773</u>	<u>\$ 279,187</u>	<u>\$ 1,754</u>	<u>\$ 232,283</u>	<u>\$ 93,040</u>	<u>\$ 16,423</u>	<u>\$ 704,786</u>

**TOWN OF BRANFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2023**

	Special Revenue	Permanent Fund					Total	Transfers/ Interfunds	Total Nonmajor Governmental Funds
	Total	Damascus Cemetery	Leshine Scholarship	Caspar Block Scholarship	Gustaf Nelson Memorial	Caspar Block Special Recreation Grant			
ASSETS									
Cash and Cash Equivalents	\$ 20,675,500	\$ 226,544	\$ 4,438	\$ 5,703	\$ 35,942	\$ 66,170	\$ 338,797	\$ -	\$ 21,014,297
Investment	706,747	-	-	-	-	-	-	-	706,747
Accounts Receivable	458,948	-	-	-	-	-	-	-	458,948
Intergovernmental Receivable	2,111,661	-	-	-	-	-	-	-	2,111,661
Due from Other Funds	330,512	-	-	-	-	-	-	(245,846)	84,666
Inventory	32,752	-	-	-	-	-	-	-	32,752
Total Assets	\$ 24,316,120	\$ 226,544	\$ 4,438	\$ 5,703	\$ 35,942	\$ 66,170	\$ 338,797	\$ (245,846)	\$ 24,409,071
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE									
LIABILITIES									
Accounts Payable	\$ 799,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 799,660
Due to Other Funds	2,204,045	-	-	-	-	-	-	(245,846)	1,958,199
Unearned Revenue	519,357	-	-	-	-	-	-	-	519,357
Total Liabilities	3,523,062	-	-	-	-	-	-	(245,846)	3,277,216
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Special Assessments	556,923	-	-	-	-	-	-	-	556,923
Unavailable Revenue - Grants Receivable	985,082	-	-	-	-	-	-	-	985,082
Unavailable Revenue - Fees Receivable	194,446	-	-	-	-	-	-	-	194,446
Unavailable Revenue - Loans Receivable	292,044	-	-	-	-	-	-	-	292,044
Total Deferred Inflows of Resources	2,028,495	-	-	-	-	-	-	-	2,028,495
FUND BALANCE									
Nonspendable	32,752	1,500	4,000	5,000	30,000	60,230	100,730	-	133,482
Restricted	10,115,512	225,044	438	703	5,942	5,940	238,067	-	10,353,579
Committed	8,862,145	-	-	-	-	-	-	-	8,862,145
Unassigned	(245,846)	-	-	-	-	-	-	-	(245,846)
Total Fund Balance	18,764,563	226,544	4,438	5,703	35,942	66,170	338,797	-	19,103,360
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 24,316,120	\$ 226,544	\$ 4,438	\$ 5,703	\$ 35,942	\$ 66,170	\$ 338,797	\$ (245,846)	\$ 24,409,071

**TOWN OF BRANFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023**

	Special Revenue								
	Board of Education								
	Sewer Assessment	Water Assessment	Adult Education Program	Day Care	Educational Grants	Cafeteria	Building Usage	Small Cities Fund	Town Aid Road
REVENUES									
Assessment Income	\$ 253,927	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-	4,380,883	1,456,210	-	-	774,522
Sales and Services	-	-	68,371	421,593	-	-	-	-	-
Investment Income	115,511	-	-	22,513	-	-	6,015	-	152,286
Other	20	-	-	-	-	1,313	-	-	-
Sale of Food	-	-	-	-	202,418	-	-	-	-
Total Revenues	<u>369,458</u>	<u>-</u>	<u>68,371</u>	<u>444,106</u>	<u>4,380,883</u>	<u>1,658,628</u>	<u>1,313</u>	<u>6,015</u>	<u>926,808</u>
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Public Works and Highway	4,581	-	-	-	-	-	-	-	705,050
Parks, Recreation, and Libraries	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-	-
Education	-	-	60,792	327,107	4,913,329	1,829,869	2,630	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>4,581</u>	<u>-</u>	<u>60,792</u>	<u>327,107</u>	<u>4,913,329</u>	<u>1,829,869</u>	<u>2,630</u>	<u>-</u>	<u>705,050</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	364,877	-	7,579	116,999	(532,446)	(171,241)	(1,317)	6,015	221,758
OTHER FINANCING SOURCES (USES)									
Transfers In	3,510	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>3,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	368,387	-	7,579	116,999	(532,446)	(171,241)	(1,317)	6,015	221,758
Fund Balances - Beginning of Year	<u>2,920,486</u>	<u>10,643</u>	<u>55,002</u>	<u>676,347</u>	<u>877,159</u>	<u>852,866</u>	<u>3,416</u>	<u>143,738</u>	<u>3,977,653</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,288,873</u>	<u>\$ 10,643</u>	<u>\$ 62,581</u>	<u>\$ 793,346</u>	<u>\$ 344,713</u>	<u>\$ 681,625</u>	<u>\$ 2,099</u>	<u>\$ 149,753</u>	<u>\$ 4,199,411</u>

