

TOWN OF WATERFORD, CONNECTICUT



ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

TOWN OF WATERFORD, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023

**DEPARTMENT OF FINANCE
KIMBERLY ALLEN
DIRECTOR OF FINANCE**

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December 20, 2023

To the Honorable First Selectman, Representative Town Meeting and the Citizens of the Town of Waterford:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

CliftonLarsonAllen LLP (CLA), Certified Public Accountants, have issued an unqualified opinion on the Town of Waterford financial statements for the year ended June 30, 2023. The independent auditors' report is located at the front of the financial section of this report.

Management Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Waterford was incorporated in 1801. Covering an area of 33.2 square miles, the Town is located in the southeastern region of the state. Waterford is bordered by the Towns of East Lyme to the west, New London, Groton and Ledyard to the east, and Montville to the north. It borders Long Island Sound to the south.

The Town has a Selectmen/Board of Finance/Representative Town Meeting form of government. The Representative Town Meeting exercises the legislative authority of the Town. The Board of Selectmen is composed of three members who are elected at large for four-year terms. The Representative Town Meeting is elected for two-year terms. The First Selectman is the head of the administrative branch of the Town Government and is responsible to the Representative Town Meeting for the administration of all affairs relating to the Town.

The Town of Waterford provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets and other infrastructure; municipal solid waste and recycling collection; recreational and cultural activities. The Town's one business-type activity, municipal water and sewer services, are provided through the Town's Utility Commission.

By Charter, the Representative Town Meeting must hold its Town Budget Meeting no later than the first Monday in May each year. If, within fifteen days of the budget adoption no referendum is called, the budget is considered approved. The annual budget serves as the foundation for Town of Waterford financial planning and control. The budget is prepared by Department/Agency at an object level. With the exception of the Police, Recreation and Parks, Senior Services, Utility and Planning and Zoning Commissions, Board of Finance, Board of Education, Board of Assessment Appeals, Zoning Board of Appeals, Building Board of Appeals, Economic Development Commission, Flood & Erosion Control Board, Conservation Commission, Retirement Commission, Harbor Management Commission and Ethics Commission, all other Town Boards, Commissions or agencies report to the Board of Selectmen. The Board of Selectmen, however, reviews and recommends to the Board of Finance the level of appropriation for all municipal budgets with the exception of the Board of Education. All budget transfers within series are approved by the Board of Selectmen. Transfers out of series, however, require special approval from the Board of Finance.

Local Economy

Waterford is unique in that its major taxpayer is a nuclear power facility. However, numerous, large retail sales outlets, a production/software development company, several assisted care facilities and numerous financial institutions provide a good mix to tax base diversification. The Waterford Tax Base has a diversified tax base with immediate access to Routes 1, 95, 395 and 85 all of which are major Connecticut arteries.

Below are specific updates for Waterford's local economy.

Dominion Power Facility (Millstone)

- Impact Analysis Completed
- Increase Economic development
- Viable Tax payer for at least ten years – Declining tax revenue
- 10-Year Deal
- \$50M in updates since agreement signed in January 2019

Economic Development Commission Master Plan

- EDC will be working with a consultant to set specific goals and implementation actions for the short (1-2 year), mid (3-5 year) and long (5-10 year) terms.

Regulation Amendments

- Various zoning regulation amendments including updates to Outdoor Dining and Parking at multifamily residential properties to facilitate new projects.

Crystal Mall

- Ongoing conversation with the ownership interests at the property to modify zoning to support future mixed use development.

New Developments

- Redevelopment of the Mobile Gas Station and Starbucks Drive-thru on Rte. 85 completed. Land use permits in place to expand the site to include a car wash.
- Site work beginning for 40 affordable apartments on Rte. 85
- Work ongoing for apartment complex on Willets Avenue
- Approvals granted for new cafe at Mago Point
- Approval of self-storage facility on Rte. 85

New Industry

- Approval granted for Safe Futures on Rte. 85

Electric Boat

- \$5.1B Navy Contract – estimated 2,000 to 5,000 jobs
- Building of Columbia Class Submarines to begin in 2023
- Current impact – Increased housing activity

Long Term Financial Planning

In 1998 the Representative Town Meeting formed its Long Range Fiscal Planning Committee. In FY01 the Board of Finance appointed an Ad Hoc Long-Range Fiscal Planning Committee to analyze the town's future economic growth, revenue streams and project expenditures for the financial planning moving forward. This proactive approach to long-range operational budget planning, combined with multi-year capital planning, has become an effective budgetary management tool. The Long-Range Fiscal Planning Committee remains active and is in the process of developing an updated long-term financial plan based of GFOA guidelines.

The Town implemented a Fleet Management Program that served as the basis for sizing the fleet and provided a 5-year approach to managing a fleet valued in excess of \$4.4 million. This program allows the Town to undertake a needs assessment of its rolling stock, and based upon established life-cycle parameters, provided a forty-year replacement plan that uses a combination of residual values, investment income, vehicle rental revenues and an equalized level of budget over a sustained period of time to fund all rolling stock replacements.

Major Initiatives

In compliance with GASB 54 and to strengthen Waterford's commitment to sound financial management and fiscal accountability, the Town still maintains the adopted fund balance policy from 2015. In that regard, the Town's 2023 Audited Financial Waterford has an Unassigned Fund Balance of \$26,086,355.

