

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 7, 2025

NEW ISSUE –Book-Entry-Only

RATINGS: (See “Ratings” herein)

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986, (the “Code”), under existing law, interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds and the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds and the Notes. (See “Tax Matters” herein.)

TOWN OF STRATFORD, CONNECTICUT

\$15,750,000

GENERAL OBLIGATION BONDS, ISSUE OF 2025

Dated: Date of Delivery

Due: January 15, as shown on inside cover page

The \$15,750,000 General Obligation Bonds, Issue of 2025 (the “Bonds”) will be general obligations of the Town of Stratford, Connecticut (the “Town”) and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. (See “Security and Remedies” herein).

Interest on the Bonds will be payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2025.

The Bonds ARE subject to redemption prior to maturity. (See “Optional Redemption” herein).

The Bonds are being offered for sale in accordance with an official Notice of Sale for the Bonds dated January 7, 2025. Electronic bids via *PARITY*® for the Bonds will be received until 11:30 A.M. (E.T.) on Tuesday, January 14, 2025, at the Office of the Finance Director, 2725 Main Street, Stratford, Connecticut 06615, as described in the official Notice of Sale for the Bonds. (See Appendix F herein).

RATINGS: (See “Ratings” herein)

\$19,285,000

GENERAL OBLIGATION BOND ANTICIPATION NOTES

Dated: January 29, 2025

Due: January 28, 2026

The \$19,285,000 General Obligation Bond Anticipation Notes (the “Notes”) will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due. (See “Security and Remedies” herein).

Interest on the Notes will be payable at maturity. The Notes are **not** subject to redemption prior to maturity.

The Notes are being offered for sale in accordance with an official Notice of Sale for the Notes dated January 7, 2025. Electronic bids via *PARITY*® for the Notes will be received until 11:00 A.M. (E.T.) on Tuesday, January 14, 2025, at the Office of the Finance Director, 2725 Main Street, Stratford, Connecticut 06615, as described in the official Notice of Sale for the Notes. (See Appendix G herein).

The Bonds and the Notes will be issued by means of a book-entry-only system and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York. The Beneficial Owners of the Bonds and the Notes will not receive certificates representing their ownership interest in the Bonds and the Notes. Principal of, redemption premium, if any, and interest on the Bonds and the Notes will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds and the Notes. Ownership of the Bonds will be in principal amounts of \$5,000 or integral multiples thereof, and ownership of the Notes will be in the principal amounts of \$5,000 or integral multiples thereof. DTC will act as security depository for the Bonds and the Notes. So long as Cede & Co. is the Bondowner or Noteowner, respectively, as nominee of DTC, reference herein to the Bondowner, Noteowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds or the Notes. (See “Book-Entry Transfer System” herein).

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

The Bonds and the Notes are offered for delivery when, as and if issued, subject to the final approving opinions of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, Connecticut. It is expected that delivery of the Bonds and the Notes in book-entry-only form will be made through the facilities of DTC on or about January 29, 2025.

TOWN OF STRATFORD, CONNECTICUT

\$15,750,000

GENERAL OBLIGATION BONDS, ISSUE OF 2025

Dated: Date of Delivery

Due: January 15, as shown herein

MATURITY SCHEDULE AND AMOUNTS

<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP¹</u>	<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP¹</u>
2026	\$790,000	%	%	862812***	2036	\$790,000	%	%	862812***
2027	790,000			862812***	2037	790,000			862812***
2028	790,000			862812***	2038	790,000			862812***
2029	790,000			862812***	2039	790,000			862812***
2030	790,000			862812***	2040	790,000			862812***
2031	790,000			862812***	2041	790,000			862812***
2032	790,000			862812***	2042	790,000			862812***
2033	790,000			862812***	2043	790,000			862812***
2034	790,000			862812***	2044	790,000			862812***
2035	790,000			862812***	2045	740,000			862812***

\$19,285,000

GENERAL OBLIGATION BOND ANTICIPATION NOTES

Dated: January 29, 2025

Due: January 28, 2026

<u>Par amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP¹</u>
\$19,285,000	%	%	862812***

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

No dealer, broker, salesperson or other person has been authorized by the Town to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering made hereby, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds or the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and the Notes and may not be reproduced or used, in whole or in part, for any other purpose.

The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds and the Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of this Official Statement.

Other than as to matters expressly set forth in Appendix A – “Audited Financial Statements” hereto, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy or adequacy of the financial information presented in this Official Statement and make no representation that they have independently verified the same. The independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this Official Statement.

Other than as to matters expressly set forth in Appendices B and C to this Official Statement Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

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

The Bonds and the Notes have not been registered under the Securities Act of 1933, as amended, nor have the Bonds or the Notes been registered under any state securities laws.

The Municipal Advisor to the Town has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

Any references to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, any such websites and the information or links contained therein are not incorporated into, and are not part of, this offering document.

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

BOND COUNSEL
PULLMAN & COMLEY, LLC
Bridgeport and Hartford, Connecticut
(203) 330-2000

MUNICIPAL ADVISOR
MUNISTAT SERVICES, INC.
Madison, Connecticut
(203)-421-2880

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BOND SALE SUMMARY

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

Date of sale:	Tuesday, January 14, 2025 at 11:30 am (E.T.)
Location of sale:	Office of the Finance Director, 2725 Main Street, Stratford, Connecticut 06615
Issuer:	Town of Stratford, Connecticut (the “Town”).
Issue:	\$15,750,000 General Obligation Bonds, Issue of 2025 (the “Bonds”).
Dated Date:	January 29, 2025.
Principal Due:	Serially, January 15, 2026 - 2045.
Interest Due:	July 15 and January 15 in each year, commencing July 15, 2025.
Purpose and Authority:	The Bonds are being issued to finance and refinance various capital improvement projects undertaken by the Town by ordinances adopted by the Town Council. See “Authorization and Purpose of the Bonds and the Notes” herein.
Redemption:	The Bonds ARE subject to redemption prior to maturity as described herein under “Optional Redemption”.
Security:	The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Bonds when due.
Credit Rating:	The Bonds have been rated “AA-“ by S&P Global Ratings (“S&P”) and “A+” by Fitch Ratings (“Fitch”). The underlying ratings on certain Town outstanding bonds have recently been affirmed as “AA-“ by S&P and “A+” by Fitch. See “Ratings” herein.
Bond Insurance:	The Town has not made an application for bond insurance on the Bonds.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Tax Matters:	See “Tax Matters” herein.
Continuing Disclosure Undertaking:	See “Availability of Continuing Disclosure” and “Appendix D” herein.
Bank Qualification:	The Bonds shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
Certifying Bank Registrar, Transfer and Paying Agent:	U.S. Bank Trust Company, National Association, Hartford, Connecticut.
Legal Opinion:	Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut is Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry only form will be made on or about January 29, 2025, against payment in federal funds.
Issuer Official:	Questions regarding this Official Statement should be directed to Dawn M. Savo, Finance Director, Town of Stratford, Connecticut - Telephone (203) 385-4040.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. William N. Lindsay, Managing Director, Telephone: (203) 421-2880.

NOTE SALE SUMMARY

The information in this Note Sale Summary, cover page and inside cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. The Official Statement speaks only as of its date and the information herein is subject to change.

Date of sale:	Tuesday, January 14, 2025 at 11:00 am (E.T.)
Location of sale:	Office of the Finance Director, 2725 Main Street, Stratford, Connecticut 06615
Issuer:	Town of Stratford, Connecticut (the “Town”).
Issue:	\$19,285,000 General Obligation Bond Anticipation Notes (the “Notes”).
Dated Date:	January 29, 2025.
Principal Due:	At maturity, January 28, 2026.
Interest Due:	At maturity, January 28, 2026.
Purpose and Authority:	The Notes are being issued to finance and refinance various capital improvement projects under taken by the Town and authorized by ordinances adopted by the Town Council. See “Authorization and Purpose of the Bonds and the Notes” herein.
Redemption:	The Notes are NOT subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Notes when due.
Credit Rating:	The Notes have been rated “SP-1+” by S&P. The Town did not seek a rating on the Notes from Fitch. The underlying ratings on certain Town outstanding bonds have recently been affirmed as “AA-“ by S&P and “A+” by Fitch. See “Ratings” herein.
Basis of Award:	Lowest Net Interest Cost (NIC), as of the dated date.
Tax Matters:	See “Tax Matters” herein.
Continuing Disclosure Undertaking:	See “Availability of Continuing Disclosure” and “Appendix E” herein.
Bank Qualification:	The Notes shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.
Certifying Bank Registrar, Transfer and Paying Agent:	U.S. Bank Trust Company, National Association, Hartford, Connecticut.
Legal Opinion:	Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut is Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry only form will be made on or about January 29, 2025, against payment in federal funds.
Issuer Official:	Questions regarding this Official Statement should be directed to Dawn M. Savo, Finance Director, Town of Stratford, Connecticut - Telephone (203) 385-4040.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. William N. Lindsay, Managing Director, Telephone: (203) 421-2880.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page and appendices has been prepared by the Town of Stratford, Connecticut (the “Town”) with assistance from its municipal advisor and is provided for the purpose of presenting certain information relating to the Town, in connection with the original issuance and sale of \$15,750,000 General Obligation Bonds, Issue of 2025 (“the Bonds”) and \$19,285,000 General Obligation Bond Anticipation Notes (the “Notes”) of the Town.

The Bonds and the Notes are being offered for sale at public bidding. Notices of sale dated January 7, 2025 have been furnished to prospective bidders. Reference is made to the Notices of Sale (see Appendices F and G to this Official Statement) for the terms and conditions for bidding on the Bonds and Notes, respectively.

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

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

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature in annual installments on January 15 in each of the years and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable semiannually on January 15 and July 15 in each year until maturity, commencing on July 15, 2025. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the last business day of December and June in each year. A book-entry system will be employed evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company, New York, New York (“DTC”), and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein. The Registrar, Certifying Bank, Paying and Transfer Agent will be U.S. Bank Trust Company, National Association of Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut. See Appendix B – “Form of Legal Opinion of Bond Counsel - The Bonds” hereto. **The Bonds ARE subject to optional redemption prior to maturity.**

OPTIONAL REDEMPTION

The Bonds maturing on or before January 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on or after January 15, 2034 are subject to redemption prior to maturity, at the option of the Town, on or after January 15, 2033, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine at the redemption prices (expressed as a percentage of principal amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
January 15, 2033 and thereafter	100%

NOTICE OF REDEMPTION

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail at least thirty (30) days and no later than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if such funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however,

that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds being called for redemption, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

DESCRIPTION OF THE NOTES

The Notes will be dated the date of delivery and will be due and payable as to both principal and interest at maturity, on January 28, 2026. The Notes will bear interest calculated on the basis of a 30-day month and a 360-day year at the rate or rates per annum as set forth on the inside cover page of this Official Statement. A book-entry system will be employed evidencing ownership of the Notes in principal amounts of \$5,000 or integral multiples thereof plus any odd amount, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. (See “Book-Entry-Only Transfer System” herein.) The Registrar, Certifying Bank, Paying and Transfer Agent for the Notes will be U.S. Bank Trust Company, National Association of Hartford, Connecticut. The legal opinion on the Notes will be rendered by Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut, in substantially the form set forth in Appendix C- “Form of Legal Opinion of Bond Counsel - The Notes” hereto. **The Notes are NOT subject to redemption prior to maturity.**

AUTHORIZATION AND PURPOSE OF THE BONDS AND THE NOTES

Authorization: The Bonds and the Notes are issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the Town and certain ordinances adopted by the Town Council.

Purpose: Proceeds of the Bonds and the Notes are anticipated to be used to finance and refinance the various public improvements and school projects and equipment authorized by the Town as follows:

Project	Authorization	BANs		The Bonds (This Issue)	The Notes (This Issue)
		Maturing 1/29/2025	Additions/ Reductions		
Stratford High School Improvements.....	\$ 65,000,000	\$ 7,000,000	\$ -	\$ -	\$ 7,000,000
Fiscal Year 2019-20 Capital Equipment Plan.....	3,004,996	686,000	(686,000)	-	-
Fiscal Year 2020-21 Capital Equipment Plan.....	2,490,000	959,000	(959,000)	-	-
Fiscal Year 2020-21 Capital Improvement Plan....	11,484,000	-	1,955,000	1,955,000	-
2020 School Roof Projects.....	6,900,000	4,115,000	-	-	4,115,000
2021 School Photo-voltaic Panel Array Projects...	4,296,000	2,562,000	-	-	2,562,000
Fiscal Year 2021-22 Capital Improvement Plan....	11,685,000	550,000	(155,000)	-	395,000
Fiscal Year 2022-23 Capital Equipment Plan.....	2,013,000	2,013,000	-	-	2,013,000
Fiscal Year 2022-23 Capital Improvement Plan....	10,425,000	1,400,000	885,000	885,000	1,400,000
Fiscal Year 2023-24 Capital Equipment Plan.....	3,200,000	-	1,575,000	-	1,575,000
Fiscal Year 2023-24 Capital Improvement Plan....	14,853,500	-	3,235,000	3,235,000	-
Fiscal Year 2024-25 Capital Equipment Plan.....	5,189,015	-	225,000	-	225,000
Fiscal Year 2024-25 Capital Improvement Plan....	47,146,041	-	9,675,000	9,675,000	-
Total.....	<u>\$187,686,552</u>	<u>\$19,285,000</u>	<u>\$15,750,000</u>	<u>\$15,750,000</u>	<u>\$19,285,000</u>

RATINGS

The Bonds have been rated “AA-“ by S&P Global Ratings (“S&P”) and “A+” by Fitch Ratings (“Fitch”). The underlying ratings on certain outstanding bonds of the Town have recently been affirmed as “AA-“ by S&P and “A+” by Fitch. The Notes have been rated “SP-1+” by S&P. The Town did not seek a rating on the Notes from Fitch. Such ratings reflect only the views of such organizations and any explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: S&P Global Ratings, 55 Water Street, New York, New York 10041 and Fitch Ratings, 300 West 57th Street, New York, New York 10019. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Town's obligations, including the Bonds and the Notes.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

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

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

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

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

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

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, it is DTC's practice to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds and the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

REPLACEMENT BONDS AND NOTES

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

DTC PRACTICES

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

Neither the Town, the Paying Agent will have any responsibility or obligation to the Participants of DTC or the persons for whom they act as nominees with respect to (i) the accuracy of any records maintained by DTC or by any Participant of DTC, (ii) payments or the providing of notice to the Direct Participants, the Indirect Participants or the Beneficial Owners, (iii) the selection by DTC or by any Participant of DTC of any Beneficial Owner to receive payment in the event of a partial redemption of the Bonds and the Notes or (iv) any other actions taken by DTC or its partnership nominees as owner of the Bonds and the Notes.

SECURITY AND REMEDIES

The Bonds and the Notes will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds and the Notes when due. Unless paid from other sources, the Bonds and the Notes are payable from general tax revenues of the Town. The Town has the power under Connecticut statutes to levy ad valorem taxes on all taxable property subject to taxation by the Town without limitation as to rate or amount, except as to certain classified property, such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

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

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

The Town is subject to suit on its general obligation bonds and notes and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies. Enforcement of a claim for payment of principal of or interest on the Bonds and the Notes would also be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the Federal Bankruptcy Code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by State law or by a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

TAX MATTERS

Federal Taxes. In the opinion of Bond Counsel, under existing law, (i) interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

Bond Counsel's opinion with respect to the Bonds and the Notes will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986 (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Bonds and the Notes in order that interest on the Bonds and the Notes be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds and the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds and the Notes irrespective of the date on which such noncompliance occurs. In the Tax Compliance Certificate, which will be delivered concurrently with the issuance of the Bonds and the Notes, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of the Bond and the Note proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Bonds and the Notes is conditioned upon compliance by the Town with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Bonds and the Notes.

Original Issue Discount. The initial public offering prices of certain maturities of the Bonds may be less than the stated principal amount (the "OID Bonds"). Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the inside cover page of this Official Statement for such OID Bonds are expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the OID Bonds are sold. Under existing law, original issue discount on the OID Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the OID Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in an OID Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Bond and will be added to the owner's basis. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of owners of OID Bonds purchasing such OID Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

Original Issue Premium. The initial public offering prices of the Notes and certain maturities of the Bonds and the Notes may be more than their stated principal amounts payable at maturity (the "OIP Obligations"). In general, an owner who purchases an OIP Obligation must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner's basis in the OIP Obligation for federal income tax purposes. Prospective purchasers of OIP Obligations at a premium to its principal amount should consult their tax advisors regarding the amortization of premium and its effect upon basis.

Other Federal Tax Matters. Prospective purchasers of the Bonds and the Notes should be aware that ownership of the Bonds and the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds and the Notes should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Bonds and the Notes may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxes. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds and the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Bonds and the Notes is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on an OID Bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Owners of the Bonds and the Notes should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Bonds and the Notes.

Changes in Federal and State Tax Law. Legislation, administrative actions and rulings, or court decisions, at either the federal or state level, may adversely affect the tax treatment of obligations such as the Bonds and the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Bonds and the Notes will not have an adverse effect on the tax status of interest on the Bonds and the Notes or the market value or marketability of the Bonds and the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds and the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Bonds and the Notes should be aware that such future legislative, administrative or legal actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds and the Notes for federal and/or state income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds and the Notes may be adversely affected and the ability of holders to sell their Bonds and Notes in the secondary market may be reduced. The Bonds and the Notes are not subject to special mandatory redemption, and the interest rates on the Bonds and the Notes are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds and the Notes.

General. The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law that may occur

after the date of its opinion. Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Bonds and the Notes. Prospective owners of the Bonds and the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Bonds and the Notes.

GLOBAL HEALTH EMERGENCY RISK

The COVID-19 Outbreak and Future Pandemics

On January 30, 2020, the outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the "State") and took steps to mitigate the spread and impacts of COVID-19. As of May 11, 2023, the federal and State public health emergency declarations have been terminated.

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the "Rescue Plan") that provided various forms of financial assistance and other relief to state and local governments. The Town received \$25.9 million from the Rescue Plan. The Town was eligible to classify the funds as revenue replacement in accordance with the US Treasury's final rule which afforded the Town flexibility in its use of the funds. As such, the Town developed a plan for use that focused on infrastructure improvements, public safety equipment/vehicle upgrades, and investments in its internal service fund for healthcare benefits.

For information concerning the State's actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town, nor the parties involved with the issuance of the Bonds has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town.

Pandemics, epidemics and other public health emergencies, may adversely impact the Town and its revenues, expenses and financial condition. The Town cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the revenues and expenses of the Town. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the State Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on the Town revenues, expenses and financial condition.

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

CYBERSECURITY

The Town like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls, including the use of virtual private networks, offsite servers and hosting platforms for its financial systems to mitigate risk. All third-party vendors are fully insured. Additionally, the Town undertakes internal testing of its systems and maintains variable daily backup schedules. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Town's digital networks and systems and the costs of remedying any such damage could be substantial.

CLIMATE CHANGE

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the Town is vulnerable to inland wetland, small river and stream flooding as well as coastal flooding and storm surge. Finally, the Town faces other threats due to climate change, including damaging wind that could become more severe and frequent.

The Town of Stratford's location in Southern Connecticut on Long Island Sound increases its vulnerability to coastal flooding and storm surge. To prepare itself for risks related to flooding, the Town has undertaken a number of coastal resiliency and flood mitigation efforts, including the adoption of a Coastal Resiliency Plan in December of 2016. Stratford has been recognized as a leader in statewide resiliency efforts by being one of only 13 towns in CT designated as Class 8 community in FEMA's Community Rating System ("CRS") program. This designation aids property owners with national flood insurance policies by reducing their premiums by 10%. As part of participation in the CRS program, the Town is currently in the process of conducting a Repetitive Loss Area Analysis ("RLAA"), which evaluates properties in Town that have experienced repetitive flood damage and site-specific mitigation solutions will be developed accordingly. The Town's expectation is that through this analysis, property owners will be able to implement low-cost, short-term solutions on their properties to mitigate flooding impacts. The Town partnered with the Connecticut Metropolitan Council of Governments to update the multi-jurisdictional Natural Hazard Mitigation Plan ("NHMP") in calendar year 2024, thus satisfying Federal Emergency Management Agency ("FEMA") requirements to update this plan once every five years. The NHMP was officially adopted by the Town Council in October 2024 and is currently pending final adoption by FEMA. Once adopted, it qualifies the Town to pursue federal climate mitigation grants administered by FEMA. The Town is also in the process of constructing a floodwall around the Town's Water Pollution Control Facility with the support of roughly \$2.7 million in grant dollars from FEMA to implement flood protection measures around the Water Pollution Control Facility.

Further, there are other significant planning efforts taken on by the Town and outside agencies to mitigate flooding. The Town was one of seven municipalities in the state selected by the Connecticut Institute for Resilience and Climate Adaptation to develop scientifically informed adaptation strategies and to scope the engineering and infrastructure components to develop concept designs for promoting climate resiliency within the Lordship Boulevard commercial/industrial area and the South End neighborhood. The recommendations of this study, once implemented, will benefit the businesses in heavy manufacturing/commercial neighborhoods as well as residents in low lying coastal areas that are affected by flooding. Additionally, a South End Drainage Study conducted by Weston & Sampson was completed in June 2024 and the Town will provide its initial review within the next year. The Town also entered into an agreement with the US Army Corps of Engineers to conduct next level feasibility analyses for the coastal resiliency projects identified in the Town's Coastal Resiliency Plan. Once this study is complete, the Town intends to review findings and seek Federal grant dollars to support implementation of viable projects.

Stratford Point Living Shoreline received "Best Restored Shore Award" from the American Shore and Beach Preservation Association for the artificial reef balls implemented along the mouth of the Housatonic River at Stratford Point. Lastly, with the aim of mitigating urban heat, the Town is currently conducting various planning efforts to support its urban and community forestry. The benefits of urban trees include lowering temperatures in urban areas, protecting biodiversity, and managing stormwater. The Town seeks to reap these benefits through enhancement of its urban and community forestry by conducting a tree canopy assessment, tree inventory, and urban forest management plan which will guide future practice and implementation of tree-related efforts in addition to mitigating urban heat.

The Town cannot predict the timing, extent, or severity of climate change and its impact on the Town's operations and finances. Between its mitigation efforts and budgeted reserves for contingencies, the Town is prepared to respond and recover from any severe weather events. The Town is consistently applying for grant funding to support its mitigation efforts at either the planning or implementation stage. Further, the Town regularly communicates and collaborates with both State and Federal agencies such as Connecticut Department of Energy and Environmental Protection and FEMA for mitigation funding opportunities or guidance. The significant planning efforts involved in mitigation against climate change are extensive and involve a variety of agencies outside of the local level. It should be noted that Stratford was designated as a Climate Leader by Sustainable CT ("SCT") and was one of five towns in the state to receive it during the first year SCT provided the designation. The Town remains steadfast in its commitment to mitigating impacts from climate change and will continue to work collaboratively with agencies to ensure a safe community for everyone.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

The Bonds and the Notes shall **NOT** be designated as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds and the Notes.

AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION

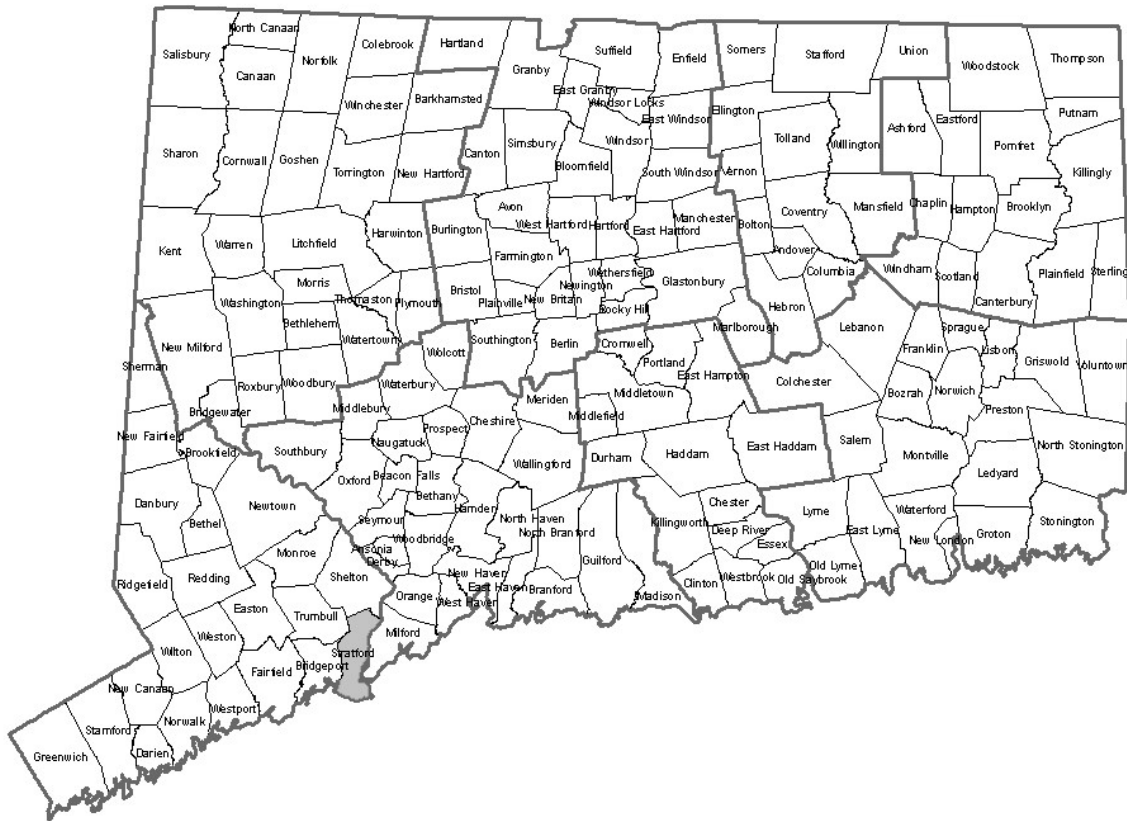
In accordance with State law, the Town provides or causes to be provided annual audited financial statements and operating statements and files such annual audits with the State of Connecticut Office of Policy and Management annually. The Town provides, and will continue to provide the rating agencies with ongoing disclosure in the form of independent annual financial reports, adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested from time to time.

The Town will enter into Continuing Disclosure Agreements with respect to the Bonds and the Notes, substantially in the forms attached as Appendices D and E to this Official Statement (collectively, the “Continuing Disclosure Agreements”) to provide or cause to be provided, in accordance with the requirements of Securities and Exchange Commission’s Rule 15c2-12(b)(5), (i) annual financial information and operating data with respect to the Bonds, (ii) timely notice of the occurrence of certain events with respect to the Bonds and the Notes not later than ten (10) business days after such occurrence and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for the Bonds. The winning bidders’ obligation to purchase the Bonds and the Notes shall be conditioned upon their receiving, at or prior to the delivery of the Bonds and the Notes, an executed copy of the respective Continuing Disclosure Agreement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and notices of certain events pursuant to Rule 15c2-12(b)(5). Over the last five years, the Town has complied in all material respects with its undertakings under such agreements with the exception of a timely filing of its annual financial information and operating data for the fiscal years ending June 30, 2020, 2021, 2022 and 2023. Due to unforeseen circumstances related to the COVID-19 pandemic the fiscal year 2020 financial statements were delayed. The Town timely filed a notice of failure to file on February 26, 2021 and subsequently filed the fiscal year 2020 audited financial statements on April 1, 2021 and financial information and operating data on April 7, 2021. For fiscal year 2021, unforeseen circumstances related to the COVID-19 pandemic and a merger at the Town’s accounting firm, the Town’s financial statements were again delayed. The Town timely filed a notice of failure to file on February 28, 2022 and subsequently filed the fiscal year 2021 audited financial statements on April 21, 2022 and financial information and operating data on April 26, 2022. For fiscal year 2022, due to a combination of turnover at key positions at the Town and staffing issues with the Town’s auditor, the Town’s financial statements were again delayed. The Town timely filed a notice of failure to file on February 28, 2023 and subsequently filed the fiscal year 2022 audited financial statements on August 1, 2023 and financial information and operating data on August 11, 2023. For fiscal year 2023, similar to many local governments in Connecticut and across the country, the Town’s audited financial statements were again delayed. The Town timely filed a failure to file notice on February 27, 2024 and subsequently filed its audited financial statements on May 1, 2024 and financial information and operating data on May 3, 2024. In an effort to improve its continuing disclosure procedures, the Town has signed up for reminder notifications from the Municipal Security Rulemaking Board’s (“MSRB”) Electronic Municipal Market Data (“EMMA”) and has retained Munistat Services Inc. as its dissemination agent.

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II. THE ISSUER



DESCRIPTION OF THE TOWN

The Town of Stratford (the “Town”) was founded by English settlers in 1639, making it the eighth oldest town in the State of Connecticut. Located thirteen miles west of New Haven and adjacent to Bridgeport to the west, Milford to the east, Long Island Sound to the south and Shelton to the north, the Town is located approximately 65 miles east of New York City and 50 miles southwest of Hartford, Connecticut. The Town encompasses approximately 18.7 square miles within Fairfield County.

The Town is traversed by two major highways, the Merritt Parkway (Route 15) and the Connecticut Turnpike (Interstate 95). Metro-North and Amtrak provide rail service to Boston or New York. Sikorsky Memorial Airport is located within the Town and provides various services to both private industry and commuters to New York’s major airports. The Town is a member of the Greater Bridgeport Transit District that operates more than fifty buses along sixteen routes within the Town, the Towns of Fairfield and Trumbull and the City of Bridgeport.

The Town is a balanced community of residential, waterfront and rural areas, retail and commercial development and major industrial plants. The large selection of affordable homes is one reason many companies are located in the Town. The Town has more land zoned for industry percentage-wise than any other town in the State of Connecticut, almost all of which is within five minutes of either Interstate 95 or the Merritt Parkway. The Stratford Industrial Park, a 240-acre site, is located one half mile from Interstate 95 and Sikorsky Airport.

The Town's public school system provides a balanced curriculum for approximately 6,800 students. There are several vocational training facilities, colleges and universities in close proximity to the Town which offer a variety of educational programs.

The Town's location on Long Island Sound provides residents with three public beaches, five marinas, a fishing pier and public launch ramp. In addition, Roosevelt Forest and Boothe Memorial Park are ideal for hiking, picnicking and cross-country skiing.

The Town offers a variety of cultural attractions, including the 11 museums, Square One Theater Productions and Celebrate Events which run community and cultural events throughout the year including a Latin Festival, the Booth Park Pumpkin Festival and Blue on the Beach to name a few.

FORM OF GOVERNMENT

From 1921 until 2005, the Town operated under a Council-Manager form of government. In November 2003, the electors of the Town approved a revision to the Charter requiring a change to a Mayor-Council form of government. The new form of government took effect on December 12, 2005 when the Town's first Mayor was sworn into office. The Mayor is a full time, compensated, elected official. The Mayor's term is for four years. The Mayor is recognized as the head of the Town and appoints all department heads including the Town Attorney, appoints citizens to commissions, prepares the budget, establishes criteria for evaluation of subordinates, and signs or vetoes legislation passed by the Council. This power includes the ability to veto a specific line item within proposed operating budgets. The Mayor's attendance at all Council meetings is required, but the Mayor is not able to vote unless to break a tie vote of the Town Council. A Chief Administrative Officer (the "CAO") is appointed by the Mayor, and assists the Mayor with budget preparation, labor negotiations, and any other areas deemed appropriate by the Mayor. The CAO is required to have an education and background in public administration. A Town Council of ten members, who are elected biennially for two-year terms and cannot serve more than three consecutive terms, performs the legislative function. The Town Council approves the annual budget, supplemental appropriations, and bond authorizations. See "Emergency Appropriations" and "Legal Requirements for Approval of Borrowing" herein.