**TOWN OF BRANFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	Special Revenue								
	Pass Through Grants	Park and Recreation	Special Programs	Counseling Center	Willoughby Wallace Library	Elderly Commission	Animal Control	Sewer Utility Fund	FEMA Fund
REVENUES									
Assessment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,095,410	\$ -
Intergovernmental Revenues	401,690	-	285,389	-	712	-	172,444	12,278	49,482
Sales and Services	-	457,095	63,813	-	-	-	77,330	-	-
Investment Income	-	25,341	8,077	2,347	7,616	17,164	2,566	38,904	-
Other	-	25,620	472,306	87,635	35,939	6,090	17,390	584	-
Sale of Food	-	-	-	-	-	-	-	-	-
Total Revenues	<u>401,690</u>	<u>508,056</u>	<u>829,585</u>	<u>89,982</u>	<u>44,267</u>	<u>23,254</u>	<u>269,730</u>	<u>4,147,176</u>	<u>49,482</u>
EXPENDITURES									
Current:									
General Government	-	-	28,022	-	-	-	-	-	-
Public Safety	-	-	506,175	-	-	-	441,203	-	-
Public Works and Highway	-	-	3,450	-	-	-	-	3,044,568	-
Parks, Recreation, and Libraries	-	597,970	-	-	13,683	-	-	-	-
Health and Human Services	401,690	-	107,800	27,817	-	6,043	-	-	-
Education	-	-	58,500	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>401,690</u>	<u>597,970</u>	<u>703,947</u>	<u>27,817</u>	<u>13,683</u>	<u>6,043</u>	<u>441,203</u>	<u>3,044,568</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(89,914)	125,638	62,165	30,584	17,211	(171,473)	1,102,608	49,482
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	200,000	-	-	-	212,365	600,000	-
Transfers Out	-	-	-	-	-	-	-	(1,197,609)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,365</u>	<u>(597,609)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(89,914)	325,638	62,165	30,584	17,211	40,892	504,999	49,482
Fund Balances - Beginning of Year	-	498,168	1,634,194	187,979	211,132	449,710	209,175	2,516,436	123,448
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 408,254</u>	<u>\$ 1,959,832</u>	<u>\$ 250,144</u>	<u>\$ 241,716</u>	<u>\$ 466,921</u>	<u>\$ 250,067</u>	<u>\$ 3,021,435</u>	<u>\$ 172,930</u>

**TOWN OF BRANFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	Special Revenue								
	LOCIP Fund	Human Services Fund	Academy on the Green Fund	Shellfish Commission Fund	Conservation Fund	Elderly Commission Fund	Medical Transport Fund	Fireworks Committee Fund	Student Activity Fund
REVENUES									
Assessment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-	-	-	-	-	-
Sales and Services	-	780,330	-	11,526	-	22,573	-	90	986,242
Investment Income	-	32,417	834	10,068	66	4,448	3,038	-	-
Other	-	-	-	-	-	3,562	5,083	9,485	-
Sale of Food	-	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>812,747</u>	<u>834</u>	<u>21,594</u>	<u>66</u>	<u>30,583</u>	<u>8,121</u>	<u>9,575</u>	<u>986,242</u>
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Public Works and Highway	-	-	-	-	-	-	-	-	-
Parks, Recreation, and Libraries	-	-	-	7,770	-	-	-	33,519	-
Health and Human Services	-	1,750,830	-	-	-	14,749	1,909	-	-
Education	-	-	-	-	-	-	-	-	1,003,538
Capital Outlay	145,846	-	-	-	-	-	-	-	-
Total Expenditures	<u>145,846</u>	<u>1,750,830</u>	<u>-</u>	<u>7,770</u>	<u>-</u>	<u>14,749</u>	<u>1,909</u>	<u>33,519</u>	<u>1,003,538</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(145,846)	(938,083)	834	13,824	66	15,834	6,212	(23,944)	(17,296)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	1,155,938	-	-	-	-	-	20,000	-
Transfers Out	-	(64,000)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,091,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(145,846)	153,855	834	13,824	66	15,834	6,212	(3,944)	(17,296)
Fund Balances - Beginning of Year	(100,000)	1,206,880	20,939	265,363	1,688	216,223	86,658	16,848	722,082
FUND BALANCES - END OF YEAR	<u>\$ (245,846)</u>	<u>\$ 1,360,735</u>	<u>\$ 21,773</u>	<u>\$ 279,187</u>	<u>\$ 1,754</u>	<u>\$ 232,057</u>	<u>\$ 92,870</u>	<u>\$ 12,904</u>	<u>\$ 704,786</u>