Increase School Enrollment

- Attract students from neighboring districts to Waterford High School on a tuition basis

Eco Friendly Town

- Achieved Bronze Certificate as a Sustainable CT Community
- Land Preservation
 - ✓ Easements, Purchase and Donations
- Plan of Conservation and Development
 - ✓ Energy audit of buildings
 - ✓ RTM Ad Hoc Energy Task Force Created

Affordable Housing Plan

- Assessing housing needs for the future
 - ✓ The town continues to collect data to fit into regional area needs

Town Center Improvements (“Main Street”)

- Committee Formed in June 2020
- Support Infrastructure for Farmer’s Market
- Improved Recreational Amenities
 - ✓ Accessible walking paths, sidewalks and boardwalks
- Improved Fiber Connectivity
- Board of Selectman adoption of the Community Waterford Park Master Plan

Acknowledgements

Although the preparation of the comprehensive annual financial report is primarily the responsibility of the Director of Finance, it could not have been accomplished without the support of numerous town staff. Special recognition goes to the Finance department staff. Without their dedication, oversight and hard work the Town could never have achieved this prestigious award. I appreciate the unflagging support of First Selectman Robert Brule, Superintendent of Schools Thomas Girard and his staff, as well as, the entire Board of Selectmen, Board of Finance and the Representative Town Meeting who continually show their commitment to fiscal integrity and financial leadership.

Respectfully submitted,

Kimberly Allen

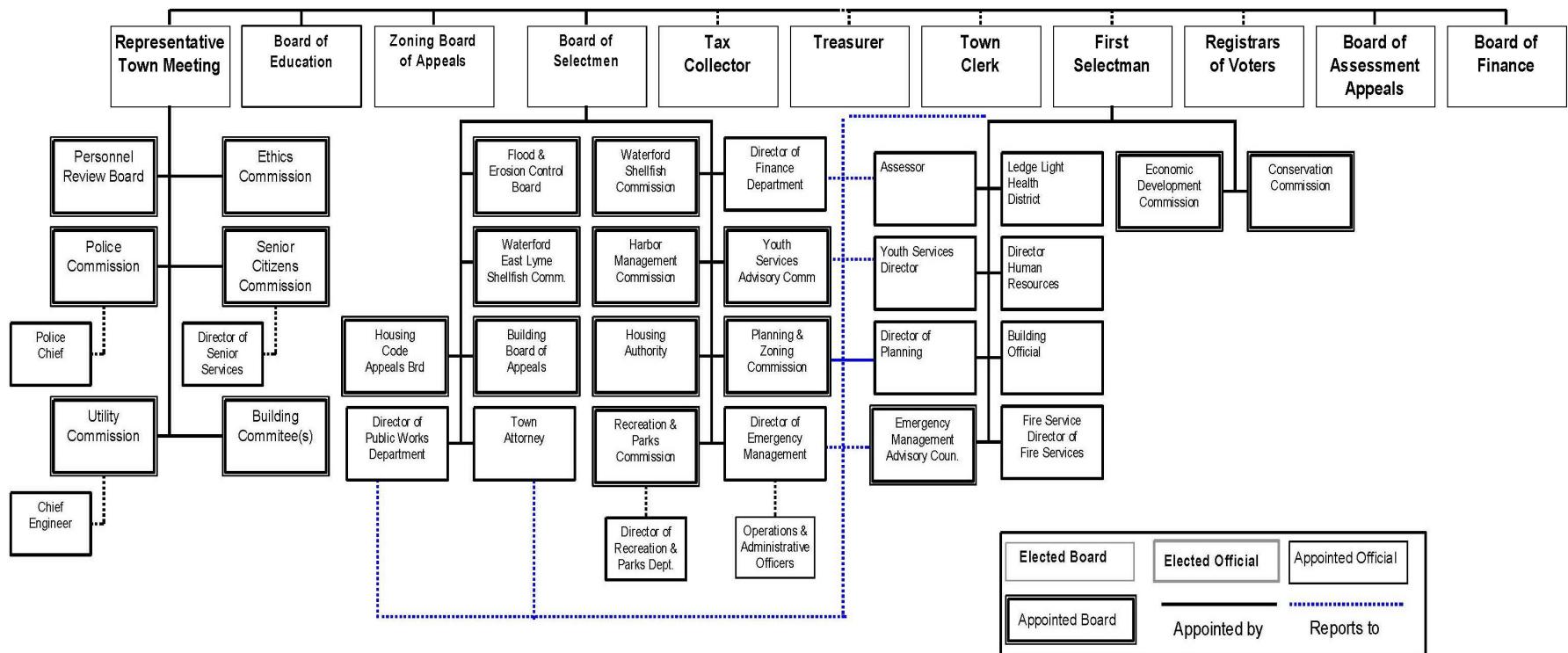
Kimberly Allen
Director of Finance

**TOWN OF WATERFORD, CONNECTICUT
PRINCIPAL TOWN OFFICIALS
JUNE 30, 2023**

Robert J. Brule, Jr.	First Selectman
Thomas W. Giard III	Superintendent of Schools
Kimberly Allen	Director of Finance
Abbas Danesh	Treasurer
Jonathan Mullen	Planning Director
Gary Schneider	Director of Public Works
Marc Balestracci	Chief of Police
James Bartelli	Chief Engineer, Utilities Commission
Alan Wilensky	Tax Collector
Paige Walton	Assessor
Ryan McNamara	Recreation and Parks Director
David Campo	Town Clerk
Daniela Gorman	Director of Human Services
Steve Cardelle	Building Official
Christine Johnson	Library Director
Michael Howley	Director of Fire Services
Christine Walters	Director of Human Resources

**TOWN OF WATERFORD, CONNECTICUT
ORGANIZATION CHART
JUNE 30, 2023**

ORGANIZATIONAL CHART TOWN OF WATERFORD GENERAL GOVERNMENT



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of Waterford, 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 Waterford, 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 Waterford, Connecticut's basic financial statements as listed in the table of contents.

In our opinions, 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 Waterford, 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 Waterford, Connecticut, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Waterford, 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 Waterford, 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 Waterford, 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 as listed in the table of contents, 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 Waterford, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 nonmajor 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 and statistical sections 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.