MUNICIPAL OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Term</u>	<u>Length of Service</u>
Laura R. Hoydick	Mayor	4 years - Elected	7 years
Carl Glad.....	Town Council Chair.....	2 years - Elected	1 year
Katilyn Shake.....	Town Council Member.....	2 years - Elected	3 years
Thomas Bryan O'Connor...	Town Council Member.....	2 years - Elected	1 year
Christopher Green.....	Town Council Member.....	2 years - Elected	1 year
Alvin O'Neal.....	Town Council Member.....	2 years - Elected	1 year
Rene Gibson.....	Town Council Member.....	2 years - Elected	1 year
Anthony Afriyie.....	Town Council Member.....	2 years - Elected	1 year
Kerry Whitham.....	Town Council Member.....	2 years - Elected	1 year
Alan Llewelyn.....	Town Council Member.....	2 years - Elected	1 year
Paul Aurelia.....	Town Council Member.....	2 years - Elected	1 year
Christopher Tymniak.....	Chief Administrative Officer.....	Appointed	9 years
Heather Borges.....	Acting Superintendent of Schools...	Appointed	10 years
Dawn M. Savo.....	Finance Director.....	Appointed	5 years
Sarah Matthews.....	Chief of Staff.....	Appointed	2 year
Ron Ing.....	Human Resources Director.....	Appointed	13 years
Larry Ciccarella.....	Public Safety Director.....	Appointed	10 years

PRINCIPAL OFFICIALS

Mayor – Honorable Laura R. Hoydick was elected the third Mayor of Stratford on November 7, 2017; the first woman to hold that office. Mayor Hoydick had previously served the Town in the State House of Representatives from 2010 to 2018. As a legislator, Mayor Hoydick served on the Banking, General Law, Finance, Revenue and Bonding Committees and was the Ranking Member of the Energy and Technology Committee, where she distinguished herself by leading the fight for lower statewide utility rates and improved infrastructure. Mayor Hoydick was nominated as Deputy Republican Leader in 2015 and was awarded the AARP Legislative Leadership Award in 2011 & 2012; Bridgeport Regional Business Council Legislator of the Year Award in 2011; New England Clean Energy Council CT Clean Energy Champion Award in 2015 and Susan L. Davis Leadership Award in 2015. Mayor Hoydick also served on the Stratford Board of Education from 1997-2001, 2004-2007 and served as board chair from 1997-2001 and 2005-2007. In calendar year 2023, Mayor Hoydick received an award for twenty-four years of dedicated service to the Town of Stratford.

Mayor Hoydick has over twenty years of experience as a commercial property manager formerly with both Station House Square, LLC of Stratford, and Winstanley Property Management, LLC of New Haven. Mayor Hoydick served as the Executive Director of the Stratford Chamber of Commerce, an affiliate of the Bridgeport Regional Business Council, from 2003-2007. She returned to the role of Executive Director from January to December of 2017. In that role, Mayor Hoydick acted as a liaison to local and state government on behalf of the Stratford business community.

Mayor Hoydick currently serves as the President of the Connecticut Conference of Municipalities (CCM), the state's largest nonpartisan organization of municipal leaders representing towns and cities of all sizes, advocating for local taxpayers at the state level.

Mayor Hoydick holds a business administration degree from Sacred Heart University where she is a member of the National Honor Society, Alpha Sigma Lambda.

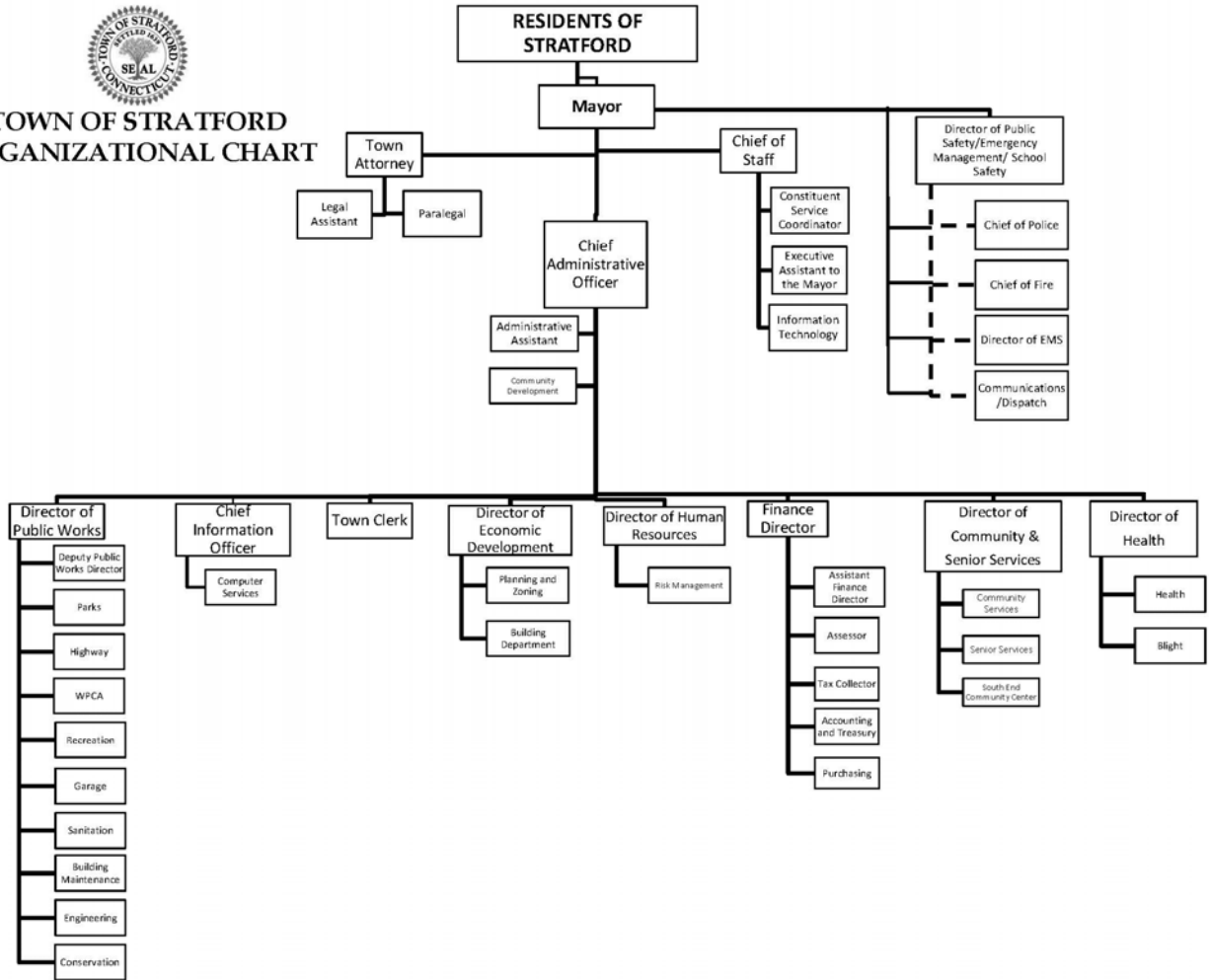
Chief Administrative Officer – Christopher W. Tymniak is a dedicated public servant with over 20 years of experience advocating for responsible governance and taxpayer interests. Mr. Tymniak has served as Chief Administrative Officer ("CAO") for the Town of Stratford since January of 2016. He is a current resident of Fairfield, Connecticut and former resident of Stratford. In his role as CAO, Mr. Tymniak oversees all day-to-day aspects of Town operations. Mr. Tymniak brings 12 years of government experience to the office of CAO with previous experience as the CAO for the City of Ansonia and Director of Governor Jodi Rell's Southwestern Connecticut Office.

Mr. Tymniak is a graduate of Springfield College with a degree in Business Management.

Finance Director – Dawn M. Savo was appointed Finance Director on April 30, 2020. Ms. Savo had previously served as the Assistant Director of Finance for the Town of Trumbull and previously worked in the Central Grants Office for the City of Bridgeport where she served as Acting Central Grants Director and Grants Financial Manager for the City. Ms. Savo is a summa cum laude graduate of Fairfield University in Accounting and serves on the board of the Government Finance Officers Association (GFOA) of Connecticut.

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ORGANIZATIONAL CHART



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SUMMARY OF MUNICIPAL SERVICES

As previously indicated, the Town operates under a Mayor-Council form of government where the Mayor functions as the Chief Executive of the Town and day to day operations are managed by the CAO, at the direction of the Mayor. Reporting to the Mayor are the CAO, the Finance, Human Resources, Legal, Public Safety (Fire & Police Chiefs and Public Safety Director), the Public Works and Health departments and the Town Clerk.

The Town also has full time dedicated and certified staff specializing in Planning, Zoning, Engineering, Building and Information technology matters. Also, to ensure proper public purchasing and fiscal controls, the Town has a fully skilled and staffed Finance Department which includes finance administration, accounting, purchasing, tax assessment, and tax collection functions. The Finance Department, under the direction of the Finance Director, is responsible for overall supervision of the Town's financial management, including treasury functions, property tax assessment, tax collection, financial accounting and reporting, payroll processing, debt management, purchasing, special financial analysis and management of the Town's pension fund.

The Town's Public Works Department serves the public with a comprehensive, one-stop-shopping, approach with responsibility for Building Inspections, Town Building Maintenance, Engineering, Parks, Highways, Town Garage, Recycling/Refuse, Sewers and Environmental Conservation. The Public Works Department has the responsibility for designing, developing, constructing and maintaining public roads, walks, parks and buildings in the community, including 191 miles of roads. This division also manages the building code enforcement program, pickup and disposal of solid waste generated within the Town, and provides guidance and direction in resource management on conservation and pollution control issues, including recycling mandates. The Town currently operates its own wastewater collection and treatment facility. The Town established an enterprise fund for its water pollution control facility on July 1, 1993. All costs of operating the sewer treatment system and its approximately 200 miles of sewer mains and laterals are funded through user charges. The Town's water is supplied by the Aquarion Water Company of Connecticut, a subsidiary of Aquarion Corporation and the Town's electricity is supplied by United Illuminating.

Public safety is of paramount importance to the Town and its citizens. The Fire, Police and Emergency Medical (ambulance) departments or services are responsible for the security and safety of the community. The Police Department has an authorized strength of 112 full-time members, including sworn officers, animal control officers and civilian support personnel. Numerous state and federal grants help fund many programs in areas such as community policing, police-youth outreach, traffic enforcement, and drug enforcement and prevention. The Stratford Fire Department has 113 members including a Communications Division responsible for manning the E-911 center and central dispatching. The department maintains a fire and rescue delivery system and an extensive fire prevention program. The Town maintains an Emergency Medical Services Program with six administrative/supervisory employees and ten full time paramedics. The Town bills for ambulance services and has established an enterprise fund to account for these billings.

The Town's Health Department attained national reaccreditation in fiscal year 2022 and is committed to improving the quality of life for Stratford residents. The department covers everything from restaurant inspections to childhood immunizations. The department educates, licenses and inspects food establishments, hair and nail salons and operates a school-based health center. The department leads the region's local health departments emergency preparedness planning and response. It works daily to prevent disease and ensure a clean and safe environment for Stratford residents.

Beyond day-to-day operations, the citizens of the Town are offered services that range from counseling services through its Community Services Department to recreation and leisure services through its Parks and Recreation department. Broadening the Town's reach of services are three Stratford based nonprofit agencies, independent of the Town, which provide services to citizens by contracts. These agencies are the Sterling House, the Stratford Public Library and the Stratford Visiting Nurses Association. In addition to these agencies, the Stratford Housing Authority (the "SHA") owns and operates 514 dwelling units located in several separate areas throughout the Town. The SHA is self-supporting with an annual operating budget of over \$6.5 million and assets of over \$37.2 million.

The Town utilizes the Greater Bridgeport Regional Solid Waste Interlocal (the "Interlocal") for the disposal of solid waste through the Greater Bridgeport Regional Solid Waste Interlocal Committee (the "Committee"), including a solid waste disposal and processing facility located in Bridgeport and operated by Wheelabrator Bridgeport L.P (the "Facility"). The current Municipal Services Agreement ("MSA") took effect on August 2, 2014 and expires on June 20, 2024, subject to two five (5) year extensions as described herein. The Town is one of eleven Connecticut municipalities participating in the contract (a "Participating Municipality"). Following an RFP for solid waste disposal services, the Committee recently voted in December 2023 on a new contract with operator Wheelabrator. Under the new contract beginning July 1, 2024, tipping fees will increase between 4-6% each year over the five-year term of the agreement. Each Participating Municipality has signed such an agreement and each participating municipality submits itself to the governance and jurisdiction of the Committee. Each

Municipality annually appoints their Chief Elected Official to the Committee. The Committee negotiates, executes and delivers contracts for delivery of solid waste to the Facility under terms which it determines to be in the best interest of the eleven municipalities as a whole. Each municipality will be obligated to deliver all of its municipal solid waste to the Facility operated by Wheelabrator, but no minimum tonnage is required to be delivered without the consent of that Participating Municipality. However, there is a total capacity for the Interlocal (250,000 tons per year) and for each Participating Municipality and if there is “excess” waste over and above that capacity Wheelabrator will accept it, but only if it has the capacity to do so, at a per ton tipping fee to be agreed upon at the time. Each Participating Municipality shall pay a disposal fee which is the tipping fee for each year multiplied by the tons of Acceptable Waste (AW) delivered, plus or minus adjustments, all as calculated on a monthly basis. Base tipping fee equals \$60.00 per ton, less \$1.00 per ton for every 25,000 tons in excess of 175,000 tons per year to the stated Interlocal capacity. The tipping fee is adjusted annually based on a formula encompassing changes in the Consumer Price Index. The tipping for fiscal year 2024-25 is \$85.25 under the terms of the new agreement beginning July 1, 2024. There is a weighted vote for all matters coming before the Committee based on tonnage delivered during the prior fiscal year. The total budget of the Interlocal will be prorated between each Participating Municipality based on tonnage delivered by each Participating Municipality to the Facility. The term of the MSA is 10 years, with two 5-year options if the Interlocal and Wheelabrator both agree to the same. All Participating Municipalities, including the Town, pledge their full faith and credit for the payment of all service payments under the MSA.

EDUCATIONAL SYSTEM

The Town's school system consists of one school for Pre-Kindergarten, eight schools for pupils in grades K through 6, two schools for pupils in grades 7-8 and two schools for pupils in grades 9-12. The schools are governed by a seven-member elected Board of Education.

EDUCATIONAL FACILITIES

<u>School</u>	<u>Grades</u>	<u>Year Built</u>	<u>Renovation</u>	<u>Enrollment 10/1/2024</u>
Stratford Academy School - Victoria Soto.....	Pre K	2015	N/A	216
Franklin Elementary School.....	K-6	1910	1917, 41, 66, 90	263
Second Hill Lane School.....	K-6	1954	1958, 99	640
Stratford Academy School - Johnson House...	K-6	1966	1995	538
Chapel Street School.....	K-6	1956	1966, 99	301
Lordship Elementary School.....	K-6	1941	1953, 84	176
Nichols Elementary School.....	K-6	1914	1927, 56, 91	418
Eli Whitney Elementary School.....	K-6	1945	1948, 54, 92	470
Wilcoxson Elementary School.....	K-6	1928	1941, 48, 91	318
Flood Intermediate School.....	7-8	1972	1988	478
Wooster Intermediate School.....	7-8	1953	1995	541
Bunnell High School.....	9-12	1971	1991	996
Stratford High School.....	9-12	1925	1930, 36, 42, 50, 71, 89, 19	1,157
Evening HS.....	9-12	N/A	N/A	18
Other Programs.....	K-12	N/A	N/A	154
Total				6,684

Source: Superintendent of Schools.

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SCHOOL ENROLLMENT ¹

Actual Enrollments

School Year	PK-6	7-8	9-12	Total
2015-16	3,754	1,142	2,120	7,016
2016-17	3,720	1,158	2,109	6,987
2017-18	3,656	1,143	2,154	6,953
2018-19	3,613	1,139	2,164	6,916
2019-20	3,590	1,158	2,208	6,956
2020-21	3,413	1,128	2,253	6,794
2021-22	3,512	1,108	2,324	6,944
2022-23	3,430	1,084	2,351	6,865
2023-24	3,432	1,060	2,330	6,822
2024-25	3,389	1,040	2,255	6,684

Enrollment Projections

2025-26	3,407	1,057	2,134	6,598
2026-27	3,384	1,053	2,105	6,542
2027-28	3,397	1,016	2,117	6,530
2028-29	3,347	1,038	2,099	6,484
2029-30	3,311	1,031	2,042	6,384

¹ As of October 1, 2024.

Source: Superintendent of Schools.

MUNICIPAL EMPLOYMENT

Fiscal Year	Full-time Equivalents				
	2025	2024	2023	2022	2021
Board of Education.....	1,053	1,005	970	955	955
General Government ¹	453	453	447	443	443
Total	1,506	1,458	1,417	1,398	1,398

¹ Includes Town grant supported employees and Town employees supported by Enterprise funds, including the Wastewater Treatment Plant and EMS.

Source: Town Officials.

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MUNICIPAL EMPLOYEES BY CATEGORY

Department	Number of Employees ¹
General Government	
Administration.....	29
Finance.....	19
Human Development ²	33
Physical Development.....	128
Public Safety.....	228
Wastewater Operations - WPC.....	16
Subtotal.....	453
Board of Education	
Administration and Principals.....	44
Teachers.....	595
Secretaries.....	43
Classroom Instructional Aids.....	164
Nurses.....	15
Custodial/Maintenance.....	57
Cafeteria Workers.....	28
Non-union.....	107
Subtotal.....	1,053
Grand Total.....	1,506

¹ As of November 25, 2024.

² Includes employees of the Stratford Library Association, whose budget is supported by the Town, but whose employees are hired and managed by the Town Council-appointed Library Trustees.

Source: Town Officials.

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MUNICIPAL EMPLOYEE BARGAINING ORGANIZATIONS

<u>Employees</u>	<u>Organization</u>	<u>Employees Covered</u> ¹	<u>Current Expiration</u>
General Government			
Communications/Dispatch...	United Public Service Employees Union.....	12	6/30/2025
Police.....	Council #15, Local 407, AFSCME.....	104	6/30/2025
Public Works.....	Local 134, Stratford Public Works Employees Association.....	112	6/30/2027
Firefighters.....	Local 998, International Association of Firefighters....	96	6/30/2026
Town Hall.....	Local 136, Administrative, Technical and Clerical Employees AFL-CIO.....	50	6/30/2026
Supervisors.....	Supervisors, Council #4 AFSCME.....	39	6/30/2027
Non-Bargaining.....	Town non-bargaining employees ²	40	N/A
	Total General Government	<u>453</u>	
Board of Education			
Administrators.....	Stratford Administrators Association Inc.....	44	6/30/2026
Teachers.....	Stratford Education Association.....	595	6/30/2025
Nurses.....	Stratford School Nurses' Association, CSEA	15	6/30/2027
Classroom Instructional Aids (CIA), & Lunch Personnel.....	UAW Local 376.....	192	6/30/2028
Secretaries.....	Stratford Educational Secretaries' Association, CSEA..	43	6/30/2025
Custodians.....	Stratford Public School Custodians Association.....	57	6/30/2025
Non-Bargaining.....	Town non-bargaining employees.....	107	
	Total Board of Education	<u>1,053</u>	
	Total.....	<u>1,506</u>	

¹ As of November 25, 2024.

² Includes both grant employees and employees of the Stratford Library Association.

Source: Town Officials.

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

ECONOMIC DEVELOPMENT

Stratford is strategically located between the cities of New York City and Boston, and has excellent transportation access which has attracted and sustained economic development over the years. Stratford is bisected by both Interstate 95 and Metro North rail service lines. The Merritt Parkway and Routes 8 and 25 offer convenient access to the entire Northeast corridor. Stratford has over 17 miles of coastline, 400 acres of forest, beautiful parks and a rich cultural heritage creating a unique quality of life for our multi-generational residents. Stratford's diverse community of approximately 53,000 residents offers world class employers, a highly skilled workforce, excellent transportation access and affordable living. Sikorsky Memorial Airport, which is located within the Town, has completed a \$40 million federally-funded improvement project which included hazardous sub-soil remediation, a new Engineered Material Arresting System safety zone, and improvements to nearby Main Street.

Lockheed Martin / Sikorsky Aircraft

Historically, in September of 2016, Connecticut lawmakers approved a \$220 million incentive agreement with Lockheed Martin under which Sikorsky will remain in Stratford and grow its full-time employment to more than 8,000 workers over the next decade. Lockheed Martin has also agreed to increase its capital spending to \$350 million per year. This has had a major positive impact for Sikorsky suppliers in Connecticut, the majority of which are located in the Town. Lockheed continues to be awarded significant contracts including additional Black Hawk helicopters as well as the future replacement for the Black Hawk. In addition, Sikorsky's backlog includes CH-53K, MH-60Rs and Combat Rescue Helicopter platforms extending beyond 2027. Sikorsky is also looking forward to landing international contracts, and while they incurred one round of layoffs in 2024, Sikorsky is confident in upcoming, new opportunities to expand upon the demand for their aircrafts. The Town continues to see robust business growth from Sikorsky's suppliers in the Town. Starting in calendar year 2023 and including up to August 2024, Sikorsky took out \$32.9 million in permits to accommodate their continued growth.

Point Stratford Renewal (Army Engine Plant)

This 77-acre waterfront property is a former Army Engine site (which was the last base closure in 1995) conveyed on April 2, 2024 to the Army's preferred developer, Point Stratford Renewal ("PSR"). All of the permitting has been approved by the Town to remediate PCBs from the buildings, demolish the buildings, and bring in fill to cap the property, bringing it to FEMA-approved height.

PSR and the Army entered into an Environmental Service Cooperative Agreement wherein the Army has given PSR the authority to manage the remediation of the tidal flats concurrently with the upland property. The tidal flat silt will then be available for use as part of the capping of the site. The mudflat project has a one-year timeline once the project has begun.

The Town has received more than \$900,000 in grants from the State of CT for "predevelopment planning and environmental compliance analysis" for the Point Stratford Renewal project of which \$485,000 remains available. The Town of Stratford is using the grant money to design a waterfront linear park, ensuring a mile of waterfront access to the community.

Additional Projects

Additional projects being highlighted are located in Stratford's designated Transit Oriented District (TOD) which by definition, enhances Stratford's residential neighborhoods, to preserve its historic character, to revitalize Stratford Town Center and commercial areas and to promote mixed-use development that increases employment and the Town's tax base.

- **1000 East Broadway (former Center School property):** The Town of Stratford is finalizing their agreement with the developer who will be building a 154-unit Transit Oriented Development apartment complex on this 3-acre Town-owned property in the heart of Stratford Center. The project will not only bring retail shops in the center of town but will also add the property to the Town's grand list.
- **Complete Streets Initiative:** Adding to the enhancement of Stratford Center is the finished Complete Streets project creating a more pedestrian/bike friendly area in the Town Center. Phase II of Complete Streets is currently being designed, extending Phase I north through Paradise Green which will connect two retail-heavy centers in Town.
- **Ferry Boulevard:** The Town's Route 1 corridor is flourishing with six residential/mixed use development projects that are recently completed, approved or in construction along the corridor and directly north of the train station, adding up to over 300 new apartments which will increase the downtown density, providing growth for our local business and housing needs.

The improved traffic pattern thanks to the construction of the exit 33 full interchange project several years ago, has aided in the commercial redevelopment in and around Stratford's TOD district and Route 1.

- **Contract Plating:** Contract Plating is a 10.5-acre brownfield site located in the aforementioned TOD and abutting the Raymark Superfund site. The CT Department of Economic & Community Development (DECD) and the Environmental Protection Agency (EPA) have funded over \$4 million in grants for remediation. Included in the \$4 million is the most recent supplemental funding from DECD to remediate a section of the property where eleven fuel cells will be built. The supplemental funding will allow the Town to obtain a Phase II and III on the property in order to move forward in developing the remaining portion of the property. This property has not been on the Grand List for well over a decade.
- **Raymark Superfund Site Cleanup:** EPA's \$94 million superfund project has remained on schedule with Route 1 businesses and marshlands remediated and restored, creating an aesthetically improved shoreline area as well as tax revenue opportunities for the first time in over a quarter century.
- **Stratford Performing Arts Center:** The Stratford Performing Arts Complex property, formerly the site of the Shakespeare Theatre, is in the midst of a long-awaited facelift. Phase I plans include infrastructure improvements and renovations to a long vacant historic building on the property, the Benjamin Nichols House. Full-service architectural firm, Svigals + Partners, has been referred and selected by the Town Council for the initial phase of the project. The Town will be working with EPA on the timeline for their Shore Rd Raymark remediation which runs along the Stratford Performing Arts Property. The road will be raised during the project for FEMA compliance, enhancing and protecting the shoreline of the property.
- **Parkway Plaza Development:** Located adjacent to Lockheed Martin/Sikorsky, Phase I, including a Starbucks was completed a year ago. Phase II includes development of a waterfront hotel and additional office/retail space. Phase III will include development of a mixed-use building with apartments and restaurants.
- **West Broad Street:** The recent streetscape project along West Broad Street has led to development in this intersection of I-95 on and off ramps, allowing for industrial and service industry business development.
- **Lordship Boulevard Neighborhood:** Moving south, in Stratford's dense industrial area we have several businesses that continue to expand and choose to remain in Stratford as they grow. Kubtec, a high-tech medical equipment manufacturer, purchased a parcel across the street from their headquarters on Research Dr., investing in a FEMA compliant facility. Another seasoned business, Nuovo Pasta, is investing in a fourth location off of the boulevard.
 - Further down at 225 Lordship, another 100 residential units have been approved with 30% affordable and 70% market rate. The low inventory of housing in the region puts Stratford's future residential projects in high demand.
- **Stratford Avenue/Honeyspot Road:** This roundabout and sidewalk project is at 90% design and will provide improved traffic patterns, safer pedestrian travel and nicer aesthetics in the neighborhood that is experiencing an influx of new businesses and renovation projects.
- **Adult Use Recreational Marijuana:** The Town of Stratford is one of the only municipalities in the area that has not placed a moratorium on Adult Use Recreational Retailers and manufacturers. State sales taxes on cannabis are estimated to total about 20 percent including a 3 percent tax that will go to the municipalities that have cannabis operations in their towns. Stratford has opted to allow two retailers, along with a cannabis manufacturer. The cannabis manufacturer purchased a building in a FEMA flood zone which had been vacant for several years. The building is in the process of being renovated and flood-proofed with significant investment and plans to open for business in June 2025.
- **Stratford's Tourism:** Along the Town's shoreline are many restaurants with vibrant tourism/activity including a renovated waterfront hotel. Stratford boasts eleven museums and a rich artistic community. Stratford's Celebrate events, funded through private sponsors, start with Restaurant Week, and continue throughout the year from The Latin Music Festival to the Summer Concert Series and the Great Pumpkin Festival, all supporting local business as well as Stratford's significant non-profits.

The Town entered a licensing agreement with the Coastguard for the Stratford Point Lighthouse Properties several years ago. Under the terms, the Town has use of the lighthouse property and buildings. The Town is updating and maintaining the property and buildings and has opened this landmark to the public with tours and private events.

III. ECONOMIC AND DEMOGRAPHIC DATA

POPULATION TRENDS

<u>Year</u>	<u>Town of Stratford</u>	<u>Fairfield County</u>	<u>Greater Bridgeport Planning Region</u>	<u>State of Connecticut</u>
1980	50,541	807,143	n/a	3,107,576
1990	49,389	857,270	n/a	3,287,116
2000	49,976	882,567	n/a	3,405,565
2010	51,384	916,829	n/a	3,574,097
2020	51,982	944,306	n/a	3,570,549
2022	52,436	n/a	148,365	3,611,317

Source: U.S. Census Bureau.

AGE CHARACTERISTICS OF POPULATION

<u>Age</u>	<u>Town of Stratford</u>		<u>Greater Bridgeport Planning Region</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5.....	1,938	3.7	7,257	4.9	182,768	5.1
5 - 9.....	2,449	4.7	6,538	4.4	196,600	5.4
10 - 14.....	3,161	6.0	10,997	7.4	222,267	6.2
15 - 19.....	2,762	5.3	10,543	7.1	247,501	6.9
20 - 24.....	2,921	5.6	11,662	7.9	241,391	6.7
25 - 34.....	5,706	10.9	20,230	13.6	449,466	12.4
35 - 44.....	6,145	11.7	21,169	14.3	445,052	12.3
45 - 54.....	7,742	14.8	16,098	10.9	475,109	13.2
55 - 59.....	3,821	7.3	10,214	6.9	266,117	7.4
60 - 64.....	4,212	8.0	11,103	7.5	255,938	7.1
65 - 74.....	6,558	12.5	12,835	8.7	362,365	10.0
75 - 84.....	3,583	6.8	7,803	5.3	178,746	4.9
85 and over....	1,438	2.7	1,916	1.3	87,997	2.4
Total	52,436	100.0	148,365	100.0	3,611,317	100.0
Median Age...	46.9		38.0		40.9	

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

SELECTED WEALTH AND INCOME INDICATORS

	<u>Median Family Income</u>		<u>Per Capita Income</u>	
	<u>(2000)</u>	<u>(2022)</u>	<u>(2000)</u>	<u>(2022)</u>
Town of Stratford.....	\$64,364	\$113,566	\$26,501	\$ 47,849
Greater Bridgeport Planning Region..	n/a	70,678	n/a	28,541
Connecticut.....	65,521	115,183	28,766	52,034
United States.....	49,600	92,148	21,690	41,804

Source: U.S. Census Bureau.