**TOWN OF BRANFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	Special Revenue	Permanent Fund					Total	Total Nonmajor Governmental Funds
	Total	Damascus Cemetery	Leshine Scholarship	Caspar Block Scholarship	Gustaf Nelson Memorial	Caspar Block Special Recreation Grant		
REVENUES								
Assessment Income	\$ 4,349,337	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,349,337
Intergovernmental Revenues	7,533,610	3,200	-	-	-	-	3,200	7,536,810
Sales and Services	2,888,963	-	-	-	-	-	-	2,888,963
Investment Income	449,211	22	164	221	1,405	2,538	4,350	453,561
Other	665,027	-	-	-	-	-	-	665,027
Sale of Food	202,418	-	-	-	-	-	-	202,418
Total Revenues	16,088,566	3,222	164	221	1,405	2,538	7,550	16,096,116
EXPENDITURES								
Current:								
General Government	28,022	3,200	-	-	-	-	3,200	31,222
Public Safety	947,378	-	-	-	-	-	-	947,378
Public Works and Highway	3,757,649	-	-	-	-	-	-	3,757,649
Parks, Recreation, and Libraries	652,942	-	-	-	-	-	-	652,942
Health and Human Services	2,310,838	-	-	-	-	-	-	2,310,838
Education	8,195,765	-	250	-	500	-	750	8,196,515
Capital Outlay	145,846	-	-	-	-	-	-	145,846
Total Expenditures	16,038,440	3,200	250	-	500	-	3,950	16,042,390
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	50,126	22	(86)	221	905	2,538	3,600	53,726
OTHER FINANCING SOURCES (USES)								
Transfers In	2,191,813	-	-	-	-	-	-	2,191,813
Transfers Out	(1,261,609)	-	-	-	-	-	-	(1,261,609)
Total Other Financing Sources (Uses)	930,204	-	-	-	-	-	-	930,204
NET CHANGE IN FUND BALANCES	980,330	22	(86)	221	905	2,538	3,600	983,930
Fund Balances - Beginning of Year	17,784,233	226,522	4,524	5,482	35,037	63,632	335,197	18,119,430
FUND BALANCES - END OF YEAR	\$ 18,764,563	\$ 226,544	\$ 4,438	\$ 5,703	\$ 35,942	\$ 66,170	\$ 338,797	\$ 19,103,360

INTERNAL SERVICE FUNDS

**TOWN OF BRANFORD, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
JUNE 30, 2023**

	Medical Fund	Workers' Compensation Revenues	Heart and Hypertension Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 7,157,605	\$ 7,401,796	\$ 2,485,047	\$ 17,044,448
Accounts Receivable	5,527	-	-	5,527
Prepaid Expenses	-	80,000	20,000	100,000
Due from Other Funds	2,138,231	-	-	2,138,231
Total Assets	<u>9,301,363</u>	<u>7,481,796</u>	<u>2,505,047</u>	<u>19,288,206</u>
LIABILITIES				
Accounts Payable	188	30,476	4,539	35,203
Claims Incurred Not Reported	432,300	3,110,737	1,018,566	4,561,603
Total Liabilities	<u>432,488</u>	<u>3,141,213</u>	<u>1,023,105</u>	<u>4,596,806</u>
NET POSITION				
Unrestricted	<u>\$ 8,868,875</u>	<u>\$ 4,340,583</u>	<u>\$ 1,481,942</u>	<u>\$ 14,691,400</u>

**TOWN OF BRANFORD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2023**

	Medical Fund	Workers' Compensation Revenues	Heart and Hypertension Fund	Total
OPERATING REVENUES				
Contributions for Benefits	\$ 10,795,864	\$ 1,168,944	\$ 275,000	\$ 12,239,808
OPERATING EXPENSES				
Benefit Claims	8,854,589	1,085,703	-	9,940,292
Claims Administration	1,767,077	58,700	108,647	1,934,424
Total Operating Expenses	<u>10,621,666</u>	<u>1,144,403</u>	<u>108,647</u>	<u>11,874,716</u>
OPERATING INCOME	174,198	24,541	166,353	365,092
NONOPERATING INCOME				
Interest Income	<u>110,869</u>	<u>217,361</u>	<u>95,284</u>	<u>423,514</u>
CHANGE IN NET POSITION	285,067	241,902	261,637	788,606
Net Position - Beginning of Year	<u>8,583,808</u>	<u>4,098,681</u>	<u>1,220,305</u>	<u>13,902,794</u>
NET POSITION - END OF YEAR	<u>\$ 8,868,875</u>	<u>\$ 4,340,583</u>	<u>\$ 1,481,942</u>	<u>\$ 14,691,400</u>