Board of Finance
Town of Waterford, Connecticut

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023, on our consideration of the Town of Waterford, 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 Waterford, 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 Waterford, Connecticut's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 20, 2023

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

This discussion and analysis of the Town of Waterford, Connecticut (the Town) financial performance is prepared 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 IX.

FINANCIAL HIGHLIGHTS

- The Town's net position decreased as a result of this year's operations. While net position of our business-type activities decreased by \$973.0 thousand, or 2.0%, net position of our governmental activities increased by \$280 thousand or 0.2 %.
- During the year, the Town had expenses that were \$691 thousand more than the \$125.7 million generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues and transfers in decreased by \$161 thousand or 3.6%, while expenses increased by \$117 thousand or 2.3 %.
- The total cost of all of the Town's programs was \$126.4 million, with no new programs added this year.
- The General Fund reported a fund balance this year of \$26.5 million.
- The resources available for appropriation were \$5.4 million more than anticipated for the General Fund. There were additional appropriations of \$3.3 million, of which, \$3.1 million was for transfers out to the Capital Improvement and Capital and Nonrecurring Funds. Unused appropriations of \$1.3 million were returned to fund balance at year end. Overall, the operating results increased the General Fund balance by \$3.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

Our analysis of the Town as a whole begins on Exhibits I and II. 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 it. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

TOWN OF WATERFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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, public works, recreation, library, social services and general administration. 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 Utility Commission Enterprise Fund is 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 Board of Finance establishes many other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money (i.e., grants received for education from the State and Federal Government). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps to 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 included with 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 fund (a component of proprietary funds) is 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. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Insurance Administration Fund.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's combined net position decreased from \$212.7 to \$212.0 million or 0.3 %. 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.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current Assets	\$ 65,926	\$ 61,002	\$ 6,764	\$ 5,858	\$ 72,690	\$ 66,860
Capital Assets, Net of Accumulated Depreciation	228,069	236,256	42,958	44,691	271,027	280,947
Total Assets	293,995	297,258	49,722	50,549	343,717	347,807
Deferred Outflows of Resources						
	19,058	12,765	-	-	19,058	12,765
Liabilities:						
Long-Term Debt Outstanding	128,623	116,220	364	431	128,987	116,651
Other Liabilities	13,680	13,886	586	374	14,266	14,260
Total Liabilities	142,303	130,106	950	805	143,253	130,911
Deferred Inflows of Resources						
	7,503	16,949	-	-	7,503	16,949
Net Position:						
Net Investment in Capital Assets	164,702	166,836	42,958	44,690	207,660	211,526
Restricted	2,301	1,612	-	-	2,301	1,612
Unrestricted	(3,755)	(5,480)	5,814	5,054	2,059	(426)
Total Net Position	\$ 163,248	\$ 162,968	\$ 48,772	\$ 49,744	\$ 212,020	\$ 212,712

Net position of the Town's governmental activities increased by 0.2 % (\$163.2 million in 2023 compared to \$163.0 million in 2022). 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 – increased by \$1.7 million, (\$5.5 million) in 2022 compared to (\$3.8 million) at the end of this year.

By far the largest portion of the Town's net position is its investment in capital assets (e.g., land, buildings, machinery and equipment). Since the Town's investment in its capital assets, net of accumulated depreciation, must also be reported net of related debt, it should be noted that the Town's outstanding debt is related to bonds payable as of June 30, 2023.

The net position of our business-type activities decreased by 2.0% (\$48.8 million in 2023 compared to 49.7 million in 2022).

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

The Town's total revenues (excluding special items) were \$125.7 million. The total cost of all programs and services was \$126.4 million. Our analysis below separately considers the operations of governmental and business-type activities.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,704	\$ 3,232	\$ 3,820	\$ 3,798	\$ 7,524	\$ 7,030
Operating Grants and Contributions	15,755	11,664	-	-	15,755	11,664
Capital Grants and Contributions	1,143	1,858	-	-	1,143	1,858
General Revenues:						
Property Taxes	97,440	94,070	-	-	97,440	94,070
Grants and Contributions Not Restricted to Specific Purposes	755	376	-	-	755	376
Unrestricted Investment Earnings	2,853	226	184	12	3,037	238
Loss on Disposal of Capital Assets	-	-	-	-	-	-
Miscellaneous Revenue	47	55	-	-	47	55
Total Revenues	121,697	111,481	4,004	3,810	125,701	115,291
Program Expenses:						
General Government	16,340	14,481	-	-	16,340	14,481
Public Safety	14,438	11,579	-	-	14,438	11,579
Public Works	12,102	8,803	-	-	12,102	8,803
Recreation	1,967	1,836	-	-	1,967	1,836
Library	1,158	1,002	-	-	1,158	1,002
Social Services	1,374	1,303	-	-	1,374	1,303
Education	72,529	65,499	-	-	72,529	65,499
Interest and Fiscal Charges	1,247	1,363	-	-	1,247	1,363
Utility Commission	-	5,236	5,119	5,236	5,236	5,119
Total Program Expenses	121,155	105,866	5,236	5,119	126,391	110,985
Excess (Deficiency) of Revenues Over Expenses Before Transfers						
	542	5,615	(1,232)	(1,309)	(690)	4,306
Transfers	(260)	(615)	260	615	-	-
Change In Net Position						
	282	5,000	(972)	(694)	(690)	4,306
Net Position - Beginning of Year	162,968	157,968	49,744	50,438	212,712	208,406
Net Position - End of Year	\$ 163,250	\$ 162,968	\$ 48,772	\$ 49,744	\$ 212,022	\$ 212,712

Governmental Activities

Approximately 80.1% of these revenues were derived from property taxes, followed by 14.5% from operating and capital grants and contributions, 3.0% from charges for services and 2.4% from investment and other general revenues.