INCOME DISTRIBUTION

	Town of Stratford		Greater Bridgeport Planning Region		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000.....	163	1.2	1,837	6.0	23,251	2.6
10,000 to 14,999.....	159	1.2	1,327	4.3	15,238	1.7
15,000 to 24,999.....	343	2.5	1,179	3.8	28,672	3.2
25,000 to 34,999.....	446	3.3	2,253	7.3	36,334	4.0
35,000 to 49,999.....	986	7.2	4,712	15.4	62,931	7.0
50,000 to 74,999.....	1,979	14.5	5,087	16.6	109,805	12.2
75,000 to 99,999.....	1,819	13.3	5,226	17.0	116,232	12.9
100,000 to 149,999...	3,143	23.1	4,350	14.2	181,653	20.1
150,000 to 199,999...	2,203	16.2	2,791	9.1	125,908	14.0
200,000 or more.....	2,387	17.5	1,922	6.3	202,515	22.4
	<u>13,628</u>	<u>100.0</u>	<u>30,684</u>	<u>100.0</u>	<u>902,539</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

EDUCATIONAL ATTAINMENT

Educational Attainment Group	Town of Stratford		Fairfield County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	1,312	3.5	34,610	5.3	101,461	4.0
9th to 12th grade, no diploma.....	2,076	5.5	29,615	4.5	123,560	4.9
High School graduate (includes equivalency)...	10,911	29.0	136,454	20.8	656,949	26.1
Some college, no degree.....	7,187	19.1	91,887	14.0	418,214	16.6
Associates degree.....	3,326	8.8	40,067	6.1	194,987	7.8
Bachelor's degree.....	7,656	20.3	177,060	27.0	561,567	22.3
Graduate or professional degree.....	5,170	13.7	145,269	22.2	458,399	18.2
Total	<u>37,638</u>	<u>100.0</u>	<u>654,962</u>	<u>100.0</u>	<u>2,515,137</u>	<u>100.0</u>
Percent of High School Graduates.....		91.0%		90.2%		91.1%
Percent of College Graduates.....		34.1%		49.2%		40.6%

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

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EMPLOYMENT BY INDUSTRY

<u>Employment Sector</u>	<u>Town of Stratford</u>		<u>Greater Bridgeport Planning Region</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
	Agriculture, Forestry, Fishing, Hunting & Mining...	57	0.2	101	0.1	7,848
Construction.....	1,580	5.8	6,648	9.8	118,612	6.4
Manufacturing.....	3,218	11.8	4,887	7.2	197,152	10.6
Wholesale Trade.....	809	3.0	1,993	2.9	36,074	1.9
Retail Trade.....	2,880	10.5	9,171	13.6	194,829	10.5
Transportaion, Warehousing & Utilities.....	1,437	5.3	5,141	7.6	85,763	4.6
Information.....	477	1.7	1,181	1.7	40,860	2.2
Finance, Insurance & Real Estate.....	2,424	8.9	5,192	7.7	163,231	8.8
Professional, Scientific & Management.....	3,277	12.0	8,175	12.1	228,604	12.3
Educational Services & Health Care.....	7,306	26.7	16,311	24.1	501,210	26.9
Arts, Entertainment, Recreation & Food Services...	1,821	6.7	4,037	6.0	144,133	7.7
Other Service (including nonprofit).....	976	3.6	3,531	5.2	78,744	4.2
Public Administration.....	1,075	3.9	1,242	1.8	64,442	3.5
Total	<u>27,337</u>	<u>100.0</u>	<u>67,610</u>	<u>100.0</u>	<u>1,861,502</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

MAJOR EMPLOYERS¹

<u>Name of Employer</u>	<u>Nature of Entity</u>	<u>Number of Employees</u>
Lockheed Martin Sikorsky Aircraft....	Manufacturer of Helicopters.....	5,483
Town of Stratford.....	Government.....	1,506
Ashcroft Holdings.....	Manufacturer of Gauges, Valves.....	404
Burns Construction.....	Construction.....	365
Connecticut Distributors.....	Liquor Distributors.....	307
Encon.....	HVAC.....	287
Nuovo Pasta.....	Retail Grocery Products.....	275
Lord Chamberlain.....	Skilled Nursing Facility.....	246
Bridgeport Fittings.....	Manufacturer of Electrical Fittings.....	245
United Parcel Service.....	Package Delivery.....	224
Unifirst Corp.....	Uniforms.....	104
Two Roads Brewing.....	Craft Beer Industry.....	103
Amazon.....	Package Delivery.....	100
Straton Industries.....	Precision Manufacturing.....	93
William B Myers.....	Moving, Storage, & Rigging.....	83
Total		<u>9,825</u>

¹ As of November 25, 2024.

Source: Town of Stratford, Department of Economic and Community Development.

UNEMPLOYMENT RATE STATISTICS

<u>Period</u>	<u>Town of Stratford</u>		<u>Percentage Unemployed</u>		
	<u>Employed</u> ¹	<u>Unemployed</u> ¹	<u>Town of Stratford (%)</u> ¹	<u>Bridgeport Labor Market (%)</u> ¹	<u>State of Connecticut (%)</u> ¹
Jan.-Nov.2024..	26,097	1,150	4.2	3.8	3.6
<u>Annual Average</u>					
2023.....	25,867	1,205	4.5	4.0	3.8
2022.....	26,020	1,313	4.8	4.2	4.1
2021.....	24,318	2,014	7.6	6.4	6.4
2020.....	24,104	2,507	9.4	8.2	8.0
2019.....	26,306	1,156	4.2	3.6	3.6
2018.....	26,264	1,215	4.4	3.9	3.9
2017.....	26,205	1,432	5.2	4.4	4.4
2016.....	25,931	1,522	5.5	4.8	4.8
2015.....	25,788	1,710	6.2	5.5	5.6
2014.....	25,526	2,032	7.4	6.4	6.6
2013.....	24,673	2,364	8.7	7.7	8.0

¹ Not seasonally adjusted.

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

VALUE OF BUILDING PERMITS

<u>Calendar Year</u>	<u>New Construction</u>	<u>Alterations/ Additions Miscellaneous</u>	<u>Total</u>
2024 ¹	\$ 27,443,713	\$ 40,347,683	\$ 67,791,396
2023	15,659,287	43,532,865	59,192,152
2022	11,524,737	21,403,082	32,927,819
2021	15,516,068	31,500,290	47,016,358
2020	9,135,382	18,547,594	27,682,976
2019	18,697,958	34,679,028	53,376,986
2018	10,649,136	24,503,459	35,152,595
2017	12,960,514	23,549,891	36,510,405
2016	15,596,146	27,054,525	42,650,671
2015	11,701,211	21,722,267	33,423,478

¹ As of November 25, 2024.

Source: Town of Stratford, Office of Building Inspections.

NUMBER OF DWELLING UNITS

<u>2022</u>	<u>2020</u>	<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>	<u>% Increase 2010-2022</u>	<u>% Increase 1980-2022</u>
22,083	21,596	21,091	20,596	20,152	18,957	4.7%	16.5%

Source: U.S. Census Bureau.

STRATFORD HOUSING INVENTORY

<u>Type</u>	<u>Units</u>	<u>Percent</u>
1-unit detached.....	15,039	68.1
1-unit attached.....	2,291	10.4
2 to 4 units.....	2,461	11.1
5 to 9 units.....	455	2.1
10 or more units.....	1,806	8.2
Mobile home, trailer, other..	31	0
Total Inventory.....	22,083	100.0

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

CHARACTERISTICS OF HOUSING UNITS

<u>Value of Owner Occupied Units</u>	<u>Town of Stratford</u>		<u>Greater Bridgeport Planning Region</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$50,000.....	339	2.0	1,969	2.5	24,707	2.6
\$50,000 to 99,999.....	331	1.9	2,187	2.8	15,660	1.6
\$100,000 to 149,999.....	791	4.6	3,807	4.9	35,444	3.7
\$150,000 to 199,999.....	786	4.5	5,364	6.9	74,994	7.9
\$200,000 to 299,999.....	4,961	28.7	14,627	18.8	226,313	23.8
\$300,000 to 499,999.....	8,594	49.7	26,392	33.9	332,554	35.0
\$500,000 to 999,999.....	1,380	8.0	18,455	23.7	182,537	19.2
\$1,000,000 and over.....	101	0.6	5,155	6.6	57,630	6.1
Total.....	17,283	100.0	77,956	100.0	949,839	100.0
Median Value	\$323,800		\$372,000		\$347,200	

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

AGE DISTRIBUTION OF HOUSING

<u>Year Structure Built</u>	<u>Town of Stratford</u>		<u>Greater Bridgeport Planning Region</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
2020 or later.....	71	0.3	185	0.1	11,986	0.8
2010 to 2019.....	517	2.3	3,107	2.5	76,567	5.0
2000 to 2009.....	425	1.9	4,402	3.5	104,479	6.8
1990 to 1999.....	967	4.4	6,622	5.3	118,433	7.7
1980 to 1989.....	1,444	6.5	11,828	9.4	203,053	13.2
1970 to 1979.....	3,533	16.0	15,481	12.3	203,957	13.2
1960 to 1969.....	2,713	12.3	16,394	13.1	200,109	13.0
1950 to 1959.....	4,958	22.5	22,686	18.1	224,890	14.6
1940 to 1949.....	2,884	13.1	13,792	11.0	88,125	5.7
1939 or earlier.....	4,571	20.7	30,881	24.6	308,693	20.0
Total housing units.....	22,083	100.0	125,378	100.0	1,540,292	100.0

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

BREAKDOWN OF LAND USE

<u>Land Use Category</u>	<u>Total Acreage by Zoning</u>	<u>Percent</u>
Agriculture.....	119	1.0
Residential - Low Density.....	5,012	42.0
Residential - Medium Density.....	716	6.0
Commercial.....	597	5.0
Industrial.....	1,074	9.0
Community Service.....	597	5.0
Public Services.....	716	6.0
Parks/Open Space/Recreation.....	2,387	20.0
Vacant.....	716	6.0
Total Area.....	<u>11,934</u>	<u>100.0</u>

Source: Town Plan of Conservation and Development 2023.

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IV. TAX BASE DATA

ASSESSMENT PRACTICES

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total of assessed value for all taxable real and personal property and motor vehicles located within the Town on October 1, in accordance with Section 12-62a of the Connecticut General Statutes. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70% of the estimated market value at the time of the last revaluation.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. Upon issuance of a certificate of completion, a physical appraisal is then completed and the structure classified and priced with the aid of a schedule developed at the time of the last revaluation. The property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Motor vehicle lists are furnished to the Town by the State of Connecticut Department of Motor Vehicles and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule recommended by the Office of Policy and Management.

All personal property (furniture, fixtures, equipment, machinery, supplies, non-registered motor vehicles and leased equipment) is assessed annually with manufacturers and businesses completing and returning to the Assessor's Office standard worksheets for computing value. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at 70% of present market value.

The Town last conducted a town wide revaluation for the grand list dated October 1, 2019, which was effective for fiscal year 2020-21. The Town conducted a revaluation for the grand list dated October 1, 2024, which will be effective in fiscal 2025-26. Under Section 12-62 of the Connecticut General Statutes, as amended, the Town must do a revaluation of its real property every five years based on generally accepted mass appraisal methods and a revaluation by physical inspection no later than 10 years from the preceding physical inspection. Prior to the completion of each revaluation, the Assessor shall conduct a field review.

MOTOR VEHICLE PROPERTY TAX RATE

Connecticut General Statutes Section 12-71e, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property, but caps the motor vehicle tax rate at 32.46 mills for the assessment year commencing October 1, 2021. Section 4-661 of the General Statutes, as amended ("Section 4-661"), diverts a portion of state collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicle tax rate for the current 2023 assessment year (Fiscal Year ending June 30, 2025) is 32.46 mills.

TAX COLLECTION PROCEDURES

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1 become delinquent and interest will accrue at the rate of 1.5% per month (18% per annum). Outstanding real estate tax accounts are automatically lien'd each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense fifteen years after the due date in accordance with state statutes.

PROPERTY TAX LEVIES AND COLLECTIONS

FY Ending 30-Jun	Net Taxable Grand List	Total Tax Rate (In Mills)	Adjusted Tax Levy	Collected	Uncollected Taxes	
				End of Each FY	Each FY	As of 6/30/2024¹
2025 ²	\$5,149,703,992	40.20	\$200,378,895	In process	In process	In process
2024 ¹	5,153,602,131	40.20	199,055,589	97.7 %	\$4,598,684	\$4,598,694
2023	4,909,532,523	39.46	195,327,984	97.9	4,190,785	2,411,056
2022	4,775,849,130	39.47	192,146,304	97.5	4,736,804	1,595,094
2021 ³	4,769,109,532	39.64	189,770,948	97.8	4,095,027	974,649
2020	4,617,731,000	39.87	182,676,632	97.6	4,391,158	297,212
2019	4,553,923,882	39.90	181,908,368	97.9	3,874,828	255,466
2018	4,492,487,619	39.97	179,620,498	97.5	4,562,247	168,308
2017	4,482,170,702	38.99	164,272,933	97.7	3,994,094	93,635
2016 ³	4,444,196,542	36.98	164,272,933	97.6	4,029,648	56,616

¹ Unaudited estimate.

² Adopted budget.

³ Year of revaluation.

Sources: Annual audited financial statements; Fiscal Year 2023-24 unaudited estimate and Fiscal Year 2024-25 Adopted Budget.

TAXABLE GRAND LIST

Grand List Dated	Real Property	Personal Property	Motor Vehicle Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
10/1/23	\$4,173,659,663	\$768,900,855	\$517,802,068	\$5,460,362,586	\$310,658,594	\$5,149,703,992
10/1/22	4,146,606,470	774,252,183	540,689,508	5,461,548,161	307,946,030	5,153,602,131
10/1/21	4,041,780,685	681,118,728	494,214,415	5,217,113,828	307,581,305	4,909,532,523
10/1/20	4,017,920,520	632,943,671	381,013,445	5,031,877,636	256,028,506	4,775,849,130
10/1/19 ¹	4,062,106,980	586,022,641	361,182,757	5,009,312,378	240,202,846	4,769,109,532
10/1/18	3,929,535,970	575,631,130	351,015,990	4,856,183,090	238,452,090	4,617,731,000
10/1/17	3,909,285,220	544,923,142	345,667,180	4,799,875,542	245,951,660	4,553,923,882
10/1/16	3,897,095,857	495,024,132	341,137,740	4,733,257,729	240,770,110	4,492,487,619
10/1/15	3,899,177,250	474,463,002	336,333,270	4,709,973,522	227,802,820	4,482,170,702
10/1/14 ¹	3,888,216,900	469,680,249	329,035,740	4,686,932,889	242,736,347	4,444,196,542

¹ Year of revaluation.

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The following table sets forth the Real Property portion of the Town's grand list by component:

Grand List Dated	Residential Property	Commercial/Industrial Property	Total Other Land	Total Real Property
10/1/23	\$3,136,583,622	\$898,992,321	\$138,083,720	\$4,173,659,663
10/1/22	3,130,604,220	927,236,460	88,765,790	4,146,606,470
10/1/21	3,120,875,260	855,580,835	65,324,590	4,041,780,685
10/1/20	3,109,430,860	839,852,760	68,636,900	4,017,920,520
10/1/19 ¹	3,164,254,800	822,207,790	75,644,390	4,062,106,980
10/1/18	3,003,231,950	853,178,360	73,125,660	3,929,535,970
10/1/17	2,999,074,500	843,445,850	66,764,870	3,909,285,220
10/1/16	2,988,494,687	840,959,830	67,641,340	3,897,095,857
10/1/15	2,978,997,350	852,131,020	68,048,880	3,899,177,250
10/1/14 ¹	2,971,774,930	845,188,580	71,253,390	3,888,216,900

¹ Year of revaluation.

Source: Town of Stratford Assessor's Office.

LARGEST TAXPAYERS

Business-Name	Nature of Business	Grand List of October 1, 2023		
		Estimated Assessment	Rank	Percent of Total
United Illuminating.....	Utility.....	\$ 219,208,540	1	4.26%
Sikorsky Aircraft.....	Helicopter Manufacturer..	85,232,820	2	1.66%
Southern Connecticut Gas.....	Utility.....	72,148,850	3	1.40%
Lockheed Martin Company.....	Helicopter Manufacturer..	35,391,100	4	0.69%
495 Lordship De Owner LLC.....	Real Estate.....	22,827,350	5	0.44%
ETCL Stratford, LLC.....	Real Estate.....	21,157,430	6	0.41%
UB Dockside LLC.....	Real Estate.....	19,937,190	7	0.39%
DCR7S1CT.....	Real Estate.....	19,093,270	8	0.37%
Stonybrook Gardens Cooperative.....	CO-OP	18,886,910	9	0.37%
Merion Stratford LP.....	Real Estate.....	15,938,160	10	0.31%
	Total	\$ 529,821,620		10.30%

Source: Town of Stratford Assessor's Office.

EQUALIZED NET GRAND LIST

Grand List of 10/1	Equalized Net Grand List	% Growth
2022	\$10,472,589,181	10.07%
2021	9,514,455,478	11.50%
2020	8,533,418,103	25.12%
2019 ¹	6,820,084,632	-3.14%
2018	7,041,461,636	2.81%
2017	6,849,326,658	4.01%
2016	6,585,078,288	-1.23%
2015	6,666,989,582	4.94%
2014 ¹	6,353,037,221	-2.94%
2013	6,545,374,298	0.43%

¹ Year of revaluation.

Source: State of Connecticut, Office of Policy and Management.

V. FINANCIAL DATA

ACCOUNTING POLICIES

The Town's accounting policies are summarized in Note 1 "Summary of Significant Account Policies" in the Notes to Financial Statements, attached hereto as Appendix A.

BASIS OF ACCOUNTING

See Note 1 "Basis of Accounting" in the Notes to Financial Statements, attached hereto as Appendix A.

AUDIT

The Town has engaged outside independent auditors, CliftonLarsonAllen LLP, of West Hartford, Connecticut. The most recently completed audit report covers the fiscal year ended June 30, 2023. Included in this Official Statement and made a part hereof as Appendix A are the Financial Statements of the Town of Stratford, Connecticut as of June 30, 2022. Appendix A includes the auditor's opinion on the general-purpose financial statements and does not include all schedules, management letter or supplemental schedules from the complete audit report.

Certificate of Achievement for Excellence in Financial Reporting: The Town received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association ("GFOA") of the United States and Canada for its comprehensive annual financial report for fiscal year ending June 30, 2022. The Town was not eligible for the award for the fiscal ending June 30, 2023 because its audit was not completed on time. The Town has received the award for 29 out of 30 fiscal years. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with generally accepted accounting principles, and have been audited in accordance with generally accepted auditing standards. The reports also contain statistical information useful in evaluating the financial condition of a government and conform to certain generally accepted formatting standards established for the Certificate Program.

BUDGETARY PROCEDURE

The Town follows the following procedure in establishing the budgetary data included in the General Fund and certain Special Revenue Funds financial statements. Financial controls are provided under the Town Council which is responsible for approving annual budgets and all other Town appropriations, and determining the tax rate. The annual budget making process for the Town is outlined in Section 6 of the Town Charter. The timetable is established annually but all actions must be completed at least 30 days prior to the beginning of each fiscal year based upon a budget submitted by the Mayor. The budget making process is detailed below:

<u>Date</u>	<u>Action</u>
By February 23	Departments, offices, boards and commissions submit estimates of revenues and expenditures to the Mayor. The Mayor reviews the budget requests together with estimates of revenues and expenditures for the current year with the requesting agency.
By March 12	Estimated revenues and expenditures, including the Board of Education, submitted to the Town Council by the Mayor.
By May 5	The Town Council holds one or more public hearings and makes any changes it believes are needed.
By May 12	The Ordinance Committee adopts a proposed budget and holds one or more public hearings.
By May 12	The Town Council adopts a recommended budget and sets the tax rate for the fiscal year beginning July 1.

All unencumbered appropriations lapse at year end, except those for the Capital Projects Fund and certain special revenue grants. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

EMERGENCY APPROPRIATIONS

Under the Town Charter, emergency appropriations may be made upon the recommendation of the Mayor and by a vote of not less than two-thirds (2/3), or seven members, of the Town Council, provided that a public hearing is held prior to making such appropriation. The hearing and notice of hearing may be waived if the Town Council, by two-thirds (2/3) of its entire membership, decides that a delay in making the emergency appropriation would jeopardize the peace, health, safety or property of its citizens. In the absence of an available un-appropriated and unencumbered general fund cash balance to meet such appropriation, additional means of financing shall be provided in such a manner, consistent with the provisions of the Connecticut General Statutes, and of the Town Charter, as may be determined by the Town Council.

EMPLOYEE PENSION SYSTEMS

The Town is the administrator of a single-employer, defined benefit public employee retirement system (“PERS”) which was established by the Town to provide pension benefits for its employees and non-certified employees of the Board of Education. The retirement plan is governed by a thirteen-member board composed of seven members appointed by the Town Council and six members from the Town's various union groups (the “Pension Board”). The Town's Finance Director is the Treasurer of the retirement plan. Effective July 1, 2012, the pension plan is closed to all new hires for all bargaining units. As of July 1, 2022, the date of the most recent actuarial valuation, there were 162 active or suspended members; 13 terminated vested or inactive members; and 652 retired, disabled, or beneficiaries of deceased members covered under this plan. Total membership of 827 was down from 841 in July 2021.

The certified teaching faculty and administrative personnel of the Board of Education participate in an employee contributory defined benefit plan administered by the Connecticut State Teachers' Retirement Board. The Town does not contribute to the plan nor does it have any legal obligation for benefit payments.

On October 29, 2013 the Town issued \$162,690,000 in Taxable General Obligation Pension Bonds (the “2013 Pension Bond Issue”) to fund a portion of the unfunded actuarial accrued liability of its retirement plan thereby increasing the plan's funded ratio to approximately eighty-five percent (85%). The 2013 Pension Bond Issue was issued by the Town in part pursuant to Title 7 of the Connecticut General Statutes, including Sections 7-374c and 7-403a. In accordance with Section 7-374c, the Town is required to annually fund the Actuarially Recommended Contribution, which is now referred to as the "Actuarial Determined Contribution" or “ADC”, on the Unfunded Actuarially Accrued Liability. Pursuant to Section 7-374c, in any fiscal year for which the Town fails to appropriate sufficient funds to meet the ADC, such contribution is “deemed appropriated”, notwithstanding the provisions of any general statute, special act, charter, home-rule ordinance, local ordinance or local law to the contrary. For the fiscal years ending June 30, 2017 and 2018, due to the timing of the completion of the pension valuations, the Town budgeted the estimated contribution initially provided by its actuarial consultant. However, when the valuations were ultimately completed, the final ADC was greater than the Town’s contribution. See the Schedule of Employer Contributions provided in this section of the Official Statement.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability.....	\$334,410,562	\$336,566,774	\$336,422,998	\$334,208,067	\$316,495,066
Plan fiduciary net position.....	<u>257,889,976</u>	<u>261,719,628</u>	<u>268,430,253</u>	<u>301,760,734</u>	<u>248,414,592</u>
Net pension liability.....	<u>\$76,520,586</u>	<u>\$74,847,146</u>	<u>\$67,992,745</u>	<u>\$32,447,333</u>	<u>\$ 68,080,474</u>
Plan fiduciary net position as a % of total pension liability.....	77.1%	77.8%	79.8%	90.3%	78.5%

The following represents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
Net Pension Liability.....	\$ 111,465,673	\$ 76,520,586	\$ 46,856,082

Based on actuarial valuations performed by the Town's actuary, the actuarial value of assets and accrued liabilities held in the PERS were as follows:

Historic Trend Data

**Schedule of Funding Progress
(Actuarial Value - In Thousands)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
July 1, 2023	\$ 271,130	\$ 333,424	\$ 62,294	81.3%	\$ 15,215	409.4%
July 1, 2022	271,490	336,052	64,562	80.8%	16,470	392.0%
July 1, 2021	265,539	335,251	69,712	79.2%	15,704	443.9%
July 1, 2020	252,717	332,550	79,833	76.0%	16,509	483.6%
July 1, 2019	254,789	315,879	61,090	80.7%	17,810	343.0%
July 1, 2018	255,867	315,196	59,329	81.2%	17,810	333.1%
July 1, 2017	254,022	313,202	59,180	81.1%	18,713	316.3%
July 1, 2016	254,217	312,191	57,974	81.4%	18,756	309.1%
July 1, 2015	255,001	305,935	50,934	83.4%	19,912	255.8%
July 1, 2014	251,796	303,004	51,208	83.1%	20,317	252.0%

The following table represents recent funding trends for the Town's pension plans. Actual contributions include amounts from the General Fund and Water Pollution Control Authority Fund.

Schedule of Employer Contributions

Fiscal Year	Actuarial Determined Contribution	Actual Contribution	Percentage Contributed
2025 ¹	\$ 6,049,000	\$ 6,703,881	110.8%
2024 ²	6,087,126	5,460,521	89.7%
2023	6,243,501	6,262,481	100.3%
2022	6,878,195	6,859,206	99.7%
2021	6,610,201	6,610,201	100.0%

¹ Adopted Budget.

² Unaudited estimate. For fiscal year 2024-25, the Town budgeted the fully amount of the ADEC split between the General Fund and the WPCA Solid Waste Fund. However, the Town only contributed the General Fund allocation prior to June 30, 2024. When the Town discovered the oversight, it contributed the balance in fiscal year 2024-25. For fiscal year 2024-25., the Town budgeted the full ADEC and has already made the full contribution.

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The following table represents a prospective forecast of the Plan's accrued liability and corresponding ARC based on the July 1, 2022 valuation and assumes (i) that the Town will pay the ADEC each year; (ii) that assets will return 6.75% on a market value basis and (iii) that there are no future changes in the actuarial methods, assumptions or plan provisions.

Fiscal Year Ending	Actuarial Required Contribution	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
2025	\$ 6,049,000	\$ 271,130,299	\$ 333,423,721	\$ 62,293,422	81.3%
2026	6,240,000	270,729,000	333,870,000	63,141,000	81.1%
2027	6,326,000	271,969,000	333,807,000	61,838,000	81.5%
2028	7,180,000	262,671,000	333,442,000	70,771,000	78.8%
2029	7,500,000	260,615,000	332,631,000	72,016,000	78.3%
2030	7,632,000	260,544,000	331,368,000	70,824,000	78.6%
2031	7,793,000	260,446,000	329,544,000	69,098,000	79.0%
2032	7,931,000	260,373,000	327,418,000	67,045,000	79.5%
2033	8,063,000	260,272,000	324,859,000	64,587,000	80.1%
2034	8,193,000	259,968,000	321,692,000	61,724,000	80.8%
2035	8,215,000	259,374,000	317,809,000	58,435,000	81.6%
2036	8,254,000	258,151,000	312,743,000	54,592,000	82.5%
2037	8,299,000	256,554,000	306,858,000	50,304,000	83.6%
2038	8,361,000	254,631,000	300,176,000	45,545,000	84.8%
2039	8,407,000	252,472,000	292,776,000	40,304,000	86.2%
2040	8,408,000	250,109,000	284,644,000	34,535,000	87.9%
2041	8,419,000	247,649,000	275,852,000	28,203,000	89.8%
2042	8,300,000	245,246,000	266,637,000	21,391,000	92.0%
2043	8,009,000	242,818,000	256,814,000	13,996,000	94.6%
2044	6,980,000	240,528,000	246,705,000	6,177,000	97.5%

Defined Contribution Plans

The Town is also the administrator of two defined contribution (“DC”) retirement plans for employees. The first DC plan which was created for employees hired on or after their 45th birthday is now closed. The second DC plan was established for new employees hired after September 1999 for all bargaining units no longer eligible for the Town's Defined Benefit Pension Plan. The DC plans are administered by the Town's Human Resources Department. There are currently 163 members covered under the second DC plan. The following tables represent the Town's historic and projected contributions to the DC plans:

Schedule of Employer Contributions – Historic

Fiscal Year	Town Contribution
2025 ¹	\$ 2,200,000
2024 ²	1,876,523
2023	1,887,104
2022	1,755,703
2021	1,570,832

¹ Adopted Budget.
² Unaudited estimate.

See Appendix A, "Audited Financial Statements", for additional information concerning the Town's retirement plans.

OTHER POST-EMPLOYMENT BENEFITS ("OPEB")

The Town provides certain health care and life insurance benefits, in accordance with union contracts, to all Town employees who retire. Certain employees of the Board of Education receive post-employment benefits depending upon their particular bargaining unit. The Town also pays benefits under the Heart and Hypertension Act to retirees whose disabilities are claimed to be job related. The Town has established an OPEB Trust Fund makes contributions to the fund annually. The contribution requirements of plan members and the Town are negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums. For more information see Appendix A hereto.

The Town has retained the firm Milliman Inc. to perform an actuarial valuation to determine the Town's liability for post-employment benefits. The most recent valuation was effective July 1, 2022. Beginning in fiscal year 2017, the Town implemented Government Accounting Standards Board's (GASB) Statement No. 74. In accordance with GASB Statement 74, the net position is based on fair market value as of June 30th and OPEB Liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The components of the net OPEB liability of the Town were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability.....	\$207,256,005	\$209,942,354	\$243,132,373	\$288,762,665	\$325,187,048
Plan fiduciary net position.....	9,003,962	7,780,391	7,153,157	8,249,690	5,923,076
Net OPEB liability.....	<u>\$198,252,043</u>	<u>\$202,161,963</u>	<u>\$235,979,216</u>	<u>\$280,512,975</u>	<u>\$319,263,972</u>
Plan fiduciary net position as a % of total pension liability.....	4.34%	3.71%	2.94%	2.86%	1.82%

The following represents the net OPEB liability of the Town, calculated using the discount rate of 3.65%, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	<u>1% Decrease</u> <u>(2.93%)</u>	<u>Current Rate</u> <u>(3.93%)</u>	<u>1% Increase</u> <u>(4.93%)</u>
Town's Net OPEB Liability.....	\$ 225,389,375	\$ 198,252,043	\$ 175,824,032

The following represents the net OPEB liability of the Town, calculated using the current healthcare cost trend rates, as well as what the Town's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Town's Net OPEB Liability.....	\$ 170,101,396	\$ 198,252,043	\$ 233,328,671

The following represents historic trend data for the Town's OPEB Plan funding including the results of the July 2022 valuation:

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
July 1, 2022	\$ 7,153,157	\$ 208,399,310 ¹	\$201,246,153	3.4%	\$104,686,852	192.2%
July 1, 2020	5,923,076	279,769,067 ²	273,845,991	2.1%	103,884,532	263.6%
July 1, 2018	5,022,624	263,345,104 ³	258,322,480	1.9%	79,532,000	324.8%
July 1, 2016	3,784,000	250,657,000 ⁴	246,873,000	1.5%	72,582,000	340.1%
July 1, 2014	3,392,000	239,827,000 ⁵	236,435,000	1.4%	75,985,000	311.2%

¹ Assumes a 3.54% discount rate.
² Assumes a 2.21% discount rate.
³ Assumes a 3.87% discount rate.
⁴ Assumes a 4.00% discount rate.
⁵ Assumes a 6.75% discount rate.

Schedule of Employer Contributions

Fiscal Year	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2024 ¹	\$20,374,013	\$ 10,191,622	50.0%
2023	26,594,245	9,726,281	36.6%
2022	24,704,615	10,544,013	42.7%
2021	26,133,040	9,674,363	37.0%
2020	23,177,582	9,310,404	40.2%

¹ Unaudited estimate.

INVESTMENT POLICIES AND PRACTICES

Under the Town Charter and under Connecticut General Statutes Section 7-400, as amended, the Town may invest in certificates of deposit, repurchase agreements, municipal notes and bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, mutual funds and money market mutual funds.

The Town policy for eligible investments is governed by State of Connecticut General Statutes Section 7-400, 7-401 and 7-402 which, in general, allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end money market mutual funds whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Town’s investment practices have been to invest in certificates of deposit, repurchase agreements, U.S. Treasury securities and the State of Connecticut Short-Term Investment Fund (STIF). The Town’s operating funds and capital funds are currently invested in the following short-term investments: (1) overnight repurchase agreement with M&T Bank, Bank of America, Fairfield County Bank and STIF.

All Town pension funds are invested in mutual funds and securities by pension fund administrators. The Town's Pension Board updated its investment policy in anticipation of the proceeds from the issuance of the Town's 2013 Pension Bonds and continues to review and update the policy as necessary. Board of Education pension funds for administrators and teachers are invested in a cost sharing, multiple employer public employees’ retirement system established by the State of Connecticut and administered by the State of Connecticut Retirement Commission to provide pension benefits for the employees of participating municipalities. For further description of the Town's Pension Plans, see Note 9 to the Town's audited financial statements in Appendix A hereof.

PROPERTY TAX REVENUES

Fiscal Year	General Fund Revenues & Transfers In	Property Tax Revenues	Property Tax Revenues as a % General Fund Revenues
2025 ¹	\$ 260,014,370	\$ 206,446,895	79.4%
2024 ²	257,373,386	205,667,493	79.9%
2023	268,634,492	196,311,851	73.1%
2022	257,666,444	193,473,157	75.1%
2021	249,577,239	190,726,606	76.4%
2020	243,810,807	185,583,030	76.1%
2019	229,186,559	183,916,324	80.2%
2018	236,161,983	180,421,843	76.4%
2017	233,081,720	174,120,628	74.7%
2016	219,551,290	164,688,249	75.0%

¹ Adopted Budget, budgetary basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

² Unaudited estimate, budgetary basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

Sources: Annual audited financial statements; Unaudited estimate Fiscal Year 2023-24 and Adopted Budget 2024-25.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund Revenues & Transfers In	Federal and State Aid	Aid as a Percentage Of General Fund Revenue
2025 ¹	\$ 260,014,370	\$ 40,928,008	15.7%
2024 ²	257,373,386	41,066,003	16.0%
2023	268,634,492	58,817,345	21.9%
2022	257,666,444	54,079,573	21.0%
2021	249,577,239	49,714,746	19.9%
2020	243,810,807	47,900,337	19.6%
2019	229,186,559	36,258,221	15.8%
2018	236,161,983	48,171,466	20.4%
2017	233,081,720	49,234,555	21.1%
2016	219,551,290	41,912,560	19.1%

¹ Adopted Budget, budgetary basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

² Unaudited estimate, budgetary basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

Sources: Annual audited financial statements; Unaudited estimate Fiscal Year 2023-24 and Adopted Budget 2024-25.