**TOWN OF BRANFORD, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2023**

	Medical Fund	Workers' Compensation Fund	Heart and Hypertension Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received for Benefits	\$ 8,919,857	\$ 1,168,944	\$ 275,000	\$ 10,363,801
Cash Paid for Benefits and Administration	<u>(11,349,366)</u>	<u>(777,136)</u>	<u>(158,167)</u>	<u>(12,284,669)</u>
Net Cash Provided (Used) by Operating Activities	(2,429,509)	391,808	116,833	(1,920,868)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Income	<u>110,869</u>	<u>217,361</u>	<u>95,284</u>	<u>423,514</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,318,640)	609,169	212,117	(1,497,354)
Cash and Cash Equivalents - Beginning of Year	<u>9,476,245</u>	<u>6,792,627</u>	<u>2,272,930</u>	<u>18,541,802</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,157,605</u>	<u>\$ 7,401,796</u>	<u>\$ 2,485,047</u>	<u>\$ 17,044,448</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 174,198	\$ 24,541	\$ 166,353	\$ 365,092
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Change in Assets and Liabilities:				
(Increase) Decrease in:				
Receivables	(1,876,007)	-	-	(1,876,007)
Increase (Decrease) in:				
Payables	<u>(727,700)</u>	<u>367,267</u>	<u>(49,520)</u>	<u>(409,953)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,429,509)</u>	<u>\$ 391,808</u>	<u>\$ 116,833</u>	<u>\$ (1,920,868)</u>

TRUST FUNDS

**TOWN OF BRANFORD, CONNECTICUT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
 JUNE 30, 2023**

	Pension Trust Funds	Retiree Benefits Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 77,627	\$ 1,043,723	\$ 1,121,350
Investments	29,105,563	37,567,991	66,673,554
Total Assets	<u>29,183,190</u>	<u>38,611,714</u>	<u>67,794,904</u>
NET POSITION			
Held in Trust for Pension or Retiree Benefits	<u>\$ 29,183,190</u>	<u>\$ 38,611,714</u>	<u>\$ 67,794,904</u>

**TOWN OF BRANFORD, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
YEAR ENDED JUNE 30, 2023**

	Pension Trust Funds	Retiree Benefits Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 1,511,960	\$ 2,384,399	\$ 3,896,359
Plan Members	412,730	-	412,730
Total Contributions	<u>1,924,690</u>	<u>2,384,399</u>	<u>4,309,089</u>
Investment Income	<u>2,162,413</u>	<u>2,416,440</u>	<u>4,578,853</u>
Total Additions	4,087,103	4,800,839	8,887,942
DEDUCTIONS			
Benefits	<u>2,565,705</u>	<u>1,864,926</u>	<u>4,430,631</u>
Total Deductions	<u>2,565,705</u>	<u>1,864,926</u>	<u>4,430,631</u>
CHANGE IN NET POSITION	1,521,398	2,935,913	4,457,311
Net Position - Beginning of Year	<u>27,661,792</u>	<u>35,675,801</u>	<u>63,337,593</u>
NET POSITION - END OF YEAR	<u><u>\$ 29,183,190</u></u>	<u><u>\$ 38,611,714</u></u>	<u><u>\$ 67,794,904</u></u>

TOWN OF BRANFORD, CONNECTICUT
STATEMENT OF DEBT LIMITATION
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

Total Tax Collections (Including Interest and Lien Fees) Received by Treasurer for the Year Ended June 30, 2022	\$ 112,751
Total Tax Collections (Including Interest and Lien Fees) of Coterminous Municipalities (Estimated)	<u>1,942</u>
Base	<u><u>\$ 114,693</u></u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2-1/4 Times Base	\$ 258,059	\$ -	\$ -	\$ -	\$ -
4-1/2 Times Base	-	516,119	-	-	-
3-3/4 Times Base	-	-	430,099	-	-
3-1/4 Times Base	-	-	-	372,752	-
3 Times Base	-	-	-	-	344,079
Total Debt Limitation	<u>258,059</u>	<u>516,119</u>	<u>430,099</u>	<u>372,752</u>	<u>344,079</u>
Indebtedness:					
Bonds Payable	15,843	56,002	5,315	-	-
Bonds Authorized and Unissued	<u>6,010</u>	<u>6,335</u>	<u>265</u>	-	-
Total Indebtedness	<u>21,853</u>	<u>62,337</u>	<u>5,580</u>	-	-
Debt Limitation in Excess of Outstanding and Authorized Debt	<u><u>\$ 236,206</u></u>	<u><u>\$ 453,782</u></u>	<u><u>\$ 424,519</u></u>	<u><u>\$ 372,752</u></u>	<u><u>\$ 344,079</u></u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation: \$802,851.



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