Major factors affecting operations include:

- Operating grants and contributions were up by \$4.1 million due primarily to the following:
 - ✓ There was an increase in the State's on-behalf contribution for the Teachers' Retirement System of \$4.2 million and an increase in the State's on-behalf contribution for the Teachers' Retirement System OPEB of \$858.7 thousand. There was a decrease in the Excess Cost grant of \$111.7 thousand. There was a decrease in Special Assistance grants of \$257.8 thousand. There was a decrease in assistance to the School Cafeteria fund of \$319.4 thousand. There was a decrease in the Thames Landing grant of \$250.0 thousand.

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

- Property Tax Revenues were up by \$3.4 million.
- Investment earnings were up by \$2.6 million due to higher interest rates.
- Capital grants and contributions decreased by \$715.6 thousand due mainly to the following:
 - ✓ Public works capital grants were down by \$767.6 thousand. Public Works LOTCIP grant for Cross Road Grant was down by \$1.2 million. There was an increase of \$280.0 thousand for the Jordan Village Sidewalk grant. There was a decrease in the LOCIP grant of \$17.3 thousand. The Cost Sharing PRR grant increased by \$187.4 thousand. Town Aid Roads grant is up by \$4.7 thousand.
- Social Service grants increased by \$52.0 thousand for a new Senior Van.
- Miscellaneous Revenue was down by \$9.0 thousand.

Table 3 presents the cost of each of the Town's five largest programs - education, general government, public safety, public works and recreation - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden to the Town's taxpayers by each of these functions.

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Education	\$ 72,529	\$ 65,499	\$ 56,935	\$ 54,613
General Government	16,339	14,481	14,804	12,225
Public Safety	14,438	11,579	13,604	11,144
Public Works	12,102	8,803	10,203	6,270
Recreation	1,967	1,836	1,695	1,614
All Others	3,779	3,667	3,313	3,245
Totals	\$ 121,154	\$ 105,865	\$ 100,554	\$ 89,111

Business-Type Activities

Net position of the Town's business-type activities (see Table 1) decreased by 2.0% (\$48.8 million in 2023 compared to \$49.7 million in 2022). Revenues and transfers in for the Town's business-type activities (see Table 2) decreased by \$161.0 thousand (\$4.3 million in 2023 compared to \$4.4 million in 2022). Overall Expenses were higher than revenues and transfers in by \$972.0 thousand. The factors driving these results include:

- An increase in Sewer use fee revenue of \$22.0 thousand.
- A decrease in transfers in of \$355.0 thousand.
- An increase of investment earnings of \$172.0 thousand.
- An increase in expenses of \$117.0 thousand.

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

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$44.6 million, which is increase of \$5.8 million from last year's total of \$38.8 million. Included in this year's total change in fund balance is an increase of \$2.6 million in the General Fund, an increase of \$775.5 thousand in the Capital and Nonrecurring Fund and an increase of \$2.4 million for Nonmajor Governmental Funds.

Capital Projects Funds:

- The Capital and Nonrecurring Fund balance increased by \$775.5 thousand due to revenues of \$693.7 thousand plus transfers in of \$3.8 million and expenditures of \$3.7 million.

Non-Major Capital Projects Funds:

- The Capital Improvement Fund increased by \$1.4 million due to grant revenue of \$292.1 thousand and net transfers in and out of \$2.5 million which was reduced by expenditures of \$1.4 million.
- The Fleet Management Fund increased by \$350.3 thousand due to revenues of \$287.1 thousand and transfers in of \$800.0 thousand being offset by expenditures of \$736.8 thousand.
- The Sewer Development and Maintenance Fund increased by \$214.2 thousand due to revenues of \$214.2 thousand and no current year expenditures.

Special Revenue Funds:

- The Cafeteria fund increased by \$316.8 thousand due to revenues of \$1.5 million, offset by expenditures of \$1.2 million.
- The School Activity Fund increased by \$98.2 thousand due to revenues of \$399.9 thousand and expenditures of \$301.7 thousand.
- The Nuclear Safety Emergency Preparedness Fund decreased by \$80.6 thousand due to expenditures of the same amount that had not been reimbursed by the end of the year.
- The Waterford Special Activity Fund increased by \$51.8 thousand due to revenues and transfers in of \$84.6 thousand and expenditures of \$32.8.

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, proprietary funds net assets total \$54.2 million at the end of the year, which includes a \$5.4 million fund balance in the Internal Service Fund.

Net position of the Utility Commission Fund at the end of the year amounted to \$48.8 million. Factors affecting the balance of this fund are included in the discussion of the Town's business-type activities.

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

In fiscal year 2023, net position of the Internal Service fund decreased by \$646.5 thousand from fiscal year 2022. This is due to \$12.4 million in contributions and other revenues (an increase of \$258.7 thousand over fiscal year 2022), reduced by expenses for claims and program administration of \$13.3 million (an increase of \$1.0 million over fiscal year 2022).

General Fund Budgetary Highlights

Revenues were higher than budgetary estimates by \$5.4 million and expenditures were less than revised budgetary estimates by \$1.3 million. Overall revenues over expenditures on a budgetary basis were \$3.4 million. In the current year, revenues increased by \$6.6 million or 6.7 % over the prior year and expenditures increased by \$3.5 million or 3.6%.