MUNICIPAL BUDGET EXPENDITURE CAP

Connecticut General Statutes Section 4-661, as amended (“Section 4-661”), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in fiscal year 2018, the Office of Policy and Management (“OPM”) must reduce the amount of the municipal revenue sharing grant for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more or the rate of inflation, whichever is greater (the “expenditure cap”). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality’s adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-661 requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded.

Under Section 4-661, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures or payments on unfunded pension liabilities.

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EXPENDITURES

Fiscal Year	Education	Public Safety	Employee Benefits	Debt Service	Physical Development
2025 ¹	51.8 %	10.8 %	9.9 %	13.5 %	6.5 %
2024 ²	49.0	11.8	10.1	13.7	6.4
2023	53.2	11.1	9.4	12.5	6.0
2022	53.7	11.1	8.7	12.8	6.0
2021	53.6	11.2	8.2	13.3	6.3
2020	54.0	11.0	7.9	13.8	5.9
2019	52.8	11.2	8.5	13.1	5.7
2018	53.5	10.4	8.1	14.8	5.2
2017	53.6	10.9	8.7	14.0	4.8
2016	51.1	11.5	8.9	14.2	5.3

¹ Adopted Budget, budgetary basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

² Unaudited estimate, budgetary basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

Sources: Annual audited financial statements; Unaudited estimate Fiscal Year 2023-24 and Adopted Budget 2024-25.

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COMPARATIVE GENERAL FUND OPERATING STATEMENT
(Budgetary Basis)

	<u>Fiscal Year 2022-23</u>			<u>Fiscal Year</u>	<u>Fiscal Year</u>
	<u>Revised</u>	<u>Unaudited</u>	<u>Variance</u>	<u>2023-24</u>	<u>2024-25</u>
	<u>Budget</u>	<u>Estimate</u>	<u>Favorable</u>	<u>Unaudited</u>	<u>Adopted</u>
			<u>(Unfavorable)</u>	<u>Estimate</u>	<u>Budget</u>
REVENUES					
Property taxes, interest and liens.....	\$198,393,246	\$197,225,934	\$ (1,167,312)	\$205,667,493	\$206,446,895
Intergovernmental revenue.....	37,101,152	38,694,158	1,593,006	41,066,003	40,928,008
Departmental revenues.....	2,981,102	3,246,424	265,322	2,973,573	3,149,550
Licenses, fees and permits.....	897,000	1,337,656	440,656	1,295,144	1,193,000
Investment Income.....	450,000	1,744,265	1,294,265	4,792,048	2,600,000
Other revenues.....	<u>973,180</u>	<u>312,631</u>	<u>(660,549)</u>	<u>679,126</u>	<u>3,034,000</u>
TOTAL REVENUES	<u>240,795,680</u>	<u>242,561,068</u>	<u>1,765,388</u>	<u>256,473,386</u>	<u>257,351,453</u>
EXPENDITURES					
Current:					
Administration.....	\$ 6,465,686	\$ 6,081,025	\$ 384,661	\$ 7,155,056	\$ 9,452,794
Contingency.....	4,996,348	4,542,850	453,498	4,704,729	5,656,383
Employee Benefits.....	25,956,541 ¹	25,253,341 ¹	703,200	25,506,812 ¹	25,829,497 ¹
Finance.....	2,235,914	2,040,320	195,594	2,257,191	2,357,748
Human Development.....	6,903,409	6,853,989	49,420	7,248,023	7,865,852
Physical Development.....	16,351,710	15,596,795	754,915	16,045,168	16,852,591
Public Safety.....	27,767,995	28,620,202	(852,207)	29,811,881	28,151,825
Education.....	123,188,946	121,158,587	2,030,359	123,348,778	127,502,725
Debt Service.....	<u>33,926,486 ¹</u>	<u>34,180,985 ¹</u>	<u>(254,499)</u>	<u>34,443,981 ¹</u>	<u>35,147,985 ¹</u>
TOTAL EXPENDITURES	<u>247,793,035</u>	<u>244,328,094</u>	<u>3,464,941</u>	<u>250,521,619</u>	<u>258,817,400</u>
Excess (deficiency) of revenues over expenditures	<u>(6,997,355)</u>	<u>(1,767,026)</u>	<u>5,230,329</u>	<u>5,951,767</u>	<u>(1,465,947)</u>
Other financing sources (uses):					
Operating transfers in.....	8,200,000 ²	6,600,000 ²	(1,600,000)	900,000	2,662,917
Operating transfers out.....	<u>(1,202,645)</u>	<u>(1,202,645)</u>	<u>-</u>	<u>(1,364,306)</u>	<u>(1,196,970)</u>
Total Other financing sources (uses).....	6,997,355	5,397,355	(1,600,000)	(464,306)	1,465,947
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.....	<u>\$ -</u>	<u>\$ 3,630,329</u>	<u>\$ 3,630,329</u>	<u>\$ 5,487,461</u>	<u>\$ -</u>

¹ Includes debt service for the Town's 2013 Pension Bond issue. Pension Bond debt service was moved to the debt service line item for the Fiscal Year 2022-23 Adopted Budget and future budgets.

² Includes \$5,700,000 in ARPA revenue replacement funding.

Sources: Annual audited financial statements; Unaudited estimate Fiscal Year 2023-24 and Adopted Budget 2024-25.

COMPARATIVE BALANCE SHEETS - GENERAL FUND

Fiscal Year Ended:	2019	2020	2021	2022	2023
ASSETS					
Cash and cash equivalents.....	\$ 65,901,692	\$ 38,095,458	\$ 38,347,614	\$ 55,335,140	\$ 56,554,113
Investments.....	-	-	-	-	5,893,004
Receivables, net.....	10,465,306	12,292,756	12,741,881	16,484,709	14,770,733
Inventories and prepaids.....	391,396	249,081	105,832	23,977	15,985
Advances to other funds.....	1,227,942	1,220,363	1,063,061	895,502	659,350
Due from other funds.....	8,013,327	28,049,220	108,994,946	108,327,724	34,736,472
TOTAL ASSETS.....	\$ 85,999,663	\$ 79,906,878	\$ 161,253,334	\$ 181,067,052	\$ 112,629,657
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES.....					
Accounts payable.....	\$ 2,980,606	\$ 3,840,609	\$ 4,383,557	\$ 3,421,448	\$ 4,009,096
Accrued liabilities.....	574,660	819,624	823,399	1,398,794	883,312
Due to other funds.....	66,003,746	56,491,648	132,701,294	147,335,733	72,923,715
TOTAL LIABILITIES.....	69,559,012	61,151,881	137,908,250	152,155,975	77,816,123
DEFERRED INFLOWS OF RESOURCES					
Unavailable resources - property taxes.....	9,355,938	10,808,112	11,407,315	8,721,644	7,993,063
Unavailable resources - property taxes interest...	-	-	-	3,617,197	3,554,529
Unavailable resources - other.....	28,934	33,629	34,411	-	-
Leases.....	-	-	-	1,427,345	1,662,461
TOTAL DEFERRED INFLOWS OF RESOURCES.....	9,384,872	10,841,741	11,441,726	13,766,186	13,210,053
FUND BALANCES					
Nonspendable.....	1,619,338	1,469,444	1,168,893	919,479	675,335
Restricted.....	-	-	-	-	-
Committed.....	-	-	-	-	-
Assigned.....	190,623	102,859	502,946	599,538	1,470,530
Unassigned.....	5,245,818	6,340,953	10,231,519	13,625,874	19,457,616
TOTAL FUND BALANCES.....	7,055,779	7,913,256	11,903,358	15,144,891	21,603,481
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 85,999,663	\$ 79,906,878	\$ 161,253,334	\$ 181,067,052	\$ 112,629,657

Source: Annual audited financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND

Fiscal Year Ended:	2019	2020	2021	2022	2023
REVENUES					
Property taxes.....	\$183,916,324	\$185,583,030	\$190,726,606	\$193,473,157	\$196,311,851
State and Federal Governments.....	36,258,221	47,900,337	49,714,746	54,079,573	58,817,345
Charges for services.....	2,821,562	2,708,610	2,981,652	3,266,057	3,002,762
Licenses and permits.....	786,372	1,107,379	1,066,298	1,071,416	1,367,859
Investment income.....	1,082,636	931,490	22,420	(23,855)	1,871,489
Other revenues.....	2,351,047	969,961	635,275	2,060,072	663,186
TOTAL REVENUES.....	\$227,216,162	\$239,200,807	\$245,146,997	\$253,926,420	\$262,034,492
EXPENDITURES					
Current:					
Administration.....	5,910,487	5,391,074	5,595,510	6,250,354	6,081,025
Contingency.....	4,431,445	3,422,031	3,627,246	3,934,753	4,542,850
Employee Benefits.....	19,302,656	19,230,941	20,146,212	22,166,936	24,708,979
Finance.....	1,882,833	2,561,578	1,821,275	1,982,376	2,485,559
Human Development.....	6,155,899	6,131,545	5,651,247	6,353,933	6,853,989
Physical Development.....	13,009,037	14,355,797	15,444,312	15,371,085	15,622,075
Public Safety.....	25,599,474	26,686,653	27,567,001	28,203,594	28,970,979
Education.....	120,596,747	131,166,556	132,123,348	136,591,658	139,435,099
Debt service ¹	29,890,458	33,469,155	32,888,900	32,681,468	32,811,828
Capital outlay.....	654,190	-	163,073	88,754	113,519
TOTAL EXPENDITURES.....	227,433,226	242,415,330	245,028,124	253,624,911	261,625,902
Excess (deficiency) of revenues over expenditures.....	(217,064)	(3,214,523)	118,873	301,509	408,590
Other financing sources (uses):					
Proceeds from issuance of bonds...	-	-	92,104,976	-	-
Premium on bond issuance.....	-	-	5,877,594	-	-
Payment to bond escrow agent.....	-	-	(97,054,563)	-	-
Proceeds from capital lease.....	-	-	-	-	-
Operating transfers in.....	1,970,397	4,610,000	4,430,242	3,740,024	6,600,000
Operating transfers (out).....	(758,000)	(538,000)	(1,487,020)	(800,000)	(550,000)
Total other financing sources (uses).....	1,212,397	4,072,000	3,871,229	2,940,024	6,050,000
Excess (deficiency) of revenues and other financing sources over expenditures and other uses.....	995,333	857,477	3,990,102	3,241,533	6,458,590
Fund Balance - July 1.....	6,060,446	7,055,779	7,913,256	11,903,358	15,144,891
Fund Balance - June 30.....	\$ 7,055,779	\$ 7,913,256	\$ 11,903,358	\$ 15,144,891	\$ 21,603,481

¹ Includes proceeds of the Town's 2013 Pension Bond issue.

Source: Annual audited financial statements.

VI. INDEBTEDNESS

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of January 29, 2025
(Pro Forma)

Long-Term Debt

Date of Issue	Issue	Coupon Rate %	Original Issue Amount	Debt Outstanding Including This Issue	Final Maturity
01/31/08	Clean Water Fund Loan #105-CSL ¹	2.000	\$ 1,837,123	\$ 225,268	01/31/27
10/31/10	Clean Water Fund Loan #366-C1 ¹	2.000	46,145,572	12,775,676	10/31/29
12/29/11	Series 2011 (Energy Performance Contract) ¹ ...	3.240	8,212,115	2,905,825	06/15/30
10/29/13	Series 2013B (Federally Taxable).....	0.500 - 6.000	162,690,000	52,020,000	08/15/38
01/04/17	Series 2017.....	3.000 - 5.000	25,260,000	15,950,000	07/01/36
01/02/19	Series 2019.....	4.000 - 5.000	70,000,000	54,440,000	01/01/39
04/28/20	Series 2020A.....	3.000 -5.000	29,105,000	19,005,000	07/01/40
04/28/20	Series 2020B (Refunding)(Federally Taxable)...	0.349 - 2.461	78,100,000	66,780,000	08/01/34
12/16/21	Series 2022.....	4.000 - 5.000	15,650,000	15,650,000	05/15/42
04/28/23	Clean Water Fund Loan #713-CSL ¹	2.000	23,202,261	21,166,975	04/30/42
01/30/24	Series 2024.....	5.000	20,000,000	19,000,000	01/15/44
01/29/25	Series 2025 (This Issue).....	TBD	15,750,000	15,750,000	01/15/45
	Total			<u>\$ 295,668,744</u>	

¹ Includes debt of the Water Pollution Control Authority and EMS Enterprise Funds which are guaranteed by the full faith and credit of the Town but are expected to be repaid from user fees.

Short-Term Debt

Date of Issue	Issue	Coupon Rate %	Original Issue Amount	Debt Outstanding Including This Issue	Final Maturity
01/29/25	Bond Anticipation Notes (This Issue).....	TBD	19,285,000	19,285,000	1/28/2026
	Total			<u>\$ 19,285,000</u>	

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

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COMBINED SCHEDULE OF GENERAL AND ENTERPRISE FUND DEBT THROUGH MATURITY
As of January 29, 2025
(Pro Forma)

Fiscal Year	Existing Indebtness¹			The Bonds	
	Principal Payments	Interest Payments	Total Debt Service²	Principal Payments	Principal All Issues
2025 ³	\$ 3,051,612	\$ 2,854,744	\$ 5,906,356	\$ -	\$ 3,051,612
2026	25,303,073	10,581,178	35,884,251	790,000	26,093,073
2027	23,360,907	9,907,578	33,268,484	790,000	24,150,907
2028	23,039,774	9,234,105	32,273,879	790,000	23,829,774
2029	22,813,731	8,541,174	31,354,905	790,000	23,603,731
2030	20,839,117	7,840,235	28,679,352	790,000	21,629,117
2031	18,561,172	7,178,506	25,739,677	790,000	19,351,172
2032	18,431,172	6,411,873	24,843,044	790,000	19,221,172
2033	18,391,172	5,516,302	23,907,474	790,000	19,181,172
2034	17,316,172	4,648,908	21,965,079	790,000	18,106,172
2035	17,261,172	3,848,514	21,109,686	790,000	18,051,172
2036	15,486,172	3,078,149	18,564,321	790,000	16,276,172
2037	15,476,172	2,329,876	17,806,048	790,000	16,266,172
2038	14,156,172	1,614,853	15,771,024	790,000	14,946,172
2039	14,076,172	934,629	15,010,801	790,000	14,866,172
2040	3,756,172	450,506	4,206,677	790,000	4,546,172
2041	3,721,172	315,382	4,036,554	790,000	4,511,172
2042	2,877,643	193,728	3,071,371	790,000	3,667,643
2043	1,000,000	100,000	1,100,000	790,000	1,790,000
2044	1,000,000	50,000	1,050,000	790,000	1,790,000
2045	-	-	-	740,000	740,000
	<u>\$279,918,744</u>	<u>\$ 85,630,240</u>	<u>\$365,548,984</u>	<u>\$ 15,750,000</u>	<u>\$295,668,744</u>

¹ Includes debt of the Water Pollution Control Authority and EMS Enterprise Funds which are guaranteed by the full faith and credit of the Town but are expected to be repaid from user fees. Includes bonds issued in December 2011 to finance a Guaranteed Energy Performance Contract ("EPC") between the Town and Honeywell International Inc. Under the terms of the contract, various equipment and improvements intended to reduce energy consumption were undertaken at Town and Board of Education buildings. The cost of the improvements were in part financed by the issuance of \$8,212,115 of bonds and a \$2,229,855 lease with Bank of America. Under the terms of the EPC, if energy savings in any year are not sufficient to substantially cover the cost of the debt service on the improvements, Honeywell will cover the differential. The amounts reflected herein include \$2,905,825 of outstanding bonds (principal) for the EPC. In December 2021, the final lease payment was made.

² Totals may not sum due to rounding.

³ Excludes principal payments of \$21,682,919 and interest payments of \$8,274,731 made prior to January 29, 2025.

Source: Annual audited financial statements.

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SCHEDULE OF GENERAL FUND BONDED DEBT THROUGH MATURITY

As of January 29, 2025

(Pro Forma)

Fiscal Year	Existing Indebtness ¹			The Bonds	Principal All Issues
	Principal Payments	Interest Payments	Total Debt Service ²	Principal Payments	
2025 ³	\$ 1,107,619	\$ 2,517,688	\$ 3,625,308	\$ -	\$ 1,107,619
2026	21,265,239	9,966,562	31,231,801	790,000	22,055,239
2027	19,425,239	9,372,828	28,798,067	790,000	20,215,239
2028	19,115,239	8,778,073	27,893,312	790,000	19,905,239
2029	18,835,239	8,164,499	26,999,738	790,000	19,625,239
2030	18,659,048	7,533,177	26,192,225	790,000	19,449,048
2031	17,340,000	6,900,689	24,240,689	790,000	18,130,000
2032	17,210,000	6,158,480	23,368,480	790,000	18,000,000
2033	17,170,000	5,287,333	22,457,333	790,000	17,960,000
2034	16,095,000	4,444,361	20,539,361	790,000	16,885,000
2035	16,040,000	3,668,391	19,708,391	790,000	16,830,000
2036	14,265,000	2,922,450	17,187,450	790,000	15,055,000
2037	14,255,000	2,198,600	16,453,600	790,000	15,045,000
2038	12,935,000	1,508,000	14,443,000	790,000	13,725,000
2039	12,855,000	852,200	13,707,200	790,000	13,645,000
2040	2,535,000	392,500	2,927,500	790,000	3,325,000
2041	2,500,000	281,800	2,781,800	790,000	3,290,000
2042	1,860,000	184,400	2,044,400	790,000	2,650,000
2043	1,000,000	100,000	1,100,000	790,000	1,790,000
2044	1,000,000	50,000	1,050,000	790,000	1,790,000
2045	-	-	-	740,000	740,000
	<u>\$245,467,622</u>	<u>\$ 81,282,032</u>	<u>\$326,749,654</u>	<u>\$ 15,750,000</u>	<u>\$261,217,622</u>

¹ Includes debt of the Water Pollution Control Authority and EMS Enterprise Funds which are guaranteed by the full faith and credit of the Town but are expected to be repaid from user fees. Includes bonds issued in December 2011 to finance a Guaranteed Energy Performance Contract ("EPC") between the Town and Honeywell International Inc. Under the terms of the contract, various equipment and improvements intended to reduce energy consumption were undertaken at Town and Board of Education buildings. The cost of the improvements were in part financed by the issuance of \$8,212,115 of bonds and a \$2,229,855 lease with Bank of America. Under the terms of the EPC, if energy savings in any year are not sufficient to substantially cover the cost of the debt service on the improvements, Honeywell will cover the differential. The amounts reflected herein include \$2,905,825 of outstanding bonds (principal) for the EPC. In December 2021, the final lease payment was made.

² Totals may not sum due to rounding.

³ Excludes principal payments of \$19,990,000 and interest payments of \$8,084,687 made prior to January 29, 2025.

Source: Annual audited financial statements.

CLEAN WATER FUND PROGRAM

The Town is a participant in the State of Connecticut Clean Water Fund Program (Connecticut General Statutes Section 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan and denitrification projects which are funded with a 30% grant and a 70% loan.)

Loans to each municipality are made pursuant to Project Grant and Project Loan Agreements (the “Loan Agreement”). Each municipality is obligated to repay only that amount which it draws down for the payment of project costs (“Interim Funding Obligations”). Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

Amortization of each loan is required to begin one year from the earlier of the scheduled completion date specified in the Loan Agreement or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are made (1) in equal monthly installments commencing one month after the scheduled completion date, or (2) in a single annual installment representing 1/20 of total principal not later than one year from the scheduled completion date specified in the Loan Agreement and then thereafter in monthly installments. Loans made under a Loan Agreement entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty.

The Town has the following permanent Clean Water Fund loans outstanding:

<u>Project</u>	<u>Date of Issue</u>	<u>Original 2%</u>	<u>Amount</u>
		<u>Loan Amount</u>	<u>Outstanding</u>
			<u>As of 1/29/2025</u>
CWF PLO 105-CSL....	8/31/2007	\$ 1,837,123	\$ 225,268
CWF PLO 366-C1.....	10/29/2010	46,154,572	12,775,676
CWF PLO 713-CSL....	4/28/2023	23,202,261	21,166,975
		<u>\$ 71,193,956</u>	<u>\$ 34,167,919</u>

Although the security on the loans was the Town's full faith and credit, the Town expects that the debt service on the loans will be repaid from sewer user fees.

SCHEDULE OF WPCA AND EMS ENTERPRISE FUND DEBT THROUGH MATURITY

As of January 29, 2025

(Pro Forma)

<u>Fiscal Year</u>	<u>Existing Indebtness</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Debt Service</u> ¹
2025 ²	\$ 1,943,993	\$ 337,056	\$ 2,281,049
2026	4,037,834	614,616	4,652,450
2027	3,935,668	534,749	4,470,417
2028	3,924,535	456,032	4,380,567
2029	3,978,493	376,675	4,355,168
2030	2,180,069	307,058	2,487,127
2031	1,221,172	277,817	1,498,988
2032	1,221,172	253,393	1,474,565
2033	1,221,172	228,970	1,450,141
2034	1,221,172	204,546	1,425,718
2035	1,221,172	180,123	1,401,294
2036	1,221,172	155,699	1,376,871
2037	1,221,172	131,276	1,352,448
2038	1,221,172	106,853	1,328,024
2039	1,221,172	82,429	1,303,601
2040	1,221,172	58,006	1,279,177
2041	1,221,172	33,582	1,254,754
2042	1,017,643	9,328	1,026,971
	<u>\$34,451,122</u>	<u>\$ 4,348,208</u>	<u>\$38,799,330</u>

¹ Totals may not sum due to rounding.

² Excludes principal payments of \$1,692,919 and interest payments of \$190,044 made prior to January 29, 2025.

Source: Annual audited financial statements.

OUTSTANDING SHORT-TERM INDEBTEDNESS

Following this issue, the Town will have \$19,285,000 in outstanding short-term indebtedness.

OVERLAPPING AND UNDERLYING INDEBTEDNESS

The Town has no overlapping or underlying indebtedness.

DEBT STATEMENT
As of January 29, 2025
(Pro Forma)

Indebtedness ¹	
Bonded Debt	
<i>The Bonds (This Issue)</i>	\$ 15,750,000
General Purpose.....	63,031,286
Schools.....	87,046,336
Sewers.....	173,203
Pensions.....	95,500,000
State of Connecticut CWF PLO ²	34,167,919
Total Bonded Debt.....	<u>295,668,744</u>
Short Term Debt	
<i>The Notes (This Issue)</i>	<u>19,285,000</u>
Total Short-term Debt.....	<u>19,285,000</u>
Gross Direct Debt	314,953,744
Exclusions:	
Self-supporting Enterprise Fund Debt ²	(34,167,919)
Guaranteed Energy Performance Contract ³	<u>(2,905,825)</u>
Net Direct Debt	<u><u>\$277,880,000</u></u>

¹ Does not include authorized but unissued debt of \$63,191,907.

² The Town has financed renovations and upgrades to its Water Pollution Control Facility through the State of Connecticut Clean Water Fund Program. See “Authorized but Unissued Debt” and “Clean Water Fund” herein.

³ Includes debt of the Water Pollution Control Authority and EMS Enterprise Funds which are guaranteed by the full faith and credit of the Town but are expected to be repaid from user fees. Includes bonds issued in December 2011 to finance a Guaranteed Energy Performance Contract (“EPC”) between the Town and Honeywell International Inc. Under the terms of the contract, various equipment and improvements intended to reduce energy consumption were undertaken at Town and Board of Education buildings. The cost of the improvements were in part financed by the issuance of \$8,212,115 of bonds and a \$2,229,855 lease with Bank of America. Under the terms of the EPC, if energy savings in any year are not sufficient to substantially cover the cost of the debt service on the improvements, Honeywell will cover the differential. The amounts reflected herein include \$2,905,825 of outstanding bonds (principal) for the EPC. In December 2021, the final lease payment was made.

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CURRENT DEBT RATIOS

As of January 29, 2025

(Pro Forma)

Gross Direct Debt.....	\$314,953,744
Net Direct Debt.....	\$277,880,000
Population ¹	52,436
Net Taxable Grand List (10/1/22).....	\$5,149,703,992
Estimated Full Value.....	\$7,356,719,989
Equalized Net Taxable Grand List (2022) ²	\$ 10,472,589,181
Per Capita Income ¹	\$47,849
Total Direct Indebtedness:	
Per Capita.....	\$6,006.44
To Net Taxable Grand List	6.12%
To Estimated Full Value	4.28%
To Equalized Net Taxable Grand List.....	3.01%
Per Capita to Per Capita Income.....	12.55%
Net Direct Indebtedness:	
Per Capita.....	\$5,299.41
To Net Taxable Grand List.....	5.40%
To Estimated Full Value.....	3.78%
To Equalized Net Taxable Grand List.....	2.65%
Per Capita to Per Capita Income.....	11.08%

¹ U.S. Census Bureau, American Community Survey, 2018-2022.

² Office of Policy and Management, State of Connecticut

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20th (1/30th for sewer projects, certain school construction projects and in some instances, refunding bonds) of the estimated net project cost (CGS Sec. 7-378a), subject to the exception set forth in CGS Sec. 10-287f. The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

Temporary notes must be permanently funded no later than ten years from their initial borrowing date, except sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists for such state and/or federal grants, the municipality may renew the sewer notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

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

SCHOOL BUIDLING PROJECTS

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut provides proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. State grants will be paid directly to a municipality after it submits its request for progress payments, and accordingly, the municipality will issue bonds and notes only for its net share of project costs. Current and future school projects of the Town will receive reimbursement under this method include the following:

<u>Project</u>	<u>Total Appropriation</u>	<u>Reimbursement Rate</u>	<u>Estimated Grant ¹</u>
New Victoria Soto School.....	\$ 18,350,654	56.43%	\$ 7,622,689
Stratford High School Improvements ²	125,966,646	57.00%	65,269,060
2020 School Roof Projects.....	6,900,000	59.64%	4,115,160
2021 School Photo-voltaic Panel Array Projects..	4,296,000	59.64%	2,562,134
Total	\$155,513,300		\$79,569,043

¹ Estimated grants receivable are based upon eligibility of project costs. Eligible costs are to be determined at completion of a post-project audit. To date, the Town has received \$67,450,158 in grants for the projects listed above and expects to receive an additional \$12,118,885.

² The Town appropriated a total of \$125,966,646 for the Stratford High School Improvement project and has authorized up to \$65,000,000 in bonds to fund the Town’s share of the project costs.

LIMITATION OF INDEBTEDNESS

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

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

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

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

COMPUTATION OF STATUTORY DEBT LIMIT AND DEBT MARGIN

As of January 29, 2025

(Pro Forma)

Total Tax Collections (including interest and lien fees) for the year ended June 30, 2023	\$197,804,334
Reimbursement for Revenue Loss On:	
Tax relief for elderly freeze	<u>-</u>
Base for Debt Limitation Computation	<u><u>\$197,804,334</u></u>

<u>Debt Limitation</u> ¹	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban</u>	<u>Past Pension</u>	<u>Total Debt</u>
2 1/4 times base.....	\$445,059,752					
4 1/2 times base.....		\$890,119,503				
3 3/4 times base.....			\$741,766,253			
3 1/4 times base.....				\$642,864,086		
3 times base					\$593,413,002	
7 times base.....						\$1,384,630,338
Indebtedness:						
Outstanding Debt ²	\$ 63,031,286	\$ 87,046,336	\$ 173,203	\$ -	95,500,000	\$ 245,750,825
<i>The Bonds (This Issue)</i>	13,719,500	2,030,500		-	-	15,750,000
<i>The Notes (This Issue)</i>	4,758,000	14,527,000	-	-	-	19,285,000
Clean Water Fund PLO ³	-	-	34,167,919	-	-	34,167,919
Authorized but Unissued Debt.....	49,243,465	9,421,301	4,527,141	-	-	63,191,907
Total Indebtedness	<u>130,752,251</u>	<u>113,025,137</u>	<u>38,868,263</u>	<u>-</u>	<u>95,500,000</u>	<u>378,145,651</u>
Less:						
School Grants Receivable ⁴	-	(12,118,885)	-	-	-	(12,118,885)
Total Net Indebtedness	<u>130,752,251</u>	<u>100,906,252</u>	<u>38,868,263</u>	<u>-</u>	<u>95,500,000</u>	<u>366,026,766</u>
Debt Limitation in Excess of						
Indebtedness	<u>\$314,307,501</u>	<u>\$789,213,251</u>	<u>\$702,897,990</u>	<u>\$642,864,086</u>	<u>\$497,913,002</u>	<u>\$1,018,603,572</u>

¹ Under Chapter 109 of the Connecticut General Statutes the total of all indebtedness shall not exceed seven times the base or \$1,384,630,338.

² Includes debt of the Water Pollution Control Authority and EMS Enterprise Funds which are guaranteed by the full faith and credit of the Town but are expected to be repaid from user fees. Includes bonds issued in December 2011 to finance a Guaranteed Energy Performance Contract (“EPC”) between the Town and Honeywell International Inc. Under the terms of the contract, various equipment and improvements intended to reduce energy consumption were undertaken at Town and Board of Education buildings. The cost of the improvements were in part financed by the issuance of \$8,212,115 of bonds and a \$2,229,855 lease with Bank of America. Under the terms of the EPC, if energy savings in any year are not sufficient to substantially cover the cost of the debt service on the improvements, Honeywell will cover the differential. The amounts reflected herein include \$2,905,825 of outstanding bonds (principal) for the EPC. In December 2021, the final lease payment was made.

³ The Town has financed renovations and upgrades to its Water Pollution Control Facility through the State of Connecticut Clean Water Fund Program. See “Authorized but Unissued Debt” and “Clean Water Fund” herein.

⁴ To date, the Town has received \$67,450,158 in progress payments for current school construction projects from the State of Connecticut. The Town expects to receive an additional \$12,118,885 in progress payments for school construction projects. (See “School Projects” herein.)

Source: Town Officials.

PROVISIONS REGARDING BOND AUTHORIZATIONS

The normal provisions for adopting a bond ordinance in accordance with the Town Charter are provided below. However, in the case of refunding bonds, the Town, in accordance with Section 7-370c of the Connecticut General Statutes, which supersedes the Town Charter, authorizes its refunding bonds by the passage of a resolution by the Town Council. Such resolution is effective immediately upon passage.

Pursuant to the Town Charter, the legislative body of the Town is the Town Council. The Town Council has the authority to adopt ordinances making appropriations and authorizing the issuance of bonds and notes to meet appropriations. Bond ordinances require public notice of at least two weeks before final action by the Town Council. After a public hearing and a second reading, bond ordinances must be adopted upon the approval of at least seven members of the Town Council, or failing such approval, may be submitted to the electors of the Town at a regular or special election. Except for ordinances approving refunding bonds, ordinances become effective thirty days after passage.

The Town's bond ordinances authorize bonds or bond anticipation notes to be issued and sold by the Mayor and the Finance Director. The Mayor and Finance Director also approve the issuance and sale of bonds from time to time to permanently finance any bond anticipation notes outstanding when there are no other conditions precedent to the issuance of bonds under duly adopted ordinances.

The Charter of the Town provides in Section 6.2.6 as follows: "Upon the adoption of a budget, the council shall, by ordinance, levy such tax as may be necessary to meet the appropriations made (less the estimated amount of revenue from other sources) and all sums required by law to be raised on account of the Town debt, together with such additional funds as may be required by the Town budget, and shall prescribe the manner and time for payment."

The Charter provides further in Section 2.2.4., in part, as follows: "Every issue of bonds shall be payable with a term of years not to exceed the estimated period of utility of the public improvement for which they are issued and in no case exceed thirty (30) years, and shall be payable, with exception of the last annual installment, in equal annual serial installments." and "Every ordinance for the issue of bonds shall provide for a tax levy for each year to meet the annual serial installments of principal and interest, and such amounts shall be included in a tax levy for each year until said bonds shall have been paid in full."

Each bond ordinance of the Town, including the bond ordinance for the Bonds, contains the provisions of Sections 6.2.6 and 2.2.4 of the Town Charter, with respect to a pledge to levy taxes sufficient to pay principal and interest due on bonds of the Town in any fiscal year. Each bond of the Town issued pursuant to the Town Charter and a duly adopted bond ordinance constitutes a contract between the Town and the owner thereof.

The above provisions of the Town Charter and State law impose a legal duty on the Town to levy ad valorem taxes on all taxable property in the Town without limitation as to rate or amount, except as to classified property, to pay principal of and interest on the bonds or notes of the Town and, in the event of failure by the Town to make such payments when due, a bond owner may sue the Town to compel such payments.

The Charter of the Town further provides electors of the Town the power to initiate a petition for the adoption or repeal of ordinances or other measures. If the Town Council shall fail to adopt an ordinance or other measure initiated by petition, the proposed ordinance or measure must be submitted to a vote of the electors at the next Town election occurring not less than 30 days after the date of the final action by the Town Council, and if no election is to be held within six months from such date, the Town Council shall call a special election to be held not less than 30 nor more than 45 days from such date. If the electors petition to repeal an ordinance, a petition may be filed within 30 days of its final passage. The Town will reconsider such ordinance which will not go into effect until a vote of the electors is held. If the Town Council does not repeal the ordinance, it will be submitted to a vote of the electors at the next Town election which must occur not less than 30 days after such petition is filed.

AUTHORIZED BUT UNISSUED DEBT

Capital Bond Ordinances	Amended Authorization	Prior Debt Issued	Grants Received	<i>The Notes</i>	<i>The Bonds</i>	Authorized but Unissued ¹
Sub-Total Miscellaneous Capital Bond Ordinances...	\$ 76,424,196	\$ 60,468,195	\$ 14,590,164	\$ -	\$ -	\$ 1,365,837
Sub-Total FY 2005-06 Capital Bond Ordinance.....	6,606,000	6,605,000	-	-	-	1,000
Sub-Total FY 2006-07 Capital Bond Ordinance.....	6,254,000	6,099,000	-	-	-	155,000
Sub-Total FY 2007-08 Capital Bond Ordinance.....	11,687,000	11,586,000	-	-	-	101,000
Sub-Total FY 2009-10 Capital Bond Ordinance.....	12,060,700	12,060,000	-	-	-	700
Sub-Total FY 2010-11 Capital Bond Ordinance ²	74,952,100	67,407,000	-	7,000,000	-	545,100
Sub-Total FY 2011-12 Capital Bond Ordinance.....	9,113,801	8,961,186	-	-	-	152,614
Sub-Total FY 2012-13 Capital Bond Ordinance.....	16,459,011	11,533,773	1,381,708	-	-	3,543,530
Sub-Total FY 2013-14 Capital Bond Ordinance.....	13,084,613	13,035,758	-	-	-	48,855
Sub-Total FY 2014-15 Capital Bond Ordinance.....	12,214,324	12,098,721	-	-	-	115,603
Sub-Total FY 2015-16 Capital Bond Ordinance.....	12,476,160	11,509,449	-	-	-	966,711
Sub-Total FY 2016-17 Capital Bond Ordinance.....	12,427,500	12,327,500	-	-	-	100,000
Sub-Total FY 2017-18 Capital Bond Ordinance.....	4,498,705	4,295,000	-	-	-	203,705
Sub-Total FY 2018-19 Capital Bond Ordinance.....	13,660,700	11,223,000	-	-	-	2,437,700
Sub-Total FY 2019-20 Capital Bond Ordinance.....	14,941,996	14,386,000	453,000	-	-	102,996
Sub-Total FY 2020-21 Capital Bond Ordinance.....	25,170,000	15,297,000	-	6,677,000	1,955,000	1,241,000
Sub-Total FY 2021-22 Capital Bond Ordinance.....	11,685,000	11,290,000	-	395,000	-	-
Sub-Total FY 2022-23 Capital Bond Ordinance.....	12,438,000	6,315,000	-	3,413,000	885,000	1,825,000
Sub-Total FY 2023-24 Capital Bond Ordinance.....	18,053,500	5,393,000	-	1,575,000	3,235,000	7,850,500
Sub-Total FY 2024-25 Capital Bond Ordinance.....	52,335,056	-	-	225,000	9,675,000	42,435,056
Total All Projects	<u>\$ 416,542,362</u>	<u>\$301,890,582</u>	<u>\$ 16,424,872</u>	<u>\$19,285,000</u>	<u>\$15,750,000</u>	<u>\$ 63,191,907</u>

¹ Water Pollution Control Facility Upgrades were financed through the State of Connecticut Clean Water Fund Program (See "Clean Water Fund Program" herein). Although the Town pledged its full faith and credit as security on the loans, it is expected that the loans will be repaid from user fees.

² Included in the Fiscal Year 2010-11 Capital Bond Ordinance is the Stratford High School Improvement project for which the Town has appropriated a total of \$125,966,646 and has authorized up to \$65,000,000 in bonds to fund the Town's share of project costs.

HISTORICAL DEBT STATEMENT

	2023-24 ¹	2022-23	2021-22	2020-21	2019-20
Population ²	52,436	52,436	52,436	52,360	51,982
Net taxable grand list.....	\$ 5,153,602,131	\$4,909,532,523	\$4,775,849,130	\$4,769,109,532	\$4,617,731,000
Estimated full value.....	\$ 7,362,288,759	\$7,013,617,890	\$6,822,641,614	\$6,813,013,617	\$6,596,758,571
Equalized net taxable grand list ³ ..	\$10,472,589,181	\$9,514,455,478	\$8,533,418,103	\$6,820,084,632	\$7,041,461,636
Per capita income ²	\$ 47,849	\$ 47,849	\$ 47,849	\$ 41,009	\$ 39,438
Short-term debt.....	\$ 19,285,000	\$ 19,285,000	\$ 19,472,000	\$ 13,845,000	\$ 5,444,000
Long-term debt.....	\$ 302,212,249	\$ 307,422,632	\$ 308,099,818	\$ 315,865,727	\$ 319,401,564
Total Direct debt.....	\$ 321,497,249	\$ 326,707,632	\$ 327,571,818	\$ 329,710,727	\$ 324,845,564
Net Direct debt.....	\$ 321,497,249	\$ 326,707,632	\$ 327,571,818	\$ 329,710,727	\$ 324,845,564

¹ Unaudited estimate.

² U.S. Census Bureau, American Community Survey.

³ Office of Policy and Management, State of Connecticut

HISTORICAL DEBT RATIOS

	<u>2023-24¹</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Total Direct debt:					
Per capita.....	\$6,131.23	\$6,230.60	\$6,247.08	\$6,297.00	\$6,249.19
To net taxable grand list.....	6.24%	6.65%	6.86%	6.91%	7.03%
To estimated full value.....	4.37%	4.66%	4.80%	4.84%	4.92%
To equalized net taxable grand list.....	3.07%	3.43%	3.84%	4.83%	4.61%
Debt per capita to per capita income..	12.81%	13.02%	13.06%	15.36%	15.85%
Net direct debt:					
Per capita.....	\$6,131.23	\$6,230.60	\$6,247.08	\$6,297.00	\$6,249.19
To net taxable grand list.....	6.24%	6.65%	6.86%	6.91%	7.03%
To estimated full value.....	4.37%	4.66%	4.80%	4.84%	4.92%
To equalized net taxable grand list.....	3.07%	3.43%	3.84%	4.83%	4.61%
Debt per capita to per capita income..	12.81%	13.02%	13.06%	15.36%	15.85%

¹ Unaudited estimate.

CAPITAL IMPROVEMENT / CAPITAL EQUIPMENT PROGRAMS

The Mayor annually prepares five-year municipal capital improvement and capital equipment programs (“CIP/CEP”). The CIP/CEP are systematic programs of capital improvements to the Town's physical assets. The CIP/CEP are subject to approval of the Town Council annually.

<u>Department</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>	<u>Total</u>
Parks & Recreation.....	\$ -	\$ 255,000	\$ 125,000	\$ -	\$ -	\$ 380,000
Public Safety.....	2,162,000	586,000	2,891,000	558,000	1,030,000	7,227,000
Public Works.....	2,807,000	3,207,000	3,747,000	3,557,000	2,647,000	15,965,000
Roads & Sewers.....	37,760,163	27,946,000	29,471,000	46,121,000	124,971,000	266,269,163
Board of Education.....	3,177,515	3,575,000	4,715,000	4,225,000	2,435,000	18,127,515
Town Facilities.....	4,247,000	5,249,000	3,831,000	1,976,000	1,720,000	17,023,000
Town Hall.....	110,000	-	100,000	-	100,000	310,000
Total Program Costs.....	<u>\$50,263,678</u>	<u>\$40,818,000</u>	<u>\$44,880,000</u>	<u>\$56,437,000</u>	<u>\$ 132,903,000</u>	<u>\$325,301,678</u>
<u>Funding Sources</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>	<u>Total</u>
General Fund.....	\$ 147,000	\$ 47,000	\$ 47,000	\$ 47,000	\$ 147,000	\$ 435,000
G.O. BANs.....	5,464,015	4,945,000	5,247,000	5,169,000	4,800,000	25,625,015
G.O. Bonds (General Fund)...	17,492,500	29,030,000	27,015,000	29,075,000	126,510,000	229,122,500
G.O.Bonds (Harbor Fund).....	-	-	-	500,000	-	500,000
Grant.....	9,485,622	1,400,000	5,500,000	13,650,000	-	30,035,622
LOCIP Grants.....	596,000	596,000	596,000	596,000	596,000	2,980,000
EMS Fund.....	-	50,000	-	-	-	50,000
WPCA Fund.....	17,078,541	4,750,000	6,475,000	7,400,000	850,000	36,553,541
Total Funding Sources....	<u>\$50,263,678</u>	<u>\$40,818,000</u>	<u>\$44,880,000</u>	<u>\$56,437,000</u>	<u>\$ 132,903,000</u>	<u>\$325,301,678</u>

VII. ADDITIONAL INFORMATION

LITIGATION

The Town, its officers, employees, boards and commissions are defendants in various lawsuits. In the opinion of the Town Attorney, as of the date of this Official Statement, there are no claims or litigation pending or to his knowledge threatened, which would individually or in the aggregate result in final judgments against the Town which would have a material adverse effect on the finances of the Town or which would impact the validity of the Bonds or the Notes or the power of the Town to levy and collect taxes to pay them.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the Town on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has assisted the Town as to the plan of finance and the structuring of the Bonds and the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds and the Notes was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS AND THE NOTES

Upon delivery of the Bonds and the Notes, the winning bidders will be furnished the following:

1. A Signature and No Litigation certificate stating that at the time of delivery no litigation is pending or threatened effecting the validity of the Bonds and the Notes or the levy or collection of taxes to pay debt service on the Bonds and the Notes;
2. A certificate on behalf of the Town, signed by the Mayor and the Finance Director which will be dated the date of delivery which will certify to the best of said officials' knowledge and belief, that at the time that the bids were accepted on the Bond and the Notes, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement;
3. Receipts for the purchase prices of the Bonds and the Notes;
4. The approving opinions of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, in substantially the forms of Appendices B and C, attached hereto; and
5. Executed Continuing Disclosure Agreements for the Bonds and the Notes in substantially the form of Appendices D and E, respectively, attached hereto.

The Town has prepared a Preliminary Official Statement for the Bonds and the Notes which is dated January 7, 2025. The Town deems such Official Statement final as of its date for the purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. The Town will furnish each winning bidder with a reasonable number of copies of the Official Statement within seven business days the bid opening.

A transcript of the proceedings taken by the Town in authorizing the Bonds and the Notes will be kept on file at the offices of U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut and will be available for examination upon reasonable request.

CONCLUDING STATEMENT

Additional information may be obtained upon request from the Finance Director at (203) 385-4040 or Munistat Services, Inc. at (203) 421-2880.

This Official Statement is submitted only in connection with the sale of the Bonds and the Notes by the Town and may not be reproduced or used in whole or part for any other purpose. This Official Statement has been duly authorized and approved by the Town and duly executed and delivered on its behalf by the Town.

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

TOWN OF STRATFORD, CONNECTICUT

BY: _____
Laura R. Hoydick
Mayor

BY: _____
Dawn M. Savo
Finance Director

Dated: January __, 2025

APPENDIX A - AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Appendix A - Basic Financial Statements - is taken from the Annual Report of the Town of Stratford for the Fiscal Year ended June 30, 2023 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Finance Director, Town of Stratford, Connecticut.



INDEPENDENT AUDITORS' REPORT

Members of the Town Council
Town of Stratford, Connecticut

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Stratford, Connecticut, as of June 30, 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 Stratford, 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.

Emphasis of Matter

As discussed in Note 14 to the financial statements, errors were identified in the prior year financial statements during the current year. Accordingly, amounts have been restated in the 2023 financial statements now presented, and adjustments have been made to the fund balance and net position as of July 1, 2022, to correct these errors. Our opinions are not modified with respect to these matters.

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 Stratford, 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 Town of Stratford, 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 Town of Stratford, 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 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Stratford, Connecticut's basic financial statements. The combining and individual fund financial statements and schedules 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 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 schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Members of the Town Council
Town of Stratford, Connecticut

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2024, on our consideration of the Town of Stratford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Stratford, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Stratford, Connecticut's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
April 26, 2024

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

This discussion and analysis of the Town of Stratford, Connecticut's (the Town) financial performance is developed by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2023. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to XI.

Financial Highlights

- In the Statement of Net Position, The Town's net position increased by \$47,586,259. The net position of our business-type activities increased by \$680,025.
- During the year, the Town's governmental activities program expenses were \$47.1 million less than the \$301.5 million generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues from charges for services are \$16.2 million while operating expenses are \$15.1 million primarily due to the Water Treatment plant.
- Total cost of all the Town's programs decreased by \$23.4 million to \$269.4 million. The main decrease was in Physical Development for \$26.3 million due to the completion of large school construction projects, in particular the new Stratford High School building project and several school roof replacement projects.
- The General Fund reported a fund balance this year of \$21.6 million, which is an increase of \$6.5 million from the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

These two statements report the Town's net position and changes in them. The Town's net position, the difference between assets and liabilities, are one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other 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.

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

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

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

Fund Financial Statements

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

Governmental Funds (Exhibits III to IV): Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

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

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

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

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Government-Wide Financial Analysis

The Town's combined net position increased from a year ago from \$(327.8) million to \$(279.5) million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current and Other Assets	\$ 97,135	\$ 82,540	\$ 5,124	\$ 3,958	\$ 102,259	\$ 86,498
Capital Assets, Net of Depreciation	314,998	307,786	53,651	54,747	368,649	362,533
Total Assets	<u>412,133</u>	<u>390,326</u>	<u>58,775</u>	<u>58,705</u>	<u>470,908</u>	<u>449,031</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows - Pension	9,504	3,450	287	104	9,791	3,554
Deferred Outflows - OPEB	22,345	33,792	594	804	22,939	34,596
Deferred Outflows on Refunding	5,230	5,774	-	-	5,230	5,774
Total Deferred Outflows of Resources	<u>37,079</u>	<u>43,016</u>	<u>881</u>	<u>908</u>	<u>37,960</u>	<u>43,924</u>
LIABILITIES						
Current Liabilities	77,543	74,220	1,225	1,422	78,768	75,642
Long-Term Debt Outstanding	559,482	624,740	44,347	25,287	603,829	650,027
Total Liabilities	<u>637,025</u>	<u>698,960</u>	<u>45,572</u>	<u>26,709</u>	<u>682,597</u>	<u>725,669</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows - Pension	527	-	16	-	543	-
Deferred Inflows - OPEB	100,624	91,127	2,678	2,168	103,302	93,295
Deferred Inflows on Refunding	132	145	-	-	132	145
Leases	1,725	1,514	81	111	1,806	1,625
Total Deferred Inflows of Resources	<u>103,008</u>	<u>92,786</u>	<u>2,775</u>	<u>2,279</u>	<u>105,783</u>	<u>95,065</u>
NET POSITION						
Net Investment in Capital Assets	141,187	99,153	13,083	34,430	154,270	133,583
Restricted	7,080	5,871	-	-	7,080	5,871
Unrestricted	(439,088)	(463,428)	(1,774)	(3,805)	(440,862)	(467,233)
Total Net Position	<u>\$ (290,821)</u>	<u>\$ (358,404)</u>	<u>\$ 11,309</u>	<u>\$ 30,625</u>	<u>\$ (279,512)</u>	<u>\$ (327,779)</u>

Net position of the Town's governmental activities increased to \$(290.8) million as comparable to the prior year at \$(358.4). 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 \$(463.4) million at June 30, 2022 to \$(439) million at the end of this year.

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program Revenues:						
Charges for Services	\$ 19,068	\$ 7,388	\$ 16,189	\$ 14,279	\$ 35,257	\$ 21,667
Operating Grants and Contributions	55,619	55,937	-	-	55,619	55,937
Capital Grants and Contributions	21,765	20,944	-	12,124	21,765	33,068
General Revenues:						
Property Taxes	195,543	194,720	-	-	195,543	194,720
Grants and Contributions Not						
Restricted to Specific Purposes	5,516	567	-	-	5,516	567
Unrestricted Investment Earnings	2,101	(385)	-	-	2,101	(385)
Miscellaneous	1,856	2,822	-	-	1,856	2,822
Total Revenues	301,468	281,993	16,189	26,403	317,657	308,396
PROGRAM EXPENSES						
General Government	37,186	35,655	-	-	37,186	35,655
Human Development	8,924	8,337	-	-	8,924	8,337
Physical Development	12,738	39,058	-	-	12,738	39,058
Public Safety	27,985	31,438	-	-	27,985	31,438
Education	157,582	154,420	-	-	157,582	154,420
Interest Expense	9,917	10,154	-	-	9,917	10,154
Waste Operating	-	-	11,708	10,445	11,708	10,445
Short Beach Golf Course	-	-	142	145	142	145
Emergency Medical Services	-	-	3,209	3,180	3,209	3,180
Total Program Expenses	254,332	279,062	15,059	13,770	269,391	292,832
EXCESS BEFORE TRANSFERS	47,136	2,931	1,130	12,633	48,266	15,564
TRANSFERS	450	450	(450)	(450)	-	-
CHANGE IN NET POSITION	47,586	3,381	680	12,183	48,266	15,564
Net Position - Beginning of Year	(358,404)	(361,785)	30,625	18,442	(327,779)	(343,343)
RESTATEMENT	19,996	-	(19,996)	-	-	-
NET POSITION - END OF YEAR	\$ (290,821)	\$ (358,404)	\$ 11,309	\$ 30,625	\$ (279,512)	\$ (327,779)

The Town's total revenues were \$317.7 million. The total cost of all programs and services was \$269.4 million. Our analysis below separately considers the operations of governmental and business-type activities.

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

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

Changes in Net Pension Liability	\$	6,656
Change in Deferred Outflows Related to Pension		6,053
Change in Deferred Inflows Related to Pension		527
Change in Total OPEB Liability		(33,573)
Change in Deferred Outflows Related to OPEB		(11,447)
Change in Deferred Inflows Related to OPEB		9,498
Statement of Activities - Change in Pension/OPEB	<u>\$</u>	<u>(22,286)</u>

Governmental Activities

Approximately 65% of the revenues were derived from property taxes; the remaining 35% of revenue is made up of operating and capital grants, investment earnings and service fees.

Major revenue factors include:

- Property taxes increased by \$823,000 over the prior year. Current tax collections totaled \$191.1 million or 98% of the collectible taxes. Arrear taxes and interest collected was an additional \$3.6 million.
- Operating grants for governmental activities decreased by \$318,000 over the prior year. The State of Connecticut Education Cost Sharing grant, Special education, Municipal Grants-in-Aid, and Motor Vehicle Property Tax Grant totaled \$36.9 million of the Operating grants total.
- Governmental expenses decreased overall from \$279 million to \$254.3 million this year. While Education increased \$3.2 million and General Government increased by \$1.5 million, these were more than offset by a \$26.3 million decrease in physical development.

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

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
General Government	\$ 37,186	\$ 35,655	\$ 20,621	\$ 18,744
Public Safety	27,985	31,438	25,927	29,267
Physical Development	12,738	39,058	(281)	35,060
Education	157,582	154,420	94,093	94,686
Human Development	8,924	8,337	7,602	6,882
All Others	9,917	10,154	9,917	10,154
Total	\$ 254,332	\$ 279,062	\$ 157,879	\$ 194,793

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Business-Type Activities

Business-type activities increased the Town's net position by \$680,000. The key factors were \$13.2 million in program operating revenues in Waste Operating Fund.

Town Funds Financial Analysis

Governmental Funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$20.1 million, a decrease of \$3.1 million in comparison with the prior year.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the General Fund total fund balance is \$21.6 million.

General Fund mirrors the general fund activities analysis highlighted in RSI-1 and RSI-2. The fund balance of the Town's General Fund increased by \$6.5 million during the current fiscal year.

The Capital Projects Fund has a fund balance of \$(10.7) million at the end of the year, a decrease of \$12.6 million from the prior year. The Town will bond in FY24. Major projects in 2023 are as follows:

- Road Resurfacing, sidewalk improvement, street improvement, and bridge improvement of \$3 million.
- Capital equipment purchases including vehicles for public works, police, and fire of \$1 million.
- School building and ballfield improvements including lighting and flooring for \$3 million.

Other nonmajor governmental funds have a total fund balance of \$9.2 million, an increase of \$1.8 million from the prior year. Most of the increase is attributed to reimbursement of state and federal government funds of prior year.

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

Overall enterprise funds net position total \$11.3 million at the end of 2023, increasing by \$680,000 from the previous year.

Net position of the Waste Operating Fund at the end of the year is \$13.8 million, 123% of total net position of the proprietary funds. Other nonmajor activities have net deficit of \$2.6 million or -22% of the total net position. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town's Business-Type Activities and further discussion of restatement in Waste Operating Fund for Clean Water Fund debt that was erroneously reported in Capital Projects in FY22 can be found in the Note 14 to the Financial Statements.

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

The Internal Service Funds net position at the end of 2023 totaled (\$8) million; thereby, decreasing the deficit by \$1.6 million from the previous year.

Net position of the Health Benefit Fund and Workers' Compensation as of June 30, 2023 is \$177 thousand and (\$8.19) million, respectively. The decrease in the Health Benefit fund net position is due to increased expenses due to higher costs and increased claim activity. The increase in the net position for Worker's Compensation is due to continuing risk management strategies coupled with strong case management that includes department heads, town attorneys, and administration to contain costs and minimize lost wages. The Town plans to use ARPA funding to shore up this fund in fiscal year 2024.

General Fund Budgetary Highlights

During the year, total revenues were over budgetary estimates by \$165,388 and total expenditures were under budgetary estimates by \$3.46 million. The Town had a positive revenue variance of \$1.63 in State Intergovernmental Revenues that was the result \$1.1 million in State Revenue Sharing of Sales Tax due to state and an additional \$435,700 in Education Equalization Grant that was more than in the Governor's original budget proposal at the time the Town passed its budget. Employee Benefits of \$703,200, Administration of \$384,661, Contingency of \$453,498 and Physical Development of \$754,915 positive variances in Expenditures offset deficit of \$852,207 in Public Safety budget due higher than budget overtime expense. The Board of Education underspending by more than \$2 million was a major contributor to the overall positive variance.

Capital Asset and Debt Administration

Capital Assets – The Town's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2023 amounted to \$315 million and \$53.7 million, respectively. This investment in capital assets included land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 15,855	\$ 15,855	\$ -	\$ -	\$ 15,855	\$ 15,855
Land Improvements	13,304	10,610	4	11	13,308	10,621
Buildings and Improvements	209,049	208,111	18,526	21,688	227,575	229,799
Infrastructure	41,726	28,371	28,301	5,935	70,027	34,306
Machinery and Equipment	10,786	10,695	1,407	1,608	12,193	12,303
Construction in Progress	24,278	34,144	5,413	25,505	29,691	59,649
Total	<u>\$ 314,998</u>	<u>\$ 307,786</u>	<u>\$ 53,651</u>	<u>\$ 54,747</u>	<u>\$ 368,649</u>	<u>\$ 362,533</u>

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

**TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Long-Term Debt – At June 30, 2023 the Town had \$320 million in bonds and notes outstanding versus \$341.3 million last year, a decrease of 6.24% as shown in Table 5.

	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
General and Pension Obligation Bonds	\$ 279,347	\$ 302,336	\$ 694	\$ 820	\$ 280,041	\$ 303,156
Notes Payable	-	-	39,874	19,396	39,874	19,396
Interim Funding Obligation	-	-	-	18,728	-	18,728
Total	<u>\$ 279,347</u>	<u>\$ 302,336</u>	<u>\$ 40,568</u>	<u>\$ 38,944</u>	<u>\$ 319,915</u>	<u>\$ 341,280</u>

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior year’s tax collections. The current debt limitation for the Town amounts to \$1.3 billion, significantly more than the Town’s outstanding general obligation debt.

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

Economic Factors and Next Year’s Budgets and Rates

- Inflationary trends in the region are higher than the national indices.
- The Town will issue general obligation bonds for capital projects in fiscal year 2024.
- BOE was declared an Alliance District by State therefore the Town’s portion of State Education Cost Sharing/Equalization Grant will remain static while increases go directly to the BOE for programming requiring the General Fund Operating Budget to absorb the full impact of increases to education funding.

All of these factors were considered in preparing the Town’s budget for fiscal year 2024. The fiscal year 2024 General Fund budget calls for \$254,392,436 in revenues with matching expenditures resulting in an increase of \$5,396,936 over fiscal year 2023 or a 2.17% increase. The net taxable Grand List increased by 2.79% from fiscal year 2022 and the Town’s mill rate increased by 1.84% to 40.2.

During the current fiscal year, unassigned fund balance in the General Fund increased by \$5,831,742 for an unassigned balance of \$19,457,616. The Town did not appropriate or use any general fund balance for the fiscal year 2024 budget.

Contacting the Town’s Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors, governing bodies, and creditors with a general overview of the Town’s finances and to show the Town’s accountability for the tax and other funding it receives. The report is available on the Town website: (www.townofstratford.com) If you have questions about this report or need additional financial information, contact the Finance Director, Town of Stratford at 2725 Main Street, Stratford, Connecticut 06615.

BASIC FINANCIAL STATEMENTS

TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 60,807,067	\$ 1,895,734	\$ 62,702,801
Investments	8,526,462	-	8,526,462
Receivables, Net	27,048,733	3,887,428	30,936,161
Supplies and Prepays	94,237	-	94,237
Advance to Other Funds	659,350	(659,350)	-
Capital Assets:			
Assets Not Being Depreciated	40,132,234	5,413,211	45,545,445
Assets Being Depreciated, Net	274,865,344	48,237,830	323,103,174
Total Assets	<u>412,133,427</u>	<u>58,774,853</u>	<u>470,908,280</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pension	9,503,613	286,773	9,790,386
Deferred Outflows Related to OPEB	22,344,921	594,630	22,939,551
Deferred Outflows on Refunding	5,229,782	-	5,229,782
Total Deferred Outflows of Resources	<u>37,078,316</u>	<u>881,403</u>	<u>37,959,719</u>
LIABILITIES			
Accounts and Other Payables	8,851,165	569,401	9,420,566
Accrued Liabilities	5,425,826	98,744	5,524,570
Unearned Revenue	12,904,680	65,444	12,970,124
Internal Balances	3,586,542	(3,586,542)	-
Bond Anticipation Notes	21,085,000	-	21,085,000
Noncurrent Liabilities:			
Due Within One Year	25,689,157	4,078,610	29,767,767
Due in More Than One Year	559,482,184	44,346,767	603,828,951
Total Liabilities	<u>637,024,554</u>	<u>45,572,424</u>	<u>682,596,978</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pension	526,895	15,899	542,794
Deferred Inflows Related to OPEB	100,624,412	2,677,759	103,302,171
Deferred Inflows on Refunding	132,107	-	132,107
Leases	1,725,148	80,927	1,806,075
Total Deferred Inflows of Resources	<u>103,008,562</u>	<u>2,774,585</u>	<u>105,783,147</u>
NET POSITION			
Net Investment in Capital Assets	141,186,733	13,082,859	154,269,592
Restricted For:			
Nonexpendable Trust	2,910,560	-	2,910,560
Education	2,468,185	-	2,468,185
Human Development	230,705	-	230,705
Physical Development	1,470,711	-	1,470,711
Unrestricted	<u>(439,088,267)</u>	<u>(1,773,612)</u>	<u>(440,861,879)</u>
Total Net Position	<u>\$ (290,821,373)</u>	<u>\$ 11,309,247</u>	<u>\$ (279,512,126)</u>

See accompanying Notes to Financial Statements.

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 37,185,445	\$ 3,112,383	\$ 7,667,105	\$ 5,784,709	\$ (20,621,248)	\$ -	\$ (20,621,248)
Human Development	8,924,430	661,517	512,461	148,274	(7,602,178)	-	(7,602,178)
Physical Development	12,737,639	11,445,217	-	1,572,938	280,516	-	280,516
Public Safety	27,984,668	1,952,408	105,299	-	(25,926,961)	-	(25,926,961)
Education	157,582,057	1,896,056	47,333,661	14,258,880	(94,093,460)	-	(94,093,460)
Debt Service	9,916,725	-	-	-	(9,916,725)	-	(9,916,725)
Total Governmental Activities	254,330,964	19,067,581	55,618,526	21,764,801	(157,880,056)	-	(157,880,056)
BUSINESS-TYPE ACTIVITIES							
Waste Operating	11,707,950	13,329,877	-	-	-	1,621,927	1,621,927
Emergency Medical Services	3,207,517	2,502,037	-	-	-	(705,480)	(705,480)
Short Beach Golf Course	142,123	355,466	-	-	-	213,343	213,343
Total Business-Type Activities	15,057,590	16,187,380	-	-	-	1,129,790	1,129,790
Total	\$ 269,388,554	\$ 35,254,961	\$ 55,618,526	\$ 21,764,801	(157,880,056)	1,129,790	(156,750,266)
GENERAL REVENUES							
Property Taxes					195,542,808	-	195,542,808
Grants and Contributions Not Restricted to Specific Programs					5,515,787	-	5,515,787
Unrestricted Investment Earnings					2,100,344	-	2,100,344
Miscellaneous					1,857,376	235	1,857,611
Total General Revenues					205,016,315	235	205,016,550
Transfers					450,000	(450,000)	-
Total General Revenue and Transfers					205,466,315	(449,765)	205,016,550
CHANGE IN NET POSITION							
Net Position - Beginning of Year, as Restated					47,586,259	680,025	48,266,284
					(338,407,632)	10,629,222	(327,778,410)
NET POSITION - END OF YEAR					\$ (290,821,373)	\$ 11,309,247	\$ (279,512,126)

See accompanying Notes to Financial Statements.