The major factors affecting this year's annual operating results are as follows:

- Property tax revenue was over budgetary estimates by \$1.2 million and over prior year revenue by \$3.8 million.
- State and Federal grant funding was over budgetary estimates by \$381.7 thousand and over prior year revenue by \$186.7 thousand.
- Assessment revenue is over budgetary estimates by \$16.5 thousand and over the prior year by \$4.0 thousand.
- License and permit revenue is over budgetary estimates by \$587.0 thousand and over the prior year by \$39.9 thousand. Town clerk fees decreased by \$74.4 thousand over fiscal year 2022. The building department revenues increased from FY22 by \$138.6 thousand, conveyance tax revenue is down from FY22 by \$37.9 thousand. Planning & zoning had an increase of \$15.2 thousand over the prior year. Miscellaneous fees and permits were down from FY22 by \$1.1 thousand. Recreation and parks revenue is down from FY22 by \$0.7 thousand.
- Fines, Penalties and Charges for Services are over budgetary estimates by \$177.8 thousand and over the prior year revenue by \$21.0 thousand. The biggest change was an increase for tuition fees of \$32.8 thousand, followed by a decrease of \$23.3 thousand in tipping fee revenue. Miscellaneous revenue increased by \$19.6 thousand. Senior Services program revenue was down by \$18.0 thousand. Recycling revenue increased by \$15.1 thousand. Bulky Waste fees were down by \$5.0 thousand. False alarm fines were down up \$0.8 thousand and the Library was up by \$0.5 thousand.
- Other sources of revenue were over budgetary estimates by \$842.7 thousand and over the prior year revenue by \$578.2 thousand. Rental of Buildings was up \$637.8 thousand due to a prepayment for a new fifty year lease. Cost sharing PRR was up by \$103.6 thousand. The New London Radio fee was down by \$72.2 thousand due to it being used to offset the Information Technology budget in FY23. The CIRMA subsidy is down by \$96.1 thousand due to the Town leaving CIRMA in Fiscal year 2023. The ambulance subsidy was down by \$6.0 thousand as it was used to repay Waterford Ambulance for providing AED replacements. The BOE clerical stipend is down by \$5.0 thousand as it was used in fiscal year 2023 to offset the Youth and Family services expenditure budget. Sale of vehicles and equipment was up by \$11.8 thousand. The Eugene O'Neill Lease was up \$8.8 thousand. The SCRRRA rebate was down by \$3.1 thousand. Rent & Miscellaneous revenue was down by \$1.5 thousand.
- Investment income is over budgetary estimates by \$1.9 million and over prior year revenue by the same amount.

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

- Other Financing Sources, which consists of the cancelation of prior year encumbrances and transfers in from the capital improvement fund, was over estimated revenue by \$246.2 thousand and over the prior year by \$123.4 thousand.

Overall Expenditures came in \$1.3 million under revised budgetary estimates. The largest amounts of unused appropriations returned in the current fiscal year are as follows:

- The Board of Education returned \$304.7 thousand.
- The Public Works Department returned \$223.7 thousand.
- The Information Technology Department returned \$111.5 thousand.
- The Police Department returned \$104.2 thousand.
- The Emergency Management Department returned \$101.3 thousand.
- The Retirement Commission returned \$54.0 thousand.
- The Planning & Zoning Department returned \$52.0 thousand.

The Town's General Fund balance of \$26.5 million reported on Exhibit III differs from the General Fund's budgetary balance of \$26.9 million reported in the budgetary comparison in the required supplementary information. This is principally because budgetary fund balance does not include \$234.4 thousand of outstanding encumbrances at year-end, which are reported as expenditures for budgetary purposes. The balances for special revenue funds financed primarily from operating transfers from the General Fund are also rolled into that fund for reporting purposes. For fiscal year 2023, those balances amounted to \$32.5 thousand. Adjustments for unbudgeted lease activity under GASB 87 reduced Exhibit III balance by \$660.3 thousand.

CAPITAL ASSET AND DEBT ADMINISTRATION

At June 30, 2023, the Town had \$271.0 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and water and sewer lines - Table 4. This amount represents a net decrease (including additions and deductions) of \$9.9 million, or 3.4%, from last year.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 8,993	\$ 9,008	\$ 128	\$ 128	\$ 9,121	\$ 9,136
Land Improvements	1,796	1,919			1,796	1,919
Building and Improvements	156,880	162,636	875	909	157,755	163,545
Machinery and Equipment	2,690	2,592	545	635	3,235	3,227
Right-to-Use Lease						
Machinery and Equipment	157	221			157	221
Vehicles	4,689	5,013	203	231	4,892	5,244
Infrastructure	52,557	52,789	41,188	42,287	93,745	95,076
Permanent Easements	20	5			20	5
Software	62	75	19	5	81	80
Construction In Progress	225	1,998	-	495	225	2,493
Total	\$ 228,069	\$ 236,256	\$ 42,958	\$ 44,690	\$ 271,027	\$ 280,946

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

Major capital asset events during the current fiscal year are noted below:

Governmental Activities:

- Buildings and improvements decreased by \$5.8 million due mainly to depreciation expense of the same amount.
- Construction-in-progress decreased by \$1.8 million due mainly to the completion of road reconstruction on Cross Road.
- Land Improvements decreased by \$124.0 thousand. There was an addition of \$12.1 thousand reduced by depreciation expense of \$135.2 thousand.
- Vehicles decreased by \$324.0 thousand due to additions of \$470.1 thousand, in accordance with the fleet management plan, this was offset by depreciation expense of \$793.9 thousand.
- Infrastructure decreased by \$232.0 thousand. Additions included the completion of various road projects, including Cross Road, which increased infrastructure by \$1.5 million. Depreciation expense was \$1.8 million.
- Machinery and equipment increased by \$98.0 thousand due to mainly to additions of \$662.5 thousand, which was offset by depreciation expense of \$563.2 thousand.
- Right-to-use machinery and equipment decreased by \$64.0 thousand due to additions of \$9.5 thousand and depreciation of \$74.2 thousand.
- Software decreased by \$13.0 thousand due to amortization expense.
- Permanent Easements increased and Land decreased by \$15.0 thousand due to a reclassification.

Business-Type Activities

- There was decrease in infrastructure of \$1.1 million due to additions of \$407.5 thousand and depreciation expense of \$1.5 million.
- There was a decrease in construction-in-progress of \$495.3 thousand due mainly to the completion of the additional pump at Evergreen pump station.
- There was an increase to software of \$14.0 thousand due to the replacement of the Utility billing software.
- The decreases to all other asset categories were due entirely to depreciation and amortization expense.