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

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 56,554,113	\$ -	\$ 4,172,954	\$ 60,727,067
Investments	5,893,004	-	2,633,458	8,526,462
Receivables, Net	14,770,733	10,282,317	1,967,946	27,020,996
Supplies and Prepaids	15,985	-	78,252	94,237
Advance to Other Funds	659,350	-	-	659,350
Due From Other Funds	34,736,472	53,160,801	5,555,502	93,452,775
	<u>112,629,657</u>	<u>63,443,118</u>	<u>14,408,112</u>	<u>190,480,887</u>
Total Assets	<u>\$ 112,629,657</u>	<u>\$ 63,443,118</u>	<u>\$ 14,408,112</u>	<u>\$ 190,480,887</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts and Other Payables	\$ 4,009,096	\$ 4,128,863	\$ 693,725	\$ 8,831,684
Accrued Liabilities	883,312	-	70,918	954,230
Unearned Revenue	-	11,881,750	1,022,930	12,904,680
Bond Anticipation Notes	-	21,085,000	-	21,085,000
Due to Other Funds	72,923,715	26,834,814	2,768,147	102,526,676
Total Liabilities	<u>77,816,123</u>	<u>63,930,427</u>	<u>4,555,720</u>	<u>146,302,270</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	7,993,063	-	-	7,993,063
Unavailable Revenue - Property Taxes Interest	3,554,529	-	-	3,554,529
Unavailable Revenue - Other Receivables	-	9,848,606	624,911	10,473,517
Unavailable Revenue - Special Assessments	-	378,119	-	378,119
Leases	1,662,461	-	62,687	1,725,148
Total Deferred Inflows of Resources	<u>13,210,053</u>	<u>10,226,725</u>	<u>687,598</u>	<u>24,124,376</u>
FUND BALANCES				
Nonspendable	675,335	-	2,910,560	3,585,895
Restricted	-	-	4,169,601	4,169,601
Committed	-	37,079,361	4,422,393	41,501,754
Assigned	1,470,530	-	-	1,470,530
Unassigned	19,457,616	(47,793,395)	(2,337,760)	(30,673,539)
Total Fund Balances	<u>21,603,481</u>	<u>(10,714,034)</u>	<u>9,164,794</u>	<u>20,054,241</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 112,629,657</u>	<u>\$ 63,443,118</u>	<u>\$ 14,408,112</u>	<u>\$ 190,480,887</u>

See accompanying Notes to Financial Statements.

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

RECONCILIATION TO THE STATEMENT OF NET POSITION

Fund Balances - Total Governmental Funds (Exhibit III) \$ 20,054,241

Amounts reported for governmental activities in the statement of net assets (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	568,485,542
Less Accumulated Depreciation	<u>(253,487,964)</u>
Net Capital Assets	314,997,578

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	7,993,063
Interest Receivable on Property Taxes	3,554,529
Assessments Receivable	378,119
Other Receivables and Deferred Amounts	10,473,517
Deferred Outflows Related to Pension	9,503,613
Deferred Outflows Related to OPEB	22,344,921
Deferred Charges on Refunding	5,229,782

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.

(8,152,747)

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

Bonds and Notes Payable	(266,854,480)
Bond Premium	(12,492,502)
Interest Payable on Bonds and Notes	(4,470,096)
Compensated Absences	(12,263,060)
Landfill Closure	(9,258,059)
Deferred Charges on Refunding	(132,107)
Claims and Judgments	(1,000,000)
Net Pension Liability	(72,654,779)
Net OPEB Liability	(196,921,599)
Deferred Inflows Related to Pension	(526,895)
Deferred Inflows Related to OPEB	<u>(100,624,412)</u>

Net Position of Governmental Activities (Exhibit I) \$ (290,821,373)

See accompanying Notes to Financial Statements.

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

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes and Assessments	\$ 196,311,851	\$ 250,531	\$ -	\$ 196,562,382
State and Federal Governments	58,817,345	7,377,204	21,938,751	88,133,300
Department Revenue	3,002,762	-	4,102,797	7,105,559
Licenses and Permits	1,367,859	-	132,596	1,500,455
Investment Income (Loss)	1,871,489	-	228,855	2,100,344
Other	663,186	322,547	1,837,763	2,823,496
Total Revenues	<u>262,034,492</u>	<u>7,950,282</u>	<u>28,240,762</u>	<u>298,225,536</u>
EXPENDITURES				
Current:				
General Government:				
Administration	6,081,025	-	377,188	6,458,213
Contingency	4,542,850	-	-	4,542,850
Employee Benefits	24,708,979	-	-	24,708,979
Finance	2,485,559	-	-	2,485,559
Human Development	6,853,989	-	1,693,339	8,547,328
Physical Development	15,622,075	-	1,118,173	16,740,248
Public Safety	28,970,979	-	1,867,009	30,837,988
Education	139,435,099	-	21,394,727	160,829,826
Debt Service:				
Principal Retirements	25,263,728	-	-	25,263,728
Interest and Other Charges	7,548,100	-	-	7,548,100
Capital Outlay	113,519	14,857,239	200,253	15,171,011
Total Expenditures	<u>261,625,902</u>	<u>14,857,239</u>	<u>26,650,689</u>	<u>303,133,830</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	408,590	(6,906,957)	1,590,073	(4,908,294)
OTHER FINANCING SOURCES (USES)				
Premium on Bond Issuance	-	-	68,316	68,316
Transfers In	6,600,000	-	100,000	6,700,000
Transfers Out	(550,000)	(5,700,000)	-	(6,250,000)
Total Other Financing Sources	<u>6,050,000</u>	<u>(5,700,000)</u>	<u>168,316</u>	<u>518,316</u>
NET CHANGE IN FUND BALANCES	6,458,590	(12,606,957)	1,758,389	(4,389,978)
Fund Balances - Beginning of Year, As Restated	<u>15,144,891</u>	<u>1,892,923</u>	<u>7,406,405</u>	<u>24,444,219</u>
FUND BALANCES - END OF YEAR	<u>\$ 21,603,481</u>	<u>\$ (10,714,034)</u>	<u>\$ 9,164,794</u>	<u>\$ 20,054,241</u>

See accompanying Notes to Financial Statements.

**TOWN OF STRATFORD, 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 - Total Governmental Funds (Exhibit IV) \$ (4,389,978)

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	22,252,658
Depreciation Expense	(12,833,427)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the cost of the assets sold. (2,207,944)

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	(728,581)
Property Tax Interest Receivable	(62,668)
Assessments	(228,325)
Other Receivables and Deferred Amounts	9,568,802
Change in Deferred Outflows Related to Pension	6,053,448
Change in Deferred Outflows Related to OPEB	(11,447,349)
Deferred Outflow on Refunding	(543,958)

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

The details of these differences in the treatment of long-term debt and related items are as follows:

Bond Principal Payments	21,030,239
Amortization of Premiums and Discounts	1,958,532

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

Compensated Absences	67,262
Accrued Interest	364,757
Landfill Post Closure Care	341,941
Deferred Inflow on Refunding	13,211
Change in Net Pension Liability	(6,656,080)
Change in Net OPEB Liability	33,573,284
Change in Deferred Inflows Related to Pension	(526,895)
Change in Deferred Inflows Related to OPEB	(9,497,671)

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.

1,485,001

Change in Net Position of Governmental Activities (Exhibit 2) \$ 47,586,259

See accompanying Notes to Financial Statements.

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

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Fund		Total	Internal Service Fund
	Waste Operating Fund	Nonmajor Funds		
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 1,895,734	\$ 1,895,734	\$ 80,000
Receivables:				
Accounts and Other	-	496,820	496,820	27,737
Sewer Usage Receivable	1,469,257	-	1,469,257	-
Unbilled Sewer Usage Receivable	1,921,351	-	1,921,351	-
Due From Other Funds	12,773,925	92,717	12,866,642	5,672,118
Total Current Assets	16,164,533	2,485,271	18,649,804	5,779,855
Capital Assets:				
Assets Not Being Depreciated	5,183,672	229,539	5,413,211	-
Assets Being Depreciated, Net	46,403,763	1,834,067	48,237,830	-
Total Capital Assets	51,587,435	2,063,606	53,651,041	-
Total Assets	67,751,968	4,548,877	72,300,845	5,779,855
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pension	286,773	-	286,773	-
Related to OPEB	594,630	-	594,630	-
Total Deferred Outflows of Resources	881,403	-	881,403	-
LIABILITIES				
Current:				
Accounts Payable	456,364	113,037	569,401	20,981
Accrued Wages and Benefits	98,744	-	98,744	-
Unearned Revenue	63,514	1,930	65,444	-
Advance From Other Funds	-	659,350	659,350	-
Due to Other Funds	3,860,575	5,557,782	9,418,357	46,502
Risk Management Claims	-	-	-	851,000
Bonds Payable	30,122	231,000	261,122	-
Serial Notes Payable - Clean Water Fund	3,690,149	-	3,690,149	-
Compensated Absences	64,918	62,421	127,339	-
Total Current Liabilities	8,264,386	6,625,520	14,889,906	918,483
Noncurrent Liabilities:				
Bonds Payable	188,265	245,000	433,265	-
Serial Notes Payable - Clean Water Fund	36,183,646	-	36,183,646	-
Risk Management Claims	-	-	-	12,875,862
Net Pension Liability	2,192,367	-	2,192,367	-
Net OPEB Liability	5,240,364	-	5,240,364	-
Compensated Absences	151,475	145,650	297,125	-
Total Noncurrent Liabilities	43,956,117	390,650	44,346,767	12,875,862
Total Liabilities	52,220,503	7,016,170	59,236,673	13,794,345
DEFERRED INFLOWS OF RESOURCES				
Related to Pension	15,899	-	15,899	-
Related to OPEB	2,677,759	-	2,677,759	-
Leases	-	80,927	80,927	-
Total Deferred Inflows of Resources	2,693,658	80,927	2,774,585	-
NET POSITION				
Net Investment in Capital Assets	11,495,253	1,587,606	13,082,859	-
Unrestricted	2,223,957	(4,135,826)	(1,911,869)	(8,014,490)
Total Net Position	13,719,210	(2,548,220)	11,170,990	(8,014,490)
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	140,511	(2,254)	138,257	(138,257)
Net Position of Business-Type Activities	\$ 13,859,721	\$ (2,550,474)	\$ 11,309,247	\$ (8,152,747)

See accompanying Notes to Financial Statements.

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

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Fund			Internal Service Funds
	Waste Operating Fund	Nonmajor Funds	Total	
OPERATING REVENUES				
Charges for Services	\$ 13,156,809	\$ 2,863,503	\$ 16,020,312	\$ 10,622,899
Other	56,443	-	56,443	-
Total Operating Revenues	13,213,252	2,863,503	16,076,755	10,622,899
OPERATING EXPENSES				
Operating and Maintenance	7,204,308	3,095,762	10,300,070	9,027,273
Depreciation	3,418,004	250,350	3,668,354	-
Total Operating Expenses	10,622,312	3,346,112	13,968,424	9,027,273
OPERATING INCOME (LOSS)	2,590,940	(482,609)	2,108,331	1,595,626
NONOPERATING EXPENSES				
Loss on Disposal of Capital Assets	(40,756)	-	(40,756)	-
Interest Expense, Net	(1,044,882)	(3,293)	(1,048,175)	-
Total Nonoperating Revenues (Expenses)	(1,085,638)	(3,293)	(1,088,931)	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,505,302	(485,902)	1,019,400	1,595,626
TRANSFERS IN	-	450,000	450,000	-
TRANSFERS OUT	(900,000)	-	(900,000)	-
CHANGE IN NET POSITION	605,302	(35,902)	569,400	1,595,626
Net Position - Beginning of Year, As Restated	13,113,908	(2,512,318)	10,601,590	(9,610,116)
NET POSITION - END OF YEAR	13,719,210	(2,548,220)	11,170,990	(8,014,490)
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	116,625	(6,000)	110,625	(110,625)
Change in Net Position of Business-Type Activities	\$ 721,927	\$ (41,902)	\$ 680,025	\$ 1,485,001

See accompanying Notes to Financial Statements.

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

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Fund			Internal Service Fund
	Waste Operating Fund	Nonmajor Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received From Customers and Users	\$ 13,213,252	\$ 2,877,887	\$ 16,091,139	\$ 10,622,899
Cash Payments to Suppliers	(3,972,689)	(635,655)	(4,608,344)	(9,938,408)
Cash Payments to Employees	(2,828,373)	(2,536,204)	(5,364,577)	-
(Payments) Receipts for Interfund Services	(3,471,867)	676,832	(2,795,035)	(684,491)
Net Cash Provided by Operating Activities	<u>2,940,323</u>	<u>382,860</u>	<u>3,323,183</u>	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to (from) Other Funds	(900,000)	450,000	(450,000)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Payments on Debt	(2,856,024)	(95,000)	(2,951,024)	-
Proceeds from Clean Water Fund Note	3,881,203	-	3,881,203	-
Acquisition and Construction of Capital Assets	(2,613,475)	-	(2,613,475)	-
Principal Income from Leases	-	29,517	29,517	-
Interest Income from Leases	-	235	235	-
Interest Paid on Debt	(452,027)	(3,528)	(455,555)	-
Net Cash Used by Capital and Related Financing Activities	<u>(2,040,323)</u>	<u>(68,776)</u>	<u>(2,109,099)</u>	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	764,084	764,084	-
Cash and Cash Equivalents - Beginning of Year	-	1,131,650	1,131,650	80,000
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ -</u>	<u>\$ 1,895,734</u>	<u>\$ 1,895,734</u>	<u>\$ 80,000</u>

See accompanying Notes to Financial Statements.

**TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Fund			Internal Service Fund
	Operating Fund	Nonmajor Funds	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 2,590,940	\$ (482,609)	\$ 2,108,331	\$ 1,595,626
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:				
Depreciation	3,418,004	250,350	3,668,354	-
Change in Assets, Deferred Outflows, Liabilities and Deferred Inflows:				
(Increase) Decrease in Accounts Receivable	(89,529)	44,732	(44,797)	(27,737)
(Increase) Decrease in Unbilled Accounts Receivable	(86,277)	-	(86,277)	-
(Increase) Decrease in Due From Other Funds	28,294,501	58,553	28,353,054	7,281,325
Increase (Decrease) in Accounts Payable and Accrued Expenses	10,749	(52,787)	(42,038)	(254,442)
Increase (Decrease) in Risk Management Claim Liability	-	(1,310)	(1,310)	(628,956)
Increase (Decrease) in Compensated Absences	(40,191)	(22,000)	(62,191)	-
Increase (Decrease) in Due to Other Funds	(31,766,368)	618,279	(31,148,089)	(7,965,816)
Increase (Decrease) in Net Pension Liability	198,321	-	198,321	-
Increase (Decrease) in Net OPEB Liability	(142,122)	-	(142,122)	-
(Increase) Decrease in Deferred Outflows of Resources - Pension	(182,532)	-	(182,532)	-
Increase (Decrease) in Deferred Inflows of Resources - Pension	15,899	-	15,899	-
(Increase) Decrease in Deferred Outflows of Resources - OPEB	209,414	-	209,414	-
Increase (Decrease) in Deferred Inflows of Resources - OPEB	509,514	-	509,514	-
Increase (Decrease) in Deferred Inflows of Resources - Leases	-	(30,348)	(30,348)	-
Net Cash Provided by Operating Activities	<u>\$ 2,940,323</u>	<u>\$ 382,860</u>	<u>\$ 3,323,183</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

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

	Pension and Other Employee Benefit Trust Funds	Custodial Fund Teachers' Retiree
ASSETS		
Cash and Cash Equivalents	\$ 8,609,491	\$ 827,222
Investments:		
Mutual Funds	4,587,722	-
Common Stock	151,563,316	-
U.S. Government Securities	7,870,698	-
U.S. Government Agencies	4,319,912	-
Corporate Bonds	37,008,903	-
Alternative Investments	55,548,378	-
Total Assets	269,508,420	827,222
LIABILITIES		
Accounts Payable	8,400	-
Total Liabilities	8,400	-
NET POSITION		
Restricted for Pension Benefits	261,719,628	-
Restricted for OPEB Benefits	7,780,392	-
Restricted for Teacher's Retiree Fund	-	827,222
Total Net Position	\$ 269,500,020	\$ 827,222

See accompanying Notes to Financial Statements.

**TOWN OF STRATFORD, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023**

	Pension and Other Employee Benefit Trust Funds	Custodial Fund Teachers' Retiree
ADDITIONS		
Contributions:		
Plan Members	\$ 1,211,016	\$ -
Employer	15,988,762	-
Other	-	1,728,746
Total Contributions	<u>17,199,778</u>	<u>1,728,746</u>
Investment Income (Loss):		
Net Change in Fair Value of Investments	11,207,051	-
Investment Fee	<u>(269,522)</u>	<u>-</u>
Net Investment Income (Loss)	<u>10,937,529</u>	<u>-</u>
Total Additions	28,137,307	1,728,746
DEDUCTIONS		
Benefits	34,086,073	-
Other	<u>134,625</u>	<u>1,201,474</u>
Total Deductions	<u>34,220,698</u>	<u>1,201,474</u>
CHANGE IN NET POSITION	(6,083,391)	527,272
Net Position - Beginning of Year	<u>275,583,411</u>	<u>299,950</u>
NET POSITION - END OF YEAR	<u>\$ 269,500,020</u>	<u>\$ 827,222</u>

See accompanying Notes to Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

Fiduciary Component Units

The Town has established a single-employer Public Retirement Systems (PERS) and a postretirement retiree health plan (OPEB) to provide retirement benefits and post-retirement health care benefits to employees and their beneficiaries. The Town appoints a majority of the Pension Board and is required to make contributions to the pension and OPEB plans and can impose its will.

The financial statements of the fiduciary component units 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. Basis of Presentation

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days after the end of the current fiscal period for property taxes and certain other revenues and 120 days for grants.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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

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

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

The Town reports the following major governmental funds:

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

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

The Town reports the following major proprietary fund:

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

Additionally, the Town reports the following fund types:

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

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

The Custodial Funds are used to account for assets held by the Town in a custodial capacity for teachers.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other function of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

C. Cash Equivalents

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

D. Investments

Investments are stated at fair value, other than Alternative Investments which are valued using the net asset value (NAV) per share; for more information on Alternative Investments, see Note 3.

E. Supplies

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables and Payables

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

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

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

G. Capital Assets

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

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

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

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

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources (Continued)

The Town reports a deferred outflow on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred outflow on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs and differences in actual versus expected investment income. 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) except for differences in actual versus expected investment income which is amortized over 5 years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow on refunding, deferred inflows related to OPEB, deferred inflows for unavailable revenues and deferred inflows related to leases in the government-wide statement of net position. A deferred inflow 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 OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in 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 OPEB plans (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from three sources: property taxes, other receivables and special assessments. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Obligations

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

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

J. Compensated Absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for amounts expected to be paid with available resources, for example, as a result of employee resignations and retirements.

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

This component consists of net position that does not meet the definition of “Restricted” or “Net Investment in Capital Assets.”

The equity of the fund financial statements is defined as “Fund Balance” and is classified in the following categories:

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity (Continued)

Unassigned Fund Balance

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

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

M. Property Taxes

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

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

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

N. Accounting Estimates

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

General Fund

The Town's general budget policies are as follows:

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

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

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

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

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

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

Budgeted amounts reported are as originally adopted, or as amended by the Town Council during the course of the year. No supplemental appropriations were approved for year ended June 30, 2023.

B. Expenditures Exceeding Appropriations

The following line items exceeded appropriations for the year ended June 30, 2023:

Registrar of Voters	\$	18,017
Agencies		17,764
Information Technology		27,862
Administration		6,837
Health Department		56,252
Senior Services		20,717
Condo Containers		13,300
Flu Vaccine		28,971
Short Beach		3,170
Administration		10,057
Administration		57,125
Fire Suppression		773,069
Administration		118,864
Investigation		162,043
Traffic		30,582
Principal and Interest		254,499

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B. Expenditures Exceeding Appropriations (Continued)

Deficit Fund Equity

The following funds had fund deficits at June 30, 2023:

Major, Nonmajor and Other Funds:	
Capital Special Projects****	\$ 10,714,034
Railroad Property*	402,618
Miscellaneous Grants**	454,050
Debt Service***	1,481,092
Short Beach Golf Course*	10,391
Emergency Medical Services*	2,537,829
Internal Service - Workers' Compensation***	8,191,031

- * Deficit will be eliminated through future charges for services.
- ** Deficit will be eliminated through future intergovernmental receipts.
- *** Deficit will be eliminated through future appropriations.
- **** Deficit will be eliminated through future debt proceeds

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). 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.

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

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

Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$34,887,777 of the Town's bank balance of \$36,372,624 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 31,274,000
Uninsured and Collateral Held by the Pledging Bank's Trust Department, not in the Town's Name	<u>3,613,777</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 34,887,777</u></u>

Cash Equivalents

At June 30, 2023, the Town's cash equivalents amounted to \$32,622,385. State Short-Term Investment Fund (STIF) is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates. The Allspring 100% Treasury Money Market Fund and US Bank Money Market Funds are exclusively invested in U.S. Treasury obligations. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

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

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

Deposits (Continued)

Credit Risk – Cash Equivalents

Credit risk is the risk that an issuer of an investments will not fulfill its obligation to the holder. This is measure by the assignment of a rating by a nationally recognized statistical rating organization. The following chart summarizes year-end ratings for the Town as rated by Standard & Poor's:

	Standard & Poor's
State Short-Term Investment Fund (STIF)	AAAm
Allspring 100% Treasury Money Market Fund	AAAm
US Bank Money Market Funds	AAAm

Investments

The Town categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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:

	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 13,763,702	\$ 13,763,702	\$ -	\$ -
U.S. Government Agencies	4,319,912	4,319,912	-	-
Corporate Bonds	37,008,903	37,008,903	-	-
Common Stock	151,563,316	151,563,316	-	-
Mutual Funds	7,109,929	7,109,929	-	-
Total Investments by Fair Value Level	213,765,762	\$ 213,765,762	\$ -	\$ -
Investments Recorded at Net Asset Value (NAV):				
Alternative Investments	55,659,629			
Total Investments	\$ 269,425,391			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered "Alternative Investments" and, unlike more traditional investments, generally do not have readily obtainable fair values and take the form of limited partnerships. The Town values these investments based on the partnerships' audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions.

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

NOTE 3 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Investments (Continued)

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

	Fair Value	Unfunded Commitments	Frequency (If Currently Eligible)	Notice Period
Alternative Investments	\$ 55,659,629	\$ -	Quarterly	Various
Total Investments Measured at NAV	<u>\$ 55,659,629</u>	<u>\$ -</u>		

Equity Hedge Funds

This type includes an investment in a hedge fund that invest both long and short primarily in U.S. common stock. Management of each hedge fund can shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the investments in this type have been determined using the NAV per share of the investments.

Real Estate Investment Funds

This type includes four real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share of the Plan's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share of the Plan's ownership interest in partners' capital. Once it has been determined which investments will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process.

Interest Rate Risk

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

Credit Risk – Investments

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

Concentration of Credit Risk

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

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

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

Deposits (Continued)

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 did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent, that were not in the Town's name.

NOTE 4 RECEIVABLES

Receivables as of June 30, 2023 for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects	Waste Operating	Nonmajor Enterprise Funds	Nonmajor and Other Funds	Total
Receivables:						
Taxes and Interest	\$ 13,173,560	\$ -	\$ -	\$ -	\$ -	\$ 13,173,560
Accounts and Other	379,643	-	-	619,145	465,626	1,464,414
Special Assessments	-	378,119	-	-	-	378,119
Sewer Usage	-	-	1,469,257	-	-	1,469,257
Unbilled Sewer Usage Receivable	-	-	1,921,351	-	-	1,921,351
Intergovernmental	144,244	9,904,198	-	-	1,466,121	11,514,563
Leases	1,723,286	-	-	81,993	63,936	1,869,215
Gross Receivables	<u>15,420,733</u>	<u>10,282,317</u>	<u>3,390,608</u>	<u>701,138</u>	<u>1,995,683</u>	<u>31,790,479</u>
Less Allowance for Uncollectibles	650,000	-	-	204,318	-	854,318
Net Total Receivables	<u>\$ 14,770,733</u>	<u>\$ 10,282,317</u>	<u>\$ 3,390,608</u>	<u>\$ 496,820</u>	<u>\$ 1,995,683</u>	<u>\$ 30,936,161</u>

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

NOTE 5 CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 15,854,529	\$ -	\$ -	\$ -	\$ 15,854,529
Construction in Progress	34,144,338	7,264,971	2,207,944	(14,923,660)	24,277,705
Total Capital Assets Not Being Depreciated	49,998,867	7,264,971	2,207,944	(14,923,660)	40,132,234
Capital Assets Being Depreciated:					
Land Improvements	22,677,130	2,251,747	-	1,371,859	26,300,736
Buildings and Improvements	304,315,884	5,616,689	-	2,875,454	312,808,027
Machinery and Equipment	49,008,142	1,990,699	250,365	276,858	51,025,334
Infrastructure	122,691,170	5,128,552	-	10,399,489	138,219,211
Total Capital Assets Being Depreciated	498,692,326	14,987,687	250,365	14,923,660	528,353,308
Less Accumulated Depreciation for:					
Land Improvements	12,067,309	928,947	-	-	12,996,256
Buildings and Improvements	96,203,983	7,555,056	-	-	103,759,039
Machinery and Equipment	38,313,126	2,176,402	250,365	-	40,239,163
Infrastructure	94,320,484	2,173,022	-	-	96,493,506
Total Accumulated Depreciation	240,904,902	12,833,427	250,365	-	253,487,964
Total Capital Assets Being Depreciated, Net	257,787,424	2,154,260	-	14,923,660	274,865,344
Governmental Activities Capital Assets, Net	<u>\$ 307,786,291</u>	<u>\$ 9,419,231</u>	<u>\$ 2,207,944</u>	<u>\$ -</u>	<u>\$ 314,997,578</u>
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Construction in Progress	\$ 25,504,986	\$ 74,445	\$ 138,320	\$(20,027,900)	\$ 5,413,211
Capital Assets Being Depreciated:					
Land Improvements	2,148,942	-	-	-	2,148,942
Buildings and Improvements	71,576,138	-	-	-	71,576,138
Machinery and Equipment	8,411,961	-	-	-	8,411,961
Infrastructure	21,593,625	2,636,594	-	20,027,900	44,258,119
Total Capital Assets Being Depreciated	103,730,666	2,636,594	-	20,027,900	126,395,160
Less Accumulated Depreciation for:					
Land Improvements	2,137,533	6,948	-	-	2,144,481
Buildings and Improvements	49,889,098	3,162,008	-	-	53,051,106
Machinery and Equipment	6,803,860	201,152	-	-	7,005,012
Infrastructure	15,658,485	298,246	-	-	15,956,731
Total Accumulated Depreciation	74,488,976	3,668,354	-	-	78,157,330
Total Capital Assets Being Depreciated, Net	29,241,690	(1,031,760)	-	20,027,900	48,237,830
Business-Type Activities Capital Assets, Net	<u>\$ 54,746,676</u>	<u>\$ (957,315)</u>	<u>\$ 138,320</u>	<u>\$ -</u>	<u>\$ 53,651,041</u>

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

NOTE 5 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:		
General Government	\$	761,665
Human Development		377,102
Physical Development		3,420,979
Public Safety		1,389,920
Education		<u>6,883,761</u>
Total Depreciation Expense - Governmental Activities	<u>\$</u>	<u>12,833,427</u>
Business-Type Activities:		
Waste Operating	\$	3,418,004
Short Beach Golf Course		28,925
Emergency Medical Services		<u>221,425</u>
Total Depreciation Expense - Business-Type Activities	<u>\$</u>	<u>3,668,354</u>

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects	General Fund	\$ 49,082,735
Capital Projects	Major Enterprise	3,674,180
Capital Projects	Nonmajor Special Revenue	403,886
General Fund	Nonmajor Special Revenue	2,343,876
General Fund	Nonmajor Enterprise	5,557,782
General Fund	Capital Projects	26,834,814
Internal Service Funds	General Fund	5,465,338
Internal Service Funds	Nonmajor Special Revenue	20,385
Internal Service Funds	Major Enterprise	186,395
Nonmajor Special Revenue	General Fund	5,555,502
Nonmajor Enterprise	General Fund	46,215
Nonmajor Enterprise	Internal Service Funds	46,502
Major Enterprise	General Fund	12,773,925
Total		<u>\$ 111,991,535</u>

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

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

Interfund balances are a result of temporary loans to various funds. Excluded from the above is an interfund from the General Fund to the Emergency Medical Services Fund in the amount of \$659,350. This amount is shown as an advance to/from other funds due to a lack of commitment to pay by the Emergency Medical Services Fund.

Interfund transfers for the year ended June 30, 2023 are as follows:

	Transfers In			Total Transfers Out
	General	Nonmajor Governmental	Nonmajor Enterprise	
Transfers Out:				
General Fund	\$ -	\$ 100,000	\$ 450,000	\$ 550,000
Capital Projects	5,700,000	-	-	5,700,000
Waste Operating Fund	900,000	-	-	900,000
Total Transfers In	<u>\$ 6,600,000</u>	<u>\$ 100,000</u>	<u>\$ 450,000</u>	<u>\$ 7,150,000</u>

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

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 *(As Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds and Notes	\$ 287,884,719	\$ -	\$ 21,030,239	\$ 266,854,480	\$ 21,159,239
Premium on General Obligation Bonds	14,451,034	-	1,958,532	12,492,502	-
Claims and Judgments	1,000,000	-	-	1,000,000	-
Compensated Absences	12,330,322	19,844,031	19,911,293	12,263,060	3,678,918
Landfill Monitoring Closure and Postclosure Costs	9,600,000	-	341,941	9,258,059	-
Net Pension Liability	65,998,699	6,656,080	-	72,654,779	-
Net OPEB Liability	230,494,883	-	33,573,284	196,921,599	-
Risk Management	14,355,818	457,044	1,086,000	13,726,862	851,000
Governmental Activities Long-Term Liabilities *	<u>\$ 636,115,475</u>	<u>\$ 26,957,155</u>	<u>\$ 77,901,289</u>	<u>\$ 585,171,341</u>	<u>\$ 25,689,157</u>
Business-Type Activities:					
General Obligation Bonds Payable	\$ 819,509	\$ -	\$ 125,122	\$ 694,387	\$ 261,122
Notes Payable - CWF	38,123,792	4,474,059	2,724,056	39,873,795	3,690,149
Compensated Absences	486,655	691,629	753,820	424,464	127,339
Net Pension Liability	1,994,046	198,321	-	2,192,367	-
Net OPEB Liability	5,484,333	-	243,969	5,240,364	-
Business-Type Activities Long-Term Liabilities	<u>\$ 46,908,335</u>	<u>\$ 5,364,009</u>	<u>\$ 3,846,967</u>	<u>\$ 48,425,377</u>	<u>\$ 4,078,610</u>

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

NOTE 7 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities (Continued)

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

General Obligation Bonds

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

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

<u>Description</u>	<u>Balance Outstanding June 30, 2023</u>
Governmental Activities:	
School bonds with interest rates ranging from 2.0% to 5.0% and varying expiration dates ranging from August 2023 to May 2042	\$ 94,801,108
General obligation pension bonds with interest rates ranging from 0.5% to 5.0% and varying expiration dates from August 2030 to August 2038	109,665,000
General obligation bonds with interest rates ranging from 2.0% to 5.0% and varying expiration dates from August 2023 to May 2042	62,388,372
Total Governmental Activities	<u>\$ 266,854,480</u>
Business-Type Activities:	
EMS Bonds with interest rates ranging from 2.0% to 5.0% and varying expiration dates ranging from August 2023 to May 2042	\$ 476,000
WPCA Bonds with interest rates ranging from 1.0% to 5.0% and an expiration date of June 2030	218,387
Total Business-Type Activities	<u>\$ 694,387</u>

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

Governmental Activities

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 21,159,239	\$ 10,470,631	\$ 31,629,870
2025	20,335,239	9,692,160	30,027,399
2026	20,265,239	9,016,562	29,281,801
2027	18,425,239	8,472,828	26,898,067
2028	18,115,239	7,928,073	26,043,312
2029-2033	84,214,285	30,544,178	114,758,463
2034-2038	68,590,000	12,491,803	81,081,803
2039-2042	15,750,000	810,900	16,560,900
Total	<u>\$ 266,854,480</u>	<u>\$ 89,427,135</u>	<u>\$ 356,281,615</u>

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

NOTE 7 LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

Business-Type Activities

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 261,122	\$ 10,487	\$ 271,609
2025	165,122	7,696	172,818
2026	140,122	5,477	145,599
2027	30,122	3,904	34,026
2028	30,122	2,928	33,050
2029-2030	67,777	2,928	70,705
Total	<u>\$ 694,387</u>	<u>\$ 33,420</u>	<u>\$ 727,807</u>

Bonds Authorized but Unissued

The total of authorized but unissued bonds at June 30, 2023 are as follows:

General Purpose	\$ 17,119,924
School	22,902,286
Sewers	<u>1,527,141</u>
Total	<u>\$ 41,549,351</u>

Waste Operating Fund Notes Payable

Clean Water Fund Notes

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

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 3,690,149	\$ 762,849	\$ 4,452,998
2025	3,844,759	686,518	4,531,277
2026	3,897,712	609,129	4,506,841
2027	3,905,447	530,845	4,436,292
2028	3,894,413	453,104	4,347,517
2029-2033	9,854,299	1,440,600	11,294,899
2034-2038	6,105,858	778,498	6,884,356
2039-2042	4,681,158	183,345	4,864,503
Total	<u>\$ 39,873,795</u>	<u>\$ 5,444,888</u>	<u>\$ 45,318,683</u>

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

NOTE 7 LONG-TERM DEBT (CONTINUED)

Debt Limitation

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

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 428,949,009	\$ 86,916,296	\$ 342,032,713
Schools	857,898,018	131,380,394	726,517,624
Sewer and Water	714,915,015	41,619,323	673,295,692
Urban Renewal	619,593,013	-	619,593,013
Unfunded Pension Benefit Obligation	571,932,012	109,665,000	462,267,012
Total	<u>\$ 3,193,287,067</u>	<u>\$ 369,581,013</u>	<u>\$ 2,823,706,054</u>

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

Bond Anticipation Notes Payable

Bond anticipation notes outstanding at June 30, 2023 were as follows:

	Amount
Notes Payable, July 1, 2022	\$ 19,472,000
Notes Issued	21,085,000
Notes Retired	(19,472,000)
Notes Payable, June 30, 2023	<u>\$ 21,085,000</u>

During the year, the Town issued bond anticipation notes. These notes serve as temporary financing for various public improvements and school projects.