Additional information on the Town's capital assets can be found in Note 6 of this report.

Long-Term Debt

At the end of the current fiscal year, the Town had \$61.7 million of outstanding general obligation bonds. Bonds issued in July 2022 carried an AA rating from Standard & Poor.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times its total prior years' tax collections. The current debt limitation for the Town is \$657.6 million.

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

Additional information on the Town's long-term debt can be found in Note 8.

Economic Factors

- The unemployment rate for the Town in 2023 was 3.7%, which is a decrease from a rate of 4.3% a year ago. Waterford's unemployment rate is lower than the State's average unemployment rate of 4.0%, and the national average of 3.8% as of June 2023.

During the current fiscal year, unassigned fund balance in the General Fund increased by \$3.1 million. The main reason for the increase is positive operating results of \$2.6 million. A decrease in the nonspendable balance of \$338.4 thousand and assigned balance of \$121.4 thousand also increased the unassigned balance.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. Please contact the Director of Finance, Town of Waterford, 15 Rope Ferry Road, Waterford, Connecticut 06385 if you have questions about this report or need additional financial information.

BASIC FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental Activities		Business-Type Activities
			Total
ASSETS			
Cash and Cash Equivalents	\$ 45,533,215	\$ 5,212,880	\$ 50,746,095
Investments	17,552,332		17,552,332
Receivables, Net	2,782,983	1,571,628	4,354,611
Internal Balances	20,730	(20,730)	-
Supplies	19,081		19,081
Prepaid Items	17,213		17,213
Capital Assets:			
Intangible Assets Not Being Amortized	20,000		20,000
Intangible Assets Being Amortized, Net	62,293	18,946	81,239
Assets Not Being Depreciated	9,218,458	127,970	9,346,428
Assets Being Depreciated, Net	218,768,319	42,810,695	261,579,014
Total Assets	<u>293,994,624</u>	<u>49,721,389</u>	<u>343,716,013</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pensions	14,382,553		14,382,553
Deferred Outflows of Resources Related to OPEB	3,214,899		3,214,899
Deferred Charge on Refunding	1,460,536		1,460,536
Total Deferred Outflows of Resources	<u>19,057,988</u>		<u>19,057,988</u>
LIABILITIES			
Current Liabilities:			
Accounts and Other Payables	2,733,451	376,413	3,109,864
Accrued Liabilities	4,961,550	188,641	5,150,191
Unearned Revenue	5,983,652	21,533	6,005,185
Total Current Liabilities	<u>13,678,653</u>	<u>586,587</u>	<u>14,265,240</u>
Noncurrent Liabilities:			
Due Within One Year	7,694,110	36,092	7,730,202
Due in More Than One Year	<u>120,928,816</u>	<u>327,416</u>	<u>121,256,232</u>
Total Noncurrent Liabilities	<u>128,622,926</u>	<u>363,508</u>	<u>128,986,434</u>
Total Liabilities	<u>142,301,579</u>	<u>950,095</u>	<u>143,251,674</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	3,600,348		3,600,348
Deferred Inflows of Resources Related to OPEB	2,366,637		2,366,637
Deferred Inflows of Resources Related to Leases	1,536,168		1,536,168
Total Deferred Inflows of Resources	<u>7,503,153</u>		<u>7,503,153</u>
NET POSITION			
Net Investment in Capital Assets	164,702,320	42,957,611	207,659,931
Restricted for:			
Trust Purposes:			
Nonexpendable	119,247		119,247
Grants	1,405,387		1,405,387
Contracts	776,789		776,789
Unrestricted	<u>(3,755,863)</u>	<u>5,813,683</u>	<u>2,057,820</u>
Total Net Position	<u>\$ 163,247,880</u>	<u>\$ 48,771,294</u>	<u>\$ 212,019,174</u>

See accompanying Notes to Financial Statements.

TOWN OF WATERFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues					Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental Activities:								
General Government	\$ 16,339,041	\$ 1,445,656	\$ 89,265	\$ -	\$ (14,804,120)	\$ -	\$ (14,804,120)	
Public Safety	14,438,211	92,828	741,612	-	(13,603,771)	-	(13,603,771)	
Public Works	12,102,482	784,984	34,255	1,080,635	(10,202,608)	-	(10,202,608)	
Recreation	1,966,866	257,082	4,600	10,000	(1,695,184)	-	(1,695,184)	
Library	1,157,707	541	-	-	(1,157,166)	-	(1,157,166)	
Social Services	1,374,250	296,158	116,415	52,000	(909,677)	-	(909,677)	
Education	72,528,770	826,224	14,767,632	-	(56,934,914)	-	(56,934,914)	
Interest on Long-Term Debt	1,247,027	-	-	-	(1,247,027)	-	(1,247,027)	
Total Governmental Activities	121,154,354	3,703,473	15,753,779	1,142,635	(100,554,467)	-	(100,554,467)	
Business-Type Activities:								
Utility Commission	5,235,562	3,820,447	-	-	-	(1,415,115)	(1,415,115)	
Total Business-Type Activities	5,235,562	3,820,447	-	-	-	(1,415,115)	(1,415,115)	
Total Primary Governmental Activities	\$ 126,389,916	\$ 7,523,920	\$ 15,753,779	\$ 1,142,635	(100,554,467)	(1,415,115)	(101,969,582)	
GENERAL REVENUES								
Property Taxes				97,439,518	-	97,439,518		
Grants and Contributions Not Restricted to Specific Programs				755,452	-	755,452		
Unrestricted Investment Earnings				2,852,894	183,589	3,036,483		
Miscellaneous				46,210	-	46,210		
Transfers				(260,374)	260,374	-	-	
Total General Revenues and Transfers				100,833,700	443,963	101,277,663		
CHANGE IN NET POSITION								
Net Position - Beginning of Year				279,233	(971,152)	(691,919)		
NET POSITION - END OF YEAR	\$ 163,247,880	\$ 48,771,294	\$ 48,771,294	\$ 212,019,174				

See accompanying Notes to Financial Statements.