- \$19,472,000 in notes dated May 17, 2022, which matured on May 9, 2023. The notes carried an interest rate of 2%.
- \$21,085,000 in notes dated May 9, 2023, which matured on October 30, 2023. The notes carried an interest rate of 4.5%.

Landfill Post-Closure Care Costs

State and federal laws and regulations require that the Town place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The estimated total current cost of the landfill post closure care, aggregating \$9,258,059, is based on the amount estimated to be paid for all equipment, facilities and services required to cap, monitor, and maintain the landfills as of June 30, 2023. However, the actual cost of post closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through the issuance of general obligation bonds and state and federal grants. The Town is currently in discussions with the Department of Environmental Protection to develop and implement a superfund site plan, which needs to occur prior to the capping process. Therefore, there is no current portion of the liability reflected in the financial statements. Once an agreement is established the current portion will be reported.

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

NOTE 8 FUND BALANCE

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

	General Fund	Capital Projects	Nonmajor Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Inventory and Prepaids	\$ 15,985	\$ -	\$ 78,252	\$ 94,237
Nonexpendable Trusts	-	-	2,832,308	2,832,308
Advances to Other Funds	659,350	-	-	659,350
Restricted for:				
Education	-	-	2,468,185	2,468,185
Human Development	-	-	230,705	230,705
Physical Development	-	-	1,470,711	1,470,711
Committed to:				
General Government	-	-	126,053	126,053
Education	-	-	752,990	752,990
Human Development	-	-	744,050	744,050
Physical Development	-	-	1,022,805	1,022,805
Public Safety	-	-	1,443,010	1,443,010
Student Activities	-	-	333,485	333,485
Capital Projects	-	37,079,361	-	37,079,361
Assigned to:				
Education Encumbrances	1,470,530	-	-	1,470,530
Unassigned	19,457,616	(47,793,395)	(2,337,760)	(30,673,539)
Total Fund Balances	<u>\$ 21,603,481</u>	<u>\$ (10,714,034)</u>	<u>\$ 9,164,794</u>	<u>\$ 20,054,241</u>

Encumbrances of approximately \$1,471,000, \$1,800,000, and \$174,000 at June 30, 2023 are contained in the above table in the assigned category of the General Fund, the committed category of the Capital Projects Fund and the restricted and committed categories of the Nonmajor Governmental funds, respectively.

NOTE 9 EMPLOYEE RETIREMENT PLAN

Employee Defined Benefit Pension Plan

A. Plan Description

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

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

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Employee Defined Benefit Pension Plan (Continued)

A. Plan Description (Continued)

As of July 1, 2022, the date of the most recent actuarial valuation, membership consisted of the following:

Actives	162
Terminated Vested and Other Inactives	13
Retirees and Beneficiaries	652
Total	827

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

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Method Used to Value Investments

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

C. Funding Policy

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

Under the Town's defined benefit plan, all employees hired and working 20 hours or more per week are eligible. Employees are 100% vested after 10 years of service. The retirement benefit is calculated at 2.4% of average compensation during the 24 months immediately prior to retirement multiplied by up to 25 years of service. The calculation for service over 25 years varies by union contract. Employees are required to contribute 8% of their salaries to the defined benefit plan except for police hired after October 17, 1996 who contribute 7%.

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

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Employee Defined Benefit Pension Plan (Continued)

C. Funding Policy (Continued)

If an employee leaves covered employment or dies before 10 years of service, accumulated employee contributions and related investment earnings are refunded. The Town is required to contribute the remaining amounts necessary to finance the coverage for its employees. Benefits and contributions are established by the Town and may be amended only by the Town Council and Union negotiations.

D. Investments Investment Policy

The pension plan's policy, in regard to the allocation of invested assets, is established and may be amended by the Pension Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2023.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation as of June 30, 2023, and are also summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
U.S. Core Fixed Income	30.0 %	1.84 %
U.S. Large Caps	22.5	4.08
U.S. Mid Caps	10.0	3.96
U.S. Small and Mid Caps	10.0	4.10
Non-U.S. Equity	10.0	6.06
Private Real Estate Property	15.0	3.57
Timber	2.5	3.86
Total	<u>100.0 %</u>	

Concentrations

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

Concentrations:

Pension:

JP Morgan US Real Estate Income Growth Fund	5.5
Prime Property Fund LLC	9.1
U.S. Real Estate Investment Fund LLC	7.3

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

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Employee Defined Benefit Pension Plan (Continued)

D. Investments Investment Policy (Continued)

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, was 3.94%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Plan (DROP)

The Town offers a DROP to bargaining unit members employed on or after July 1, 2001. Any bargaining unit member who is a member of the Retirement Plan for full-time employees of the police Department of the Town upon completing his/her 25th year of service may elect the DROP at any time up to and through the completion of his/her 29th year of service. No bargaining unit member may elect the DROP after the completion of his/her 29th year of service. Upon the election of the DROP, no further pension benefits will accrue. During the DROP period, the employee's monthly pension benefits will be made to the employee's separately designated DROP account equal to 96% of the pension payment the employee was entitled to receive had that employee not elected the DROP. Upon separation from Town service, the monthly pension benefit shall increase to 100% of the monthly pension payment. During the DROP period, the employee will continue to make employee contributions equivalent to the amounts in effect at the time the DROP was elected, and these contributions will be made to the Town's Pension Fund, not the member's separate DROP account. The DROP period has a minimum length of one year and a maximum of five years. At June 30, 2023, there are no DROP participants. The DROP account balance is \$0 at June 30, 2023.

Net Pension Liability of the Town

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

Total Pension Liability	\$ 336,566,774
Plan Fiduciary Net Position	<u>261,719,628</u>
Net Pension Liability	<u>\$ 74,847,146</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.76 %
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**TOWN OF STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Employee Defined Benefit Pension Plan (Continued)

E. Actuarial Assumptions

The total pension liability for the plan was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 %
Salary Increases	3.75% for Police and Fire, rates that vary by age for all others
Investment Rate of Return	6.75 %

Pension plan mortality rates were based on the Pub-2010 Mortality (Public Safety variant for police, fire and public works employees and General variant for all others) with generational projection per MP 2021 Ultimate Scale.

F. Discount Rate

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

G. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2022	\$ 336,422,998	\$ 268,430,253	\$ 67,992,745
Changes for the Year:			
Service Cost	2,810,108	-	2,810,108
Interest on Total Pension Liability	22,089,515	-	22,089,515
Effect of Economic/Demographic Gains or Losses	922,159	-	922,159
Effect of Assumptions Changes or Inputs	(1,318,214)	-	(1,318,214)
Employer Contributions	-	6,262,481	(6,262,481)
Member Contributions	-	1,211,016	(1,211,016)
Net Investment Income	-	10,307,927	(10,307,927)
Benefit Payments, Including Refund of Employee Contributions	-	-	-
Administrative Expenses	(24,359,792)	(24,359,792)	-
Other Changes	-	(132,257)	132,257
Net Changes	143,776	(6,710,625)	6,854,401
Balances as of June 30, 2023	<u>\$ 336,566,774</u>	<u>\$ 261,719,628</u>	<u>\$ 74,847,146</u>

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

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Employee Defined Benefit Pension Plan (Continued)

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 110,393,416	\$ 74,847,146	\$ 44,707,979

I. 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 \$7,423,696. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 379,713	\$ -
Changes of Assumptions	-	542,794
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	9,410,673	-
Total	\$ 9,790,386	\$ 542,794

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

Year Ending June 30,	Pension Expense
2024	\$ 396,915
2025	(1,540,207)
2026	8,947,255
2027	1,443,629
Total	\$ 9,247,592

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

NOTE 9 EMPLOYEE RETIREMENT PLAN (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 multiple- employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at www.ct.gov.

B. Benefit Provisions

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

Normal Retirement

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

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.

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

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

C. Contributions (Continued)

Employer (School Districts) (Continued)

For the year ended June 30, 2023, the amount of “on-behalf” contributions made by the State was \$19,030,798 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.

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

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>241,376,381</u>
Total		<u>\$ 241,376,381</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 \$23,329,297 in Exhibit II for on-behalf amounts for the benefits provided by the State.

E. Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	3.00%-6.50%, including inflation
Investment Rate of Return	6.90%, net of pension plan investment expense, including inflation

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

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

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%.

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.

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

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Long-Term Rate of Return (Continued)

The current capital market assumptions and the target allocation as provided by the state of Connecticut treasurer’s office are summarized in the following table:

<u>Asset Class</u>	<u>Expected Return</u>	<u>Target Allocation</u>
Domestic Equity Fund	5.40 %	20.00 %
Developed Market Intl. Stock Fund	6.40	11.00
Emerging Market Intl. Stock Fund	8.60	9.00
Core Fixed Income Fund	0.80	13.00
Private Credit	6.50	5.00
Emerging Market Debt Fund	3.80	5.00
High Yield Bond Fund	3.40	3.00
Real Estate Fund	5.20	19.00
Private Equity	9.40	10.00
Alternative Investments	3.10	3.00
Liquidity Fund	(0.40)	2.00
Total		<u>100.00 %</u>

F. 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.

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

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

H. 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.

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

NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

I. Other Information

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

Defined Contribution Pension Plan

The Town administers a defined contribution pension plan that was opened to new members and contributions beginning in 1999. In a defined contribution plan, benefits depend solely on the amounts contributed to the plan plus investment earnings.

Employees are vested after five years of service with the Town and contribute between 6-8% annually, depending on the union. Plan investments are reported at fair value. Benefits and contributions are established by the Town and may be amended by the Town Council and union negotiations. The Town's contribution for the fiscal year ended June 30, 2023 was \$2,125,903.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN

A. Plan Description

The Town, in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The single-employer plan covers Town, Board of Education, police and fire employees as further defined in collective bargaining agreements and other written materials. Eligibility and premium sharing information is detailed in the various collective bargaining agreements. The Town does not issue separate stand-alone financial statements for the plan. At July 1, 2022, plan membership consisted of the following:

Active Members	1,160
Retired Members	934
Beneficiaries	76
Spouses of Retired Members	281
Total Participants	<u>2,451</u>

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

B. Funding Policy

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

Town Hall

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

Medical Benefits:

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

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

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

Life Insurance:

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

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

Police

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

Medical Benefits:

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

Life Insurance:

\$5,000 until age 65.

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

B. Funding Policy (Continued)

Firefighters

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

Medical Benefits:

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

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

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

Public Works

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

Medical Benefits:

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

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

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

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

Life Insurance:

\$5,000 until age 65.

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

B. Funding Policy (Continued)

Supervisors

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

Medical Benefits:

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

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

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

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

Life Insurance:

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

BOE Custodians

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

Medical and Dental Benefits:

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

Life Insurance:

\$15,000.

BOE Nurses

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

Medical and Dental Benefits:

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

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

B. Funding Policy (Continued)

BOE Administrators

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

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

Medical and Dental Benefits:

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

BOE Paraprofessional/Cafeteria Workers

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

Medical and Dental Benefits:

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

Life Insurance:

\$7,000

BOE Secretaries

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

Medical and Dental Benefits:

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

Life Insurance:

\$15,000.

BOE Teachers

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

Medical and Dental Benefits:

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

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

C. Investments

Investment Policy

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

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 8.80%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net OPEB Liability of the Town

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

Total OPEB Liability	\$ 209,942,354
Plan Fiduciary Net Position	<u>7,780,391</u>
Net OPEB Liability	<u>\$ 202,161,963</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	3.71 %
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E. 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	2.50 %
Discount Rate	3.54 %
Discount Rate (Prior)	3.65 %
Healthcare Cost Trend Rates	Varies by Medical Plan, Group, and Age

Mortality rates for Teachers and Administrators were based on the PubT-2010 Mortality Table for Employees and Health Annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with general projection of future improvements per the MP-2021 Ultimate Scale.

Mortality rates for All Others were based on the Pub-2010 Mortality Table with generational projection per the MP-2021 Ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after benefit commencement. The Public Safety variant was used for the police and fire groups, the general variant was used for all other groups.

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

E. Actuarial Assumptions (Continued)

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. A full actuarial experience study has not been completed.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
US Core Fixed Income	26.00 %	1.84 %
US Large & Mid Cap Growth	16.10	3.77
US Large & Mid Cap Value	18.70	3.93
US Mid Cap Growth	9.80	3.62
US Small Cap Equity	9.60	4.65
Non-US Equity	10.00	5.84
Emerging Markets Equity	9.80	5.97
Total	<u>100.00 %</u>	

F. Discount Rate

The discount rate used to measure the total OPEB liability was 3.65% (prior: 3.54%). 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 STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

G. Changes in OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2022	\$ 243,132,373	\$ 7,153,157	\$ 235,979,216
Changes for the Year:			
Service Cost	6,900,723	-	6,900,723
Interest on Total OPEB Liability	8,680,514	-	8,680,514
Effect of Economic/Demographic Gains or Losses	(30,220,506)	-	(30,220,506)
Effect of Assumptions/Changes or Inputs	(8,824,469)	-	(8,824,469)
Net Investment Income	-	629,602	(629,602)
Benefit Payments, Including Refund of	(9,726,281)	(9,726,281)	-
Employee Contributions	-	9,726,281	(9,726,281)
Administrative Expenses	-	(2,368)	2,368
Net Changes	(33,190,019)	627,234	(33,817,253)
Balances as of June 30, 2023	\$ 209,942,354	\$ 7,780,391	\$ 202,161,963

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

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

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Net OPEB Liability	\$ 230,433,710	\$ 202,161,963	\$ 178,880,977

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 174,787,674	\$ 202,161,963	\$ 236,299,221

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

J. 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 (revenue) of \$(2,427,024). 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
Difference Between Expected and Actual Experience	\$ -	\$ 61,720,023
Changes of Assumptions	22,939,551	41,212,193
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	369,955
Total	\$ 22,939,551	\$ 103,302,171

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

Year Ending June 30,	Amount
2024	\$ 17,707,574
2025	20,914,575
2026	21,895,038
2027	14,459,918
2028	5,385,515
Total	\$ 80,362,620

Other Post Employment Benefit – Connecticut State Teachers Retirement Plan

A. Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other postemployment 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.

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**Other Post Employment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

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.

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.

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**Other Post Employment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

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.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

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

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**Other Post Employment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

D. Contributions (Continued)

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 \$269,171 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.

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>21,139,035</u>
Total		<u>\$ 21,139,035</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 \$1,005,036 in Exhibit II for on-behalf amounts for the benefits provided by the State.

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**Other Post Employment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

F. Actuarial Assumptions

The total OPEB 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 %
Health Care Costs 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.

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 pre 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.

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**Other Post Employment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

F. Actuarial Assumptions (Continued)

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 in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2022.

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.

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**Other Post Employment Benefit - Connecticut State Teachers Retirement Plan
(Continued)**

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 STRATFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION AND OPEB TRUST FUNDS COMBINING SCHEDULES

Combining Schedule of Net Position – Trust Funds

	Pension Trust Fund	OPEB Trust Fund	Total
Assets:			
Cash and Cash Equivalents	\$ 8,388,702	\$ 220,789	\$ 8,609,491
Investments:			
Mutual Funds	3,849,318	738,404	4,587,722
Common Stock	145,973,455	5,589,861	151,563,316
U.S. Government Securities	6,978,551	892,147	7,870,698
U.S. Government Agencies	4,064,678	255,234	4,319,912
Corporate Bonds	36,916,546	92,357	37,008,903
Alternative Investments	55,548,378	-	55,548,378
Total Assets	<u>261,719,628</u>	<u>7,788,792</u>	<u>269,508,420</u>
Liabilities:			
Accounts Payable	-	8,400	8,400
Total Liabilities	<u>-</u>	<u>8,400</u>	<u>8,400</u>
Net Position:			
Restricted for Pension and OPEB Benefits	<u>\$ 261,719,628</u>	<u>\$ 7,780,392</u>	<u>\$ 269,500,020</u>

Combining Schedule of Changes in Net Position – Trust Funds

	Pension Trust Fund	OPEB Trust Fund	Total
Additions:			
Contributions:			
Plan Members	\$ 1,211,016	-	\$ 1,211,016
Employer	6,262,481	9,726,281	15,988,762
Total Contributions	<u>7,473,497</u>	<u>9,726,281</u>	<u>17,199,778</u>
Investment Income:			
Net Appreciation in Fair Value of Investments	10,577,449	629,602	11,207,051
Interest and Dividends	-	-	-
Total Investment Income	<u>10,577,449</u>	<u>629,602</u>	<u>11,207,051</u>
Investment Fees	(269,522)	-	(269,522)
Net Investment Income	<u>10,307,927</u>	<u>629,602</u>	<u>10,937,529</u>
Total Additions	17,781,424	10,355,883	28,137,307
Deductions:			
Benefits	24,359,792	9,726,281	34,086,073
Other	132,257	2,368	134,625
Total Deductions	<u>24,492,049</u>	<u>9,728,649</u>	<u>34,220,698</u>
Net Increase (Decrease)	(6,710,625)	627,234	(6,083,391)
Net Position - Beginning of Year	<u>268,430,253</u>	<u>7,153,158</u>	<u>275,583,411</u>
Net Position - End of Year	<u>\$ 261,719,628</u>	<u>\$ 7,780,392</u>	<u>\$ 269,500,020</u>

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

NOTE 12 OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Town purchases commercial property, boiler, and machinery insurance for losses in excess of \$50,000 to the Town's real estate, third-party liability insurance up to \$10,000,000 for claims above a \$1,000,000 self-insured retention. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2023.

The Town is self-insured for medical, dental, workers' compensation and heart and hypertension. The Town has opted to manage certain of its risks internally and has set aside assets for claim settlement in its Internal Service Fund.

The Internal Service Fund services employee health and workers' compensation claims for risk of loss. Under the program, the Town is obligated for claim payments. The Town has purchased a stop loss policy for individual claims exceeding \$500,000 for hospital and major medical. All departments of the Town participate in the program and make payments to the Internal Service Fund based on estimates of the amount needed to provide for normal occurrence of claims.

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

Health Benefit Fund

Fiscal Year	Claims Payable July 1,	Current Year Claims and Changes in Estimates	Payment of Claims	Claims Payable June 30,
2022	\$ 683,000	\$ 6,732,577	\$ 6,329,577	\$ 1,086,000
2023	1,086,000	7,348,022	7,583,022	851,000

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

NOTE 12 OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

Workers' Compensation Fund

<u>Fiscal Year</u>	<u>Claims Payable July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Payment of Claims</u>	<u>Claims Payable June 30,</u>
2022	\$ 12,996,035	\$ 2,793,046	\$ 2,519,263	\$ 13,269,818
2023	13,269,818	1,050,295	1,444,251	12,875,862

B. Contingent Liabilities and Commitments Lawsuits

There are several personal injury, negligence and personnel related lawsuits pending against the Town. The outcome and eventual liability of the Town, if any, in these cases is not known at this time.

Based upon consultation with legal counsel, the Town's management estimates that potential claims against the Town not covered by insurance resulting from such litigation would not materially affect the financial position of the Town. The Town has recorded in the government-wide financial statements \$1,000,000 to cover claims not covered by insurance. At this time, the Town has determined that none of the claims outstanding are due within the next 12 months.

Municipal Solid Waste Service Agreement

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

Federal and State Assistance Programs - Compliance Audits

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

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

NOTE 13 SUBSEQUENT EVENTS

On October 3, 2023, the Town issued \$19,285,000 of General Obligation Bond Anticipation Notes that have an interest rate of 5.0%. The notes were due January 30, 2024.

On January 18, 2024, the Town issued \$20,000,000 in General Obligation Bonds that have an interest rate of 5.0% and a maturity date of January 2044.

On January 30, 2024, the Town issued \$19,285,000 of General Obligation Bond Anticipation Notes that have an interest rate of 4.5%. The notes are due January 29, 2025.

NOTE 14 RESTATEMENT

The Town previously reported a new Clean Water Fund note payable in the Government-Wide Financial Statements and the associated capital assets in the Waste Operating Fund, a proprietary fund. The Town's intention was for the Waste Operating Fund to repay this debt. As such, this activity should have been recorded within this fund and not within the Government-Wide Financial Statements. The impact of these restatements are as follows:

	Balance as Previously Reported at 6/30/2022	Clean Water Fund Restatement	Balance as Restated 6/30/2022
Waste Operating Fund:			
Serial Notes Payable - CWF	\$ 19,395,590	\$ 18,728,202	\$ 38,123,792
Total Net Position	33,109,839	(19,995,931)	13,113,908
Due to Other Funds	34,359,214	1,267,729	35,626,943
Capital Projects Fund:			
Due From Other Funds	78,791,879	1,267,729	80,059,608
Total Fund Balance	625,194	1,267,729	1,892,923
Governmental Activities:			
Internal Balances	2,184,763	(1,267,729)	917,034
Noncurrent Liabilities	654,843,677	(18,728,202)	636,115,475
Total Net Position	(358,403,563)	19,995,931	(338,407,632)
Business-Type Activities:			
Internal Balances	2,184,763	(1,267,729)	917,034
Noncurrent Liabilities	28,180,133	18,728,202	46,908,335
Total Net Position	30,625,153	(19,995,931)	10,629,222

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF STRATFORD, 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 Positive (Negative)
	Original	Final		
Property Taxes:				
Current Levy	\$ 189,454,675	\$ 189,454,675	\$ 191,642,498	\$ 2,187,823
Arrears	6,840,000	6,840,000	4,528,768	(2,311,232)
Interest and Lien Fees	1,660,000	1,660,000	528,590	(1,131,410)
Suspense Taxes	-	-	87,507	87,507
Payments in Lieu of Taxes - Local	438,571	438,571	438,571	-
Total Property Taxes	198,393,246	198,393,246	197,225,934	(1,167,312)
Intergovernmental Revenues:				
State:				
Education Equalization Grant	25,147,965	25,147,965	25,182,987	35,022
Special Education	2,600,000	2,600,000	3,035,700	435,700
Veterans' Additional Relief	100,000	100,000	77,244	(22,756)
In Lieu of State Property Tax	200,000	200,000	270,849	70,849
State Disability Exemption	7,000	7,000	7,323	323
State Health CGS 10-217A	69,000	69,000	60,705	(8,295)
State Telecom Personal Property	85,500	85,500	103,338	17,838
Municipal Grants-in-Aid	5,784,709	5,784,709	5,784,709	-
State Revenue Sharing	-	-	1,100,670	1,100,670
MV Property Tax Grant	2,986,411	2,986,411	2,986,411	-
Airplane Registration Fee	50,000	50,000	53,655	3,655
Mashantucket Indian Grant	30,567	30,567	30,567	-
Total State	37,061,152	37,061,152	38,694,158	1,633,006
Federal:				
Civil Preparedness	40,000	40,000	-	(40,000)
Total Federal	40,000	40,000	-	(40,000)
Total Intergovernmental Revenues	37,101,152	37,101,152	38,694,158	1,593,006
Departmental Revenues:				
Education	63,500	63,500	132,793	69,293
Economic Development	-	-	30,000	30,000
Finance	200,000	200,000	143,454	(56,546)
Fire Department	70,000	70,000	49,559	(20,441)
Health Department	100,250	100,250	115,889	15,639
Conservation	20,000	20,000	35,788	15,788
Planning and Zoning	115,000	115,000	87,131	(27,869)
Police Department	128,000	128,000	120,270	(7,730)
Public Works	465,000	465,000	491,980	26,980
Recreation Department	15,500	15,500	4,536	(10,964)
Sanitation	365,000	365,000	470,357	105,357
Senior Services	7,000	7,000	9,124	2,124
Town Attorney	-	-	101,283	101,283
Town Clerk	1,431,852	1,431,852	1,454,260	22,408
Total Departmental Revenues	2,981,102	2,981,102	3,246,424	265,322

**TOWN OF STRATFORD, 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		
Licenses and Permits:				
Building Permits	\$ 760,000	\$ 760,000	\$ 1,140,970	\$ 380,970
Boothe Memorial Park Permits	30,000	30,000	17,145	(12,855)
Street and Sewer Permits	7,000	7,000	32,830	25,830
Beach Stickers/Concessions	100,000	100,000	146,711	46,711
Total Licenses and Permits	897,000	897,000	1,337,656	440,656
Investment Income	450,000	450,000	1,744,265	1,294,265
Other:				
Miscellaneous Rental:				
Cell Tower Rentals	170,000	170,000	113,246	(56,754)
Baldwin Rental	4,000	4,000	280	(3,720)
Beach House Rental	20,000	20,000	19,192	(808)
Rental Custodian Revenue	75,000	75,000	8,250	(66,750)
Other Insurance Recovery	25,000	25,000	-	(25,000)
Traffic Patrol	10,000	10,000	10,895	895
Gain on Sale of Land	470,000	470,000	-	(470,000)
Miscellaneous	99,180	99,180	52,521	(46,659)
Boothe Estates	100,000	100,000	108,247	8,247
Total Other	973,180	973,180	312,631	(660,549)
Total Revenues	240,795,680	240,795,680	242,561,068	1,765,388
Other Financing Sources:				
ARPA Revenue Replacement	5,700,000	5,700,000	5,700,000	-
Transfers In	2,500,000	2,500,000	900,000	(1,600,000)
Total	\$ 248,995,680	\$ 248,995,680	249,161,068	\$ 165,388

Budgetary revenues are different than GAAP revenues because:

State of Connecticut pension on-behalf contributions related to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted	19,030,798
State of Connecticut OPEB on-behalf contributions related to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted	269,171
Lease Revenue	30,163
Other Unbudgeted Items	117,356
Revenues Consolidated for GASB Statement No. 54	25,936

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

\$ 268,634,492

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

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Administration:				
Council Clerk	\$ 96,952	\$ 96,952	\$ 82,833	\$ 14,119
Office of the Mayor	361,850	361,850	358,105	3,745
Human Resources	475,261	475,261	452,661	22,600
Town Attorney	1,961,820	1,961,820	1,690,104	271,716
Chief Administrative Officer	406,196	406,196	378,236	27,960
Department of Planning	421,336	421,336	409,047	12,289
Registrar of Voters	283,531	283,531	301,548	(18,017)
Town Clerk	458,803	458,803	455,078	3,725
Town Buildings	1,244,000	1,244,000	1,151,850	92,150
Agencies	210,315	210,315	228,079	(17,764)
Information Technology	545,622	545,622	573,484	(27,862)
Total Administration	6,465,686	6,465,686	6,081,025	384,661
Contingency	4,996,348	4,996,348	4,542,850	453,498
Employee Benefits	36,345,668	36,345,668	35,642,468	703,200
Finance:				
Administration	206,024	206,024	212,861	(6,837)
Accounting	609,083	609,083	551,334	57,749
Purchasing	192,404	192,404	175,514	16,890
Tax Assessor	604,316	604,316	519,949	84,367
Tax Collector	624,087	624,087	580,662	43,425
Total Finance	2,235,914	2,235,914	2,040,320	195,594
Human Development:				
Community Services	523,331	523,331	484,182	39,149
Economic Community Development	283,735	283,735	275,791	7,944
Health Department	916,539	916,539	972,791	(56,252)
Recreation Department	829,091	829,091	786,885	42,206
Senior Services	598,182	598,182	618,899	(20,717)
Sterling House	226,525	226,525	226,500	25
Stratford Library Association	3,472,506	3,472,506	3,390,000	82,506
Visiting Nurses Association	53,500	53,500	53,500	-
Condo Containers	-	-	13,300	(13,300)
Flu Vaccine	-	-	28,971	(28,971)
Short Beach	-	-	3,170	(3,170)
Total Human Development	6,903,409	6,903,409	6,853,989	49,420

**TOWN OF STRATFORD, 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		
Physical Development:				
Public Works:				
Administration	\$ 580,219	\$ 580,219	\$ 590,276	\$ (10,057)
Building Inspection	295,279	295,279	276,348	18,931
Building Maintenance	2,378,245	2,378,245	2,177,193	201,052
Engineering	402,740	402,740	322,045	80,695
Parks	3,099,015	3,099,015	3,000,598	98,417
Highways	2,930,338	2,930,338	2,808,766	121,572
Town garage	944,994	944,994	918,200	26,794
Sanitation/Refuse	5,720,880	5,720,880	5,503,369	217,511
Total Physical Development	16,351,710	16,351,710	15,596,795	754,915
Public Safety:				
Fire Department:				
Administration	414,093	414,093	471,218	(57,125)
Fire Suppression	13,124,245	13,124,245	13,897,314	(773,069)
Fire Prevention	543,421	543,421	492,073	51,348
Communications Center	1,391,702	1,391,702	1,380,940	10,762
Police Department:				
Administration	693,618	693,618	812,482	(118,864)
Investigation	2,244,812	2,244,812	2,406,855	(162,043)
Patrol	7,384,852	7,384,852	7,173,594	211,258
Traffic	695,918	695,918	726,500	(30,582)
Professional Standards	809,152	809,152	795,872	13,280
Police Records	466,182	466,182	463,354	2,828
Total Public Safety	27,767,995	27,767,995	28,620,202	(852,207)
Board of Education	123,188,946	123,188,946	121,158,587	2,030,359
Debt Service:				
Bonds Payable:				
Principal and Interest	23,537,359	23,537,359	23,791,858	(254,499)
Total Debt Service	23,537,359	23,537,359	23,791,858	(254,499)
Total Expenditures	247,793,035	247,793,035	244,328,094	3,464,941