TOWN OF WATERFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Capital and Nonrecurring Expenditures Fund	Waterford High School Building Project	American Rescue Funds Grant	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 18,891,986	\$ 10,912,060	\$ 1,230	\$ -	\$ 9,861,246	\$ 39,666,522
Investments	17,385,293	-	-	-	167,039	17,552,332
Receivables, Net	2,242,282	-	-	-	540,701	2,782,983
Interfund Receivables	3,101,859	-	-	4,587,611	2,101,460	9,790,930
Supplies	-	-	-	-	19,081	19,081
Prepaid Items	17,213	-	-	-	-	17,213
Total Assets	<u>\$ 41,638,633</u>	<u>\$ 10,912,060</u>	<u>\$ 1,230</u>	<u>\$ 4,587,611</u>	<u>\$ 12,689,527</u>	<u>\$ 69,829,061</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts and Other Payables	\$ 1,899,659	\$ 659,153	\$ -	\$ 33,983	\$ 140,654	\$ 2,733,449
Accrued Liabilities	3,456,545	-	-	1,191	105,137	3,562,873
Interfund Payables	7,026,537	-	2,942,807	-	138,322	10,107,666
Unearned Revenue	173,806	-	-	4,552,437	1,199,234	5,925,477
Total Liabilities	<u>12,556,547</u>	<u>659,153</u>	<u>2,942,807</u>	<u>4,587,611</u>	<u>1,583,347</u>	<u>22,329,465</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue:						
Property Taxes	1,171,568	-	-	-	-	1,171,568
Special Assessments	42,595	-	-	-	-	42,595
Grants Receivable	-	-	-	-	98,484	98,484
Lease Receivable	1,399,292	-	-	-	136,876	1,536,168
Total Deferred Inflows of Resources	<u>2,613,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,360</u>	<u>2,848,815</u>
FUND BALANCES						
Nonspendable	17,213	-	-	-	138,328	155,541
Restricted	-	-	-	-	2,083,692	2,083,692
Committed	-	10,252,907	-	-	8,747,102	19,000,009
Assigned	365,063	-	-	-	-	365,063
Unassigned	26,086,355	-	(2,941,577)	-	(98,302)	23,046,476
Total Fund Balances	<u>26,468,631</u>	<u>10,252,907</u>	<u>(2,941,577)</u>	<u>-</u>	<u>10,870,820</u>	<u>44,650,781</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 41,638,633</u>	<u>\$ 10,912,060</u>	<u>\$ 1,230</u>	<u>\$ 4,587,611</u>	<u>\$ 12,689,527</u>	<u>\$ 69,829,061</u>

See accompanying Notes to Financial Statements.

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

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III) \$ 44,650,781

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

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

Governmental Capital Assets	405,218,328
Less: Accumulated Depreciation and Amortization	(177,149,258)
Net Capital Assets	228,069,070

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	779,907
Interest Receivable on Property Taxes	391,661
Delinquent Special Assessments	42,595
Unavailable Revenue - Grants Receivable	98,484
Deferred Outflows of Resources Related to Pensions	14,382,553
Deferred Outflows of Resources Related to OPEB	3,214,899
Deferred Charge on Refunding	1,460,536

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.

5,418,984

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

Net Pension Liability	(37,159,387)
Bonds and Notes Payable	(61,665,000)
Bond and Note Premiums	(3,021,399)
Interest Payable on Bonds And Notes	(671,677)
Leases Payable	(140,887)
Compensated Absences	(6,872,353)
Landfill Post-Closure Monitoring Liability	(199,000)
Net OPEB Liability	(19,564,900)
Deferred Inflows of Resources Related to Pensions	(3,600,348)
Deferred Inflows of Resources Related to OPEB	(2,366,637)

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

\$ 163,247,882

See accompanying Notes to Financial Statements.

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

	General Fund	Capital and Nonrecurring Expenditures Fund	Waterford High School Building Projects	American Rescue Funds Grant	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 97,753,984	\$ -	\$ -	\$ 449,559	\$ 4,343,469	\$ 97,753,984
Intergovernmental	10,156,453	280,000	-	-	4,343,469	15,229,481
Assessments and Connections	16,501	-	-	-	187,388	203,889
Licenses and Permits	1,643,067	-	-	-	-	1,643,067
Fines, Penalties, and Charges for Services	672,526	-	-	-	1,155,920	1,828,446
Investment Earnings	2,034,123	413,659	47	-	174,375	2,622,204
Other	12,691	-	-	-	182,905	195,596
Total Revenues	112,289,345	693,659	47	449,559	6,044,057	119,476,667
EXPENDITURES						
Current:						
General Government	15,076,041	-	-	-	104,219	15,180,260
Public Safety	11,011,405	-	-	449,559	228,780	11,689,744
Public Works	5,448,008	-	-	-	46,243	5,494,251
Recreation	1,540,395	-	-	-	29,541	1,569,936
Library	988,394	-	-	-	-	988,394
Social Services	828,139	-	-	-	362,485	1,190,624
Education	60,319,158	-	-	-	4,071,019	64,390,177
Capital Outlay	9,522	3,746,714	-	-	2,133,728	5,889,964
Debt Service:						
Principal Retirements	5,383,429	-	-	-	-	5,383,429
Interest and Fiscal Charges	1,890,220	-	-	-	-	1,890,220
Total Expenditures	102,494,711	3,746,714	-	449,559	6,976,015	113,666,999
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,794,634	(3,053,055)	47	-	(931,958)	5,809,668
OTHER FINANCING SOURCES (USES)						
Transfers In	175,240	3,828,560	-	-	3,553,361	7,557,161
Transfers Out	(7,356,921)	-	-	-	(200,240)	(7,557,161)
Issuance of Leases	9,522	-	-	-	-	9,522
Total Other Financing Sources (Uses)	(7,172,159)	3,828,560	-	-	3,353,121	9,522
NET CHANGE IN FUND BALANCES	2,622,475	775,505	47	-	2,421,163	5,819,190
Fund Balances - Beginning of Year	23,846,156	9,477,402	(2,941,624)	-	8,449,657	38,831,591
FUND BALANCES - END OF YEAR	\$ 26,468,631	\$ 10,252,907	\$ (2,941,577)	\$ -	\$ 10,870,820	\$ 44,650,781

See accompanying Notes to Financial Statements.