**TOWN OF STRATFORD, 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 Out	\$ 1,202,645	\$ 1,202,645	\$ 1,202,645	\$ -
Total	<u>\$ 248,995,680</u>	<u>\$ 248,995,680</u>	245,530,739	<u>\$ 3,464,941</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut pension on-behalf contributions relative to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted	19,030,798
State of Connecticut OPEB on-behalf contributions relative to the Connecticut State Teachers' Retirement System for Town teachers is not budgeted	269,171
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.	(1,470,530)
Encumbrances for purchases and commitments ordered in the previous year, that were received and liquidated in the current year are reported for financial statement reporting purposes.	599,538
Encumbrances for purchases and commitments ordered in the previous year, that were cancelled in the current year are reported as a reduction of expenditures for budgetary purposes.	(173,832)
Reduction of Bond Anticipation Notes Payable included in Debt Service above Other Unbudgeted Items	(1,800,000)
Expenditures and Transfers Consolidated for GASB Statement No. 54	<u>168,651</u>

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV	<u>\$ 262,175,902</u>
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TOWN OF STRATFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
PENSION
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 2,810	\$ 2,705	\$ 2,818	\$ 3,003	\$ 3,009	\$ 3,143	\$ 3,169	\$ 3,338	\$ 3,386	\$ 3,739
Interest	22,090	21,959	20,787	20,756	20,644	20,662	20,268	20,161	19,991	19,881
Effect of Economic/Demographic Gains or Losses	922	1,113	(2,018)	-	1,070	(1,327)	4,548	1,019	(1,301)	(462)
Effect of Assumption Changes or Inputs	(1,318)		19,193		-		-	-	-	-
Benefit Payments	(24,360)	(23,563)	(23,067)	(23,143)	(22,967)	(22,252)	(22,019)	(21,504)	(20,807)	(20,286)
Net Change in Total Pension Liability	144	2,215	17,713	616	1,756	226	5,966	3,014	1,269	2,872
Total Pension Liability - Beginning	336,423	334,208	316,495	315,879	314,123	313,897	307,931	304,917	303,648	300,776
Total Pension Liability - Ending (a)	336,567	336,423	334,208	316,495	315,879	314,123	313,897	307,931	304,917	303,648
Plan Fiduciary Net Position:										
Contributions - Employer	6,262	6,859	6,610	5,349	5,400	5,644	5,385	5,393	5,221	162,209
Contributions - Member	1,211	1,199	1,320	1,282	1,309	1,387	1,447	1,661	1,578	1,683
Net Investment Income (Loss)	10,308	(17,672)	68,689	6,376	15,456	22,479	28,887	(1,004)	9,918	26,333
Benefit Payments, Including										
Refunds of Member Contributions	(24,360)	(23,563)	(23,067)	(23,143)	(22,967)	(22,252)	(22,019)	(21,504)	(20,807)	(20,286)
Administrative Expense	(132)	(154)	(206)	(276)	(326)	(305)	(295)	(264)	(400)	(239)
Net Change in Plan Fiduciary Net Position	(6,711)	(33,331)	53,346	(10,412)	(1,128)	6,953	13,405	(15,718)	(4,490)	169,700
Plan Fiduciary Net Position - Beginning	268,430	301,761	248,415	258,827	259,955	253,002	239,597	255,315	259,805	90,105
Plan Fiduciary Net Position - Ending (b)	261,720	268,430	301,761	248,415	258,827	259,955	253,002	239,597	255,315	259,805
Net Pension Liability - Ending (a)-(b)	\$ 74,847	\$ 67,993	\$ 32,447	\$ 68,080	\$ 57,052	\$ 54,168	\$ 60,895	\$ 68,334	\$ 49,602	\$ 43,843
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.76 %	79.79 %	90.29 %	78.49 %	81.94 %	82.76 %	80.60 %	77.81 %	83.73 %	85.56 %
Covered Payroll	\$ 15,704	\$ 16,509	\$ 17,810	\$ 17,810	\$ 18,713	\$ 18,756	\$ 19,912	\$ 20,317	\$ 22,237	\$ 22,771
Net Pension Liability as a Percentage of Covered Payroll	476.61 %	411.85 %	182.18 %	382.26 %	304.88 %	288.80 %	305.82 %	336.34 %	223.06 %	192.54 %

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 6,243,502	\$ 6,878,195	\$ 6,610,201	\$ 6,241,601	\$ 6,088,400	\$ 5,830,217	\$ 5,470,701	\$ 5,212,079	\$ 5,185,559	\$ 12,720,477
Contributions in Relation to the Actuarially Determined Contribution	6,262,481	6,859,206	6,610,201	5,348,880	5,399,899	5,643,634	5,385,385	5,393,200	5,220,969	162,209,000
Contribution Deficiency (Excess)	\$ (18,979)	\$ 18,989	\$ -	\$ 892,721	\$ 688,501	\$ 186,583	\$ 85,316	\$ (181,121)	\$ (35,410)	\$ (149,488,523)
Covered Payroll	\$ 15,704,334	\$ 16,508,932	\$ 17,809,917	\$ 17,809,917	\$ 18,713,339	\$ 18,755,885	\$ 19,912,480	\$ 20,317,247	\$ 22,237,216	\$ 22,770,569
Contributions as a Percentage of Covered Payroll	39.88 %	41.55 %	37.12 %	30.03 %	28.86 %	30.09 %	27.05 %	26.54 %	23.48 %	712.36 %

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 Percent of Payroll, Closed
Remaining Amortization Period	21 years
Asset Valuation Method	5-year, Non-asymptotic, no corridor
Inflation	2.50%
Salary Increases	3.75% for Police and Fire; rates vary by age for all others
Investment Rate of Return	6.75%
Retirement Age	Rates vary by length of service for Police and Fire; rates vary by age for all others
Mortality	Pub-2010 Mortality (Public Safety variant for Police, Fire and Public Works employees and General variant for all others) with generational projection per MP 2021 Ultimate Scale

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	3.94 %	(5.98)%	28.22 %	2.53 %	6.11 %	9.11 %	12.38 %	(0.40)%	3.91 %	13.03 %

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	-	-	-	-	-	-	-	-	-
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	241,376,381	196,576,197	248,199,613	221,298,534	170,634,027	169,755,214	179,093,051	138,076,507	127,624,060
Total	<u>\$ 241,376,381</u>	<u>\$ 196,576,197</u>	<u>\$ 248,199,613</u>	<u>\$ 221,298,534</u>	<u>\$ 170,634,027</u>	<u>\$ 169,755,214</u>	<u>\$ 179,093,051</u>	<u>\$ 138,076,507</u>	<u>\$ 127,624,060</u>
Town's Covered Payroll	\$ 60,572,332	\$ 59,465,140	\$ 58,257,295	\$ 56,384,995	\$ 53,913,000	\$ 53,337,000	\$ 51,654,000	\$ 49,711,000	\$ 47,921,000
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.06 %	60.77 %	49.24 %	52.00 %	57.69 %	55.93 %	52.26 %	59.50 %	61.51 %

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, grading to a level dollar amortization method for the June 30, 2024 valuation
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 ten years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

TOWN OF STRATFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OPEB
LAST SEVEN FISCAL YEARS*
(IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service Cost	\$ 6,901	\$ 10,746	\$ 9,012	\$ 10,105	\$ 9,059	\$ 9,287	\$ 10,903
Interest	8,681	6,357	7,280	10,321	10,954	10,221	8,890
Effect of Plan Changes	-	-	(4,729)	-	-	-	-
Economic/Demographic (Gains) or Losses	(30,221)	-	(67,527)	-	(13,465)	-	-
Changes of Assumptions	(8,824)	(52,238)	29,164	24,641	13,360	(13,028)	(36,171)
Benefit Payments	(9,726)	(10,494)	(9,624)	(9,259)	(8,968)	(8,427)	(8,447)
Net Change in Total OPEB Liability	(33,189)	(45,629)	(36,424)	35,808	10,940	(1,947)	(24,825)
Total OPEB Liability - Beginning (a)	243,132	288,762	325,186	289,378	278,438	280,385	305,210
Total OPEB Liability - Ending (b)	209,942	243,132	288,762	325,186	289,378	278,438	280,385
Plan Fiduciary Net Position:							
Contributions - Employer	9,726	10,544	9,674	9,310	9,018	8,477	8,497
Net Investment Income (Loss)	630	(1,143)	2,280	379	433	573	611
Benefit Payments	(9,726)	(10,494)	(9,624)	(9,259)	(8,968)	(8,427)	(8,447)
Administrative Expense	(2)	(4)	(3)	(2)	(11)	(43)	(2)
Net Change in Plan Fiduciary Net Position	627	(1,097)	2,327	428	472	580	659
Plan Fiduciary Net Position - Beginning	7,153	8,250	5,923	5,495	5,023	4,443	3,784
Plan Fiduciary Net Position - Ending	7,780	7,153	8,250	5,923	5,495	5,023	4,443
Net OPEB Liability - Ending (a)-(b)	\$ 202,162	\$ 235,979	\$ 280,513	\$ 319,264	\$ 283,884	\$ 273,415	\$ 275,942
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	3.71 %	2.94 %	2.86 %	1.82 %	1.90 %	1.80 %	1.58 %
Covered Payroll	\$ 103,885	\$ 103,885	\$ 103,885	\$ 79,532	\$ 79,532	\$ 71,201	\$ 71,201
Net OPEB Liability as a Percentage of Covered Payroll	1.96 %	227.16 %	270.02 %	401.43 %	356.94 %	384.00 %	387.55 %

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (1)	\$ 26,594,245	\$ 24,704,615	\$ 26,133,040	\$ 23,177,582	22,133,340	\$ 20,679,264	\$ 21,050,753	\$ 19,699,700	\$ 20,482,200	\$ 13,330,000
Contributions in Relation to the Actuarially Determined Contribution	9,726,281	10,544,013	9,674,363	9,310,404	9,017,976	8,477,088	8,496,506	8,139,200	7,635,300	7,076,900
Contribution Deficiency	\$ 16,867,964	\$ 14,160,602	\$ 16,458,677	\$ 13,867,178	13,115,364	\$ 12,202,176	\$ 12,554,247	\$ 11,560,500	\$ 12,846,900	\$ 6,253,100
Covered Payroll	\$ 103,884,532	\$ 103,884,532	\$ 103,884,532	\$ 79,531,950	79,531,950	\$ 71,200,894	\$ 71,200,894	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	9.36 %	10.15 %	9.31 %	11.71 %	11.34 %	11.91 %	11.93 %	N/A	N/A	N/A

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

Notes to Schedule

Valuation Date: July 1, 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 payroll, closed
Amortization Period	15 years
Asset Valuation Method	Market value
Inflation	2.50%
Healthcare Cost Trend Rates	Town pre-65 trend is 6.30%-3.90% over 50 years, Town post-65 trend is 4.10%-3.90% over 50 years. BOE pre-65 trend is 6.90%-3.90% over 50 years, BOE post-65 trend is -17.30%-3.90% over 50 years, and BOE Medicare Part B trend rate is 1.90%-3.80% over 68 years.
Salary Increases	3.75% for Police and Fire, graded by age for teachers and administrators, graded by age for all others
Investment Rate of Return	3.65%
Retirement Age	Retirement ages and rates vary
Mortality	Teachers and Administrators: PubT-2010 Mortality Table for Employees and Healthy Annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP-2021 Ultimate scale. The PubT-2010 Contingent Survivor Table projected generationally per the MP-2021 Ultimate scale and set forward 1 year for both males and females is used for survivors and beneficiaries. All Others: Pub-2010 Mortality Table with generational projection per the MP-2021 Ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after benefit commencement. The Public Safety variant was used for the Police and Fire groups, the General variant was used for all other groups.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	8.80 %	(13.78)%	38.18 %	6.84 %	8.54 %	12.83 %	15.98 %

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

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

	2023	2022	2021	2020	2019	2018
Town's Proportion of the Net OPEB Liability	-	-	-	-	-	-
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	21,139,035	21,416,616	37,018,981	34,512,756	34,110,853	43,693,067
Total	<u>\$ 21,139,035</u>	<u>\$ 21,416,616</u>	<u>\$ 37,018,981</u>	<u>\$ 34,512,756</u>	<u>\$ 34,110,853</u>	<u>\$ 43,693,067</u>
Town's Covered Payroll	\$ 60,572,332	\$ 59,465,140	\$ 58,257,295	\$ 56,384,995	\$ 53,913,000	\$ 53,337,000
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	-	-	-	-	-	-
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	There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.
Changes of Assumptions	Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 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	Entry age
Amortization Method	Level percent of payroll over an open period
Remaining Amortization Period	30 years
Asset Valuation Method	Market value of assets
Investment Rate of Return	3.00%, net of investment related expense including price inflation
Price Inflation	2.50%

Notes:

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

APPENDIX B - FORM OF OPINION OF BOND COUNSEL – THE BONDS

January __, 2025

Town of Stratford
Stratford Town Hall
2725 Main Street
Stratford, Connecticut 06615

We have acted as Bond Counsel in connection with the issuance by the Town of Stratford, Connecticut (the “Town”), of its \$15,750,000 General Obligation Bonds, Issue of 2025 (the “Bonds”) dated January __, 2025. In such capacity, we have examined a record of proceedings of the Town authorizing the Bonds, a Tax Compliance Certificate of the Town dated the date hereof (the “Agreement”), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

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

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

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

The Internal Revenue Code of 1986 (the “Code”) establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be excluded from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to ensure that interest on the Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

In rendering the below opinions regarding the federal treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Agreement, and (ii) continuing compliance by the Town with the covenants set forth in the Agreement as to such tax matters.

In our opinion, under existing statutes and court decisions, (i) interest on the Bonds is excluded from gross income for federal income tax purposes; and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

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

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

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Bonds, including the adoption of federal tax legislation, may affect the tax status of interest on the Bonds.

Respectfully,

PULLMAN & COMLEY, LLC

APPENDIX C - FORM OF OPINION OF BOND COUNSEL - THE NOTES

January __, 2025

Town of Stratford
Stratford Town Hall
2725 Main Street
Stratford, CT 06615

We have acted as Bond Counsel in connection with the issuance by the Town of Stratford, Connecticut (the "Town"), of its \$19,285,000 General Obligation Bond Anticipation Notes (the "Notes") dated January __, 2025. In such capacity, we have examined a record of proceedings of the Town authorizing the Notes, a Tax Compliance Certificate of the Town dated the date hereof (the "Agreement"), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

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

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

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

The Internal Revenue Code of 1986 (the "Code") establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Notes in order that interest on the Notes be excluded from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes to ensure that interest on the Notes shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Notes.

In rendering the below opinions regarding the federal treatment of interest on the Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Agreement, and (ii) continuing compliance by the Town with the covenants set forth in the Agreement as to such tax matters.

In our opinion, under existing statutes and court decisions, (i) interest on the Notes is excluded from gross income for federal income tax purposes; and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

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

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

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Notes, including the adoption of federal tax legislation, may affect the tax status of interest on the Notes.

Respectfully,

PULLMAN & COMLEY, LLC

APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT - THE BONDS

**FORM OF CONTINUING DISCLOSURE AGREEMENT FOR BONDS
BY THE TOWN OF STRATFORD, CONNECTICUT**

**In Connection With The Issuance and Sale of
\$15,750,000 Town of Stratford, Connecticut
General Obligation Bonds, Issue of 2025**

This Continuing Disclosure Agreement (“Agreement”) is made as of January __, 2025, by the Town of Stratford, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$15,750,000 General Obligation Bonds, Issue of 2025 dated January __, 2025 (the “Bonds”).

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Section 2 of this Agreement.

“EMMA” means the Electronic Municipal Market Access System as described in the 1934 Act Release #59062 and maintained by the Municipal Securities Rulemaking Board for the purposes of the Rule and as further described in Section 13 hereof.

“Final Official Statement” means the official statement of the Issuer dated January __, 2025 prepared in connection with the issuance of the Bonds.

“Fiscal Year End” shall mean the last day of the Issuer’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Rule” means rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

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

Section 2. Annual Reports.

(a) The Issuer shall provide or cause to be provided to the MSRB, in accordance with the provisions of the Rule and of this Agreement, the following annual financial information and operating data regarding the Issuer:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End for the general fund, capital projects funds and special revenue funds, prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

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

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer’s taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the Issuer per capita;

(G) the ratios of total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the Issuer's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents provided to the MSRB, including official statements of the Issuer which will be available from the MSRB's internet web site or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

(c) Subject to the requirements of Section 8 hereof, the Issuer reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. The Issuer also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The Issuer shall provide the information and data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Final Official Statement for the Bonds or has not otherwise been previously provided, the Issuer shall provide such information and data no later than eight months after the close of such preceding Fiscal Year End. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information when available.

Section 4. Event Notices.

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event:

(i) principal and interest payment delinquencies;

(ii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) unscheduled draws on credit enhancements reflecting financial difficulties;

(iv) substitution of credit or liquidity providers, or their failure to perform;

(v) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;

(vi) tender offers;

(vii) bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;

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

(viii) Bond defeasances;

(ix) rating changes; and

(x) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(b) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event, if material:

(i) non-payment related defaults;

(ii) modifications to rights of Bondholders;

(iii) Bond calls;

(iv) release, substitution, or sale of property securing repayment of the Bonds;

(v) consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms;

(vi) appointment of a successor or additional trustee, or the change in the name of the trustee;
and

(vii) incurrence of a financial obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders.

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

Section 5. Notice of Failure. The Issuer agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of any failure by the Issuer to provide the annual financial information described in Section 2(a) of this Agreement on or before the date set forth in Section 3 hereof.

Section 6. Termination of Reporting Obligation. The Issuer’s obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking in account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communications, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Indemnification. The Issuer agrees to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any such liabilities due to any such person's malicious, wanton, or willful act. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

Section 11. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. The present address of the Issuer is Stratford Town Hall, 2725 Main Street, Stratford, Connecticut 06615, Attn: Finance Director. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Bonds.

Section 12. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

Section 13. Method of Filing. To the extent filings are required to be made to the MSRB under this Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

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

TOWN OF STRATFORD, CONNECTICUT

By: _____
Laura R. Hoydick, Mayor

By: _____
Dawn M. Savo, Finance Director

APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT - THE NOTES

**FORM OF CONTINUING DISCLOSURE AGREEMENT FOR NOTES
BY THE TOWN OF STRATFORD, CONNECTICUT**

**In Connection With The Issuance and Sale of
\$19,285,000 Town of Stratford, Connecticut
General Obligation Bond Anticipation Notes**

This Continuing Disclosure Agreement (“Agreement”) is made as of January __, 2025, by the Town of Stratford, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$19,285,000 General Obligation Bond Anticipation Notes, dated January __, 2025 (the “Notes”).

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“EMMA” means the Electronic Municipal Market Access System as described in the 1934 Act Release #59062 and maintained by the Municipal Securities Rulemaking Board for the purposes of the Rule and as further described in Section 10 hereof.

“Final Official Statement” means the official statement of the Issuer dated January __, 2025 prepared in connection with the issuance of the Notes.

“Listed Events” shall mean any of the events listed in Section 2 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Rule” means rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

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

Section 2. Event Notices.

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Notes, notice of the occurrence of such event:

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers, or their failure to perform;
- (v) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Notes, or other events affecting the tax status of the Notes;
- (vi) tender offers;
- (vii) bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;

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

(viii) Note defeasances;

(ix) rating changes; and

(x) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(b) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Notes, notice of the occurrence of such event, if material:

(i) non-payment related defaults;

(ii) modifications to rights of Note holders;

(iii) Note calls;

(iv) release, substitution, or sale of property securing repayment of the Notes;

(v) consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms;

(vi) appointment of a successor or additional trustee, or the change in the name of the trustee;
and

(vii) incurrence of a financial obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders.

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

Section 3. Termination of Reporting Obligation. The Issuer's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes.

Section 4. Agent. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 5. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Notes and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

Section 6. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communications, or including any other information in any annual report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any annual report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future annual report or notice of occurrence of a Listed Event.

Section 7. Indemnification. The Issuer agrees to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any such liabilities due to any such person's malicious, wanton, or willful act. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

Section 8. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Notes of such failure. The present address of the Issuer is Stratford Town Hall, 2725 Main Street, Stratford, Connecticut 06615, Attn: Finance Director. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Notes.

Section 9. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

Section 10. Method of Filing. To the extent filings are required to be made to the MSRB under this Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

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

TOWN OF STRATFORD, CONNECTICUT

By: _____
Laura R. Hoydick, Mayor

By: _____
Dawn M. Savo, Finance Director

APPENDIX F – NOTICE OF SALE – THE BONDS

NOTICE OF SALE

**TOWN OF STRATFORD, CONNECTICUT
\$15,750,000 GENERAL OBLIGATION BONDS, ISSUE OF 2025
BOOK-ENTRY-ONLY**

NOTICE IS GIVEN that ELECTRONIC BIDS *solely* via **PARITY**® will be received by the TOWN OF STRATFORD, CONNECTICUT (the “Issuer”), until 11:30 A.M. (E.T.) on TUESDAY,

JANUARY 14, 2025

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$15,750,000 General Obligation Bonds, Issue of 2025, dated January 29, 2025 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on January 15 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2026	790,000	2036	790,000
2027	790,000	2037	790,000
2028	790,000	2038	790,000
2029	790,000	2039	790,000
2030	790,000	2040	790,000
2031	790,000	2041	790,000
2032	790,000	2042	790,000
2033	790,000	2043	790,000
2034	790,000	2044	790,000
2035	790,000	2045	740,000

The Bonds will bear interest commencing July 15, 2025 and semiannually thereafter on January 15 and July 15 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

Optional Redemption

The Bonds maturing on or before January 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on or after January 15, 2034 are subject to redemption prior to maturity, at the option of the Issuer, on or after January 15, 2033, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Issuer may determine, at the respective prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
January 15, 2033 and thereafter	100.0%

Nature of Obligation

The Bonds will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount, except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended.

Bank Qualification

The Bonds SHALL NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

Record Date

The record dates for the Bonds will be the last business day of December and June in each year.

Proposals

Each bid must be for the entire \$15,750,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than three (3) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on **PARITY**® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost (“TIC”) to the Issuer, as described under “Basis of Award” below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest true interest cost (“TIC”) to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Issuer further reserves the right to cancel or postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a cancellation or postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

CUSIP Numbers

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the purchaser to apply for CUSIP numbers for the Bonds prior to delivery. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY**®. Any prospective bidder must be a subscriber of i-Deal's BiDCOMP competitive bidding system. Further information about **PARITY**®, including any fee charged, may be obtained from **PARITY**®, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 – email notice: parity@i-deal.com). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY**® is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds via **PARITY**®, the bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY®, or the inaccuracies of any information, including bid information or worksheets supplied by PARITY®, the use of PARITY® facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

Disclaimer. Each **PARITY**® prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY**® for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer nor **PARITY**® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer or **PARITY**® shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY**®. The Issuer is using **PARITY**® as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds. The Issuer is not bound by any advice and determination of **PARITY**® to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY**® are the sole responsibility of the bidders; and the Issuer is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY**® at (212) 849-5021. If any provision of this Notice shall conflict with information provided by **PARITY**®, this Notice shall control.

For the purpose of the electronic bidding process, the time maintained on **PARITY**® shall constitute the official time.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

The Bonds will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

At or prior to the delivery of the Bonds the purchaser shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel (“Bond Counsel”) (see “Bond Counsel Opinion” below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Issuer to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds.

The Bonds will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer (“FAST”) on or about January 29, 2025 (the “Closing Date”).

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer’s costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

Bond Counsel Opinion

The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will state that the Bonds are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as defined below in the “Establishment of Issue Price” section) is met, Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Bonds deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds awarded to such bidder, as described below under “Establishment of Issue Price”.

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Michael J. Andreana, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (203) 330-2235, E-mail: mandreana@pullcom.com and (2) the Municipal Advisor at William Lindsay, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2880, E-mail: Bill.Lindsay@munistat.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, represents that such bidder's bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this "Establishment of Issue Price" section.

Competitive Sale Rule. The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Rule") because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost ("TIC"), as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed "ISSUE PRICE CERTIFICATE" in the form attached hereto as Attachment A.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Bonds (the "Actual Sales Rule") is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Bonds as the issue price of that Maturity (the "Hold-the-Offering-Price Rule"), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity of Bonds has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Bonds shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Bonds subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell unsold Bonds of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (5) the close of the fifth (5th) business day after the Sale Date; or
- (6) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

Official Statement

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated January 7, 2025 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at www.i-dealprospectus.com and www.munistat.com, and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from William Lindsay, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2880, E-mail: Bill.Lindsay@munistat.com. The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Bonds or by the seventh (7th) business day after the day bids on the Bonds are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the

copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Bonds, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix D. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

TOWN OF STRATFORD, CONNECTICUT

LAURA R. HOYDICK
Mayor

DAWN M. SAVO
Finance Director

January 7, 2025

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(If Competitive Sale Rule Met)

TOWN OF STRATFORD, CONNECTICUT
\$15,750,000 GENERAL OBLIGATION BONDS, ISSUE OF 2025
Dated January 29, 2025

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. **Due Authorization.** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. **Purchase Price.** The TOWN OF STRATFORD, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about January 29, 2025, the Bonds at a price of par (\$_____), plus an aggregate net premium of \$_____ and less an underwriter’s discount of \$_____, resulting in an aggregate net purchase price of \$_____.

3. **Reasonably Expected Initial Offering Price.**

(a) As of January 14, 2025 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. **Defined Terms.**

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. **Representations and Information.** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of January 14, 2025.

[UNDERWRITER]

By: _____
Name:
Title:

Schedule A to Issue Price Certificate

<u>Maturity, January 15</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2026	790,000		
2027	790,000		
2028	790,000		
2029	790,000		
2030	790,000		
2031	790,000		
2032	790,000		
2033	790,000		
2034	790,000		
2035	790,000		
2036	790,000		
2037	790,000		
2038	790,000		
2039	790,000		
2040	790,000		
2041	790,000		
2042	790,000		
2043	790,000		
2044	790,000		
2045	740,000		

Schedule B to Issue Price Certificate

APPENDIX G – NOTICE OF SALE – THE NOTES

NOTICE OF SALE

TOWN OF STRATFORD, CONNECTICUT \$19,285,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES BOOK-ENTRY-ONLY

NOTICE IS GIVEN that ELECTRONIC BIDS via **PARITY**® (as described herein) will be received by the TOWN OF STRATFORD, CONNECTICUT (the “Issuer”), until 11:00 A.M. (E.T.) on TUESDAY,

JANUARY 14, 2025

(the “Sale Date”) for the purchase of the Issuer’s \$19,285,000 General Obligation Bond Anticipation Notes (the “Notes”). Electronic bids must be submitted via **PARITY**® (see “Electronic Bidding Procedures”).

The Notes

The Notes are expected to be dated January 29, 2025 and will mature and be payable to the registered owner on January 28, 2026 as further described in the Preliminary Official Statement (as hereinafter defined). The Notes will bear interest (which interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

Nature of Obligation

The Notes will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended. The information in this Notice of Sale is only a brief summary of certain provisions of the Notes. For further information about the Notes, reference is hereby made to the Preliminary Official Statement.

Bank Qualification

The Notes SHALL NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

Registration

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser(s), as a condition to delivery of the Notes, will be required to deposit the Note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Notes directly to DTC so long as DTC or its nominee, Cede & Co, is the Noteholder.

Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms

Each bid for the purchase of the Notes must be in accordance with the requirements prescribed herein. A proposal may be for all or any part of the Notes but any proposal for a part must be for at least \$100,000, or a whole multiple thereof, except one such proposal for a part may include the odd \$185,000, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost (“NIC”), computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. As between proposals resulting in the same lowest net interest cost to the Issuer, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the Issuer reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Issuer with respect to the Notes awarded is the same as that contained in the bidder’s proposal with respect to the entire amount bid, carried to six decimal places. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Issuer further reserves the right to cancel or postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a cancellation or postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Notes in accordance with the provisions of this Notice of Sale.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY**[®]. Subscription to i-Deal LLC’s BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Issuer will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY**[®] shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Issuer. By submitting a bid for the Notes via **PARITY**[®], the bidder represents and warrants to the Issuer that such bidder’s bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice of Sale. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY[®], or the inaccuracies of any information, including bid information or worksheets supplied by PARITY[®], the use of PARITY[®] facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

If any provisions of this Notice of Sale shall conflict with information provided by **PARITY**[®] as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY**[®], including any fee charged, may be obtained from **PARITY**[®], 1359 Broadway, 36th Street, 2nd Floor, New York, NY 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: www.parity@i-deal.com).

For purposes of the electronic bidding process, the time as maintained by **PARITY**[®] shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the Issuer, as described under “Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms” above. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

Disclaimer. Each **PARITY**[®] prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY**[®] for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Issuer nor **PARITY**[®] shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer nor **PARITY**[®] shall be responsible for a bidder’s failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY**[®]. The Issuer is using **PARITY**[®] as a

communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Notes. The Issuer is not bound by any advice and determination of **PARITY**[®] to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY**[®] are the sole responsibility of the bidders; and the Issuer is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Notes, the prospective bidder should telephone **PARITY**[®] at (212) 849-5021.

CUSIP Numbers

The deposit of the Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the purchaser to apply for CUSIP numbers for the Notes prior to delivery. Neither the failure to print such CUSIP number on any note, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

The Notes will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

At or prior to the delivery of the Notes the winning bidder shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel ("Bond Counsel"); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Notes, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Notes or the power of the Issuer to levy and collect taxes to pay them; (c) a copy of the Official Statement prepared for this note issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Notes.

The Notes will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer ("FAST") on or about January 29, 2025 (the "Closing Date").

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer's costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Notes for sale under securities or "Blue Sky" laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

Bond Counsel Opinion

The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix C to the Official Statement. The opinion will state that the Notes are valid and binding obligations of the Issuer. Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Notes deliver to it a completed "issue price" certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Notes awarded to such bidder, as described below under "Establishment of Issue Price".

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”) relating to the exclusion of interest on the Notes from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Notes an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Notes, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Michael J. Andreana, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (203) 330-2235, E-mail: mandreana@pullcom.com and (2) the Municipal Advisor at William Lindsay, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2880, E-mail: Bill.Lindsay@munistat.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds or notes such as the Notes, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

Competitive Sale Rule. The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “Competitive Sale Rule”) because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes; and
- (4) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest net interest cost, as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. The winning bidder will be required to deliver to Bond Counsel on behalf of the Issuer prior to the delivery of the Notes a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes, setting forth the Initial Offering Price.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Notes (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Notes as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Notes shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Notes subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Notes (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Notes to the Public on or before the date of award at the Initial Offering Prices and (iii) agree, on behalf of each Underwriter participating in the purchase of the Notes, that each Underwriter will neither offer nor sell unsold Notes of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Notes with the same credit and payment terms. Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

Official Statement

For more information regarding the Notes or the Issuer, reference is made to the Preliminary Official Statement dated January 7, 2025 (the “Official Statement”) describing the Notes and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at www.i-dealprospectus.com and www.munistat.com, and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from William Lindsay, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2880, E-mail: Bill.Lindsay@munistat.com. The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Notes or by the seventh (7th) business day after the day bids on the Notes are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Notes, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide notice of the occurrence of certain events with respect to the Notes within ten (10) business days of such event. A form of the Agreement is attached to the Official Statement as Appendix E. The purchaser’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to delivery of the Notes, an executed Agreement.

TOWN OF STRATFORD, CONNECTICUT

LAURA R. HOYDICK
Mayor

DAWN M. SAVO
Finance Director

January 7, 2025