TOWN OF WATERFORD, 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) \$ 5,819,190

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 and amortization expense:

Capital Outlay	2,651,529
Depreciation and Amortization Expense	(9,092,531)

The statement of activities reports losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on disposal of capital assets. This amount represents the disposal of capital assets.

(1,746,105)

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

Property Tax Receivable - Accrual Basis Change	(126,474)
Property Tax Interest and Lien Revenue - Accrual Basis Change	(187,992)
Delinquent Special Assessment Receivable - Accrual Basis Change	1,352
Miscellaneous Grants and Accounts Receivable - Accrual Basis Change	124,993
Change in Deferred Outflows of Resources Related to Pensions	4,701,328
Change in Deferred Outflows of Resources Related to OPEB	1,783,194

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of 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	5,310,000
Issuance of Leases	(9,522)
Lease Principal Payments	73,429
Amortization of Deferred Charge on Refunding	(191,709)
Amortization of Premiums	769,245
Landfill Post-Closure Monitoring	24,000

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

Compensated Absences	161,237
Accrued Interest	65,657
Change in Net Pension Liability	(16,763,324)
Change in Net OPEB Liability	(1,968,984)
Change in Prior Service Cost	536
Change in Deferred Inflows of Resources Related to Pensions	9,051,154
Change in Deferred Inflows of Resources Related to OPEB	475,573

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.

(646,542)

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)

\$ 279,234

See accompanying Notes to Financial Statements.

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

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Utility Commission</u>	<u>Internal Service Fund</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 5,212,880	\$ 5,866,693
Receivables, Net	1,571,628	-
Interfund Receivables	-	337,466
Total Current Assets	<u>6,784,508</u>	<u>6,204,159</u>
Noncurrent Assets:		
Capital Assets, Net	<u>42,957,611</u>	<u>-</u>
Total Assets	49,742,119	6,204,159
LIABILITIES		
Current Liabilities:		
Accounts and Other Payables	286,502	-
Accrued Liabilities	188,641	727,000
Interfund Payables	20,730	-
Advance Collections	21,533	58,175
Deposits	89,911	-
Compensated Absences	36,092	-
Total Current Liabilities	<u>643,409</u>	<u>785,175</u>
Noncurrent Liabilities:		
Compensated Absences	<u>327,416</u>	<u>-</u>
Total Noncurrent Liabilities	<u>327,416</u>	<u>-</u>
Total Liabilities	<u>970,825</u>	<u>785,175</u>
NET POSITION		
Net Investment in Capital Assets	42,957,611	-
Unrestricted	<u>5,813,683</u>	<u>5,418,984</u>
Total Net Position	<u>\$ 48,771,294</u>	<u>\$ 5,418,984</u>

See accompanying Notes to Financial Statements.

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

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Utility Commission</u>	<u>Internal Service Fund</u>
OPERATING REVENUES		
User Charges for Services, Interest and Lien Fees	\$ 3,820,447	\$ -
Premium Charges to Other Funds	- <hr/>	12,368,533 <hr/>
Total Operating Revenues	3,820,447	12,368,533
OPERATING EXPENSES		
Amortization Expense	1,267	-
Depreciation Expense	1,658,249	-
Salaries, Wages, and Employee Benefits	1,411,862	-
Treatment Plant Costs	1,018,476	-
Utilities	317,898	-
Repairs and Maintenance	219,931	-
Other Operating Expenses	69,982	-
Materials and Supplies	178,975	-
Professional Services	25,867	-
Claims	- <hr/>	9,386,235 <hr/>
Program and Administrative Expenses	- <hr/>	3,859,531 <hr/>
Total Operating Expenses	4,902,507	13,245,766
OPERATING INCOME (LOSS)	(1,082,060)	(877,233)
NONOPERATING REVENUE		
Income on Investments	183,589	230,691
Loss on Disposal of Capital Assets	(333,055)	-
Total Nonoperating Revenues (Expenses)	(149,466)	230,691
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(1,231,526)	(646,542)
Capital Contributions	260,374	-
CHANGE IN NET POSITION	(971,152)	(646,542)
Net Position - Beginning of Year	49,742,446	6,065,526
NET POSITION - END OF YEAR	<u>\$ 48,771,294</u>	<u>\$ 5,418,984</u>

See accompanying Notes to Financial Statements.

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

	Business-Type Activities	Governmental Activities
	Utility Commission	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Charges for Services and Premiums	\$ 3,801,714	\$ 12,368,533
Payments to Suppliers	(1,764,727)	-
Claims and Other Expenses Paid	-	(13,792,731)
Payments to Employees	(1,494,850)	-
Net Cash Provided (Used) by Operating Activities	<u>542,137</u>	<u>(1,424,198)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Income on Investments	183,589	230,691
Net Cash Provided by Investing Activities	<u>183,589</u>	<u>230,691</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents - Beginning of Year	<u>4,487,154</u>	<u>7,060,200</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,212,880</u>	<u>\$ 5,866,693</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (1,082,060)	\$ (877,233)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization Expense	1,659,516	-
Change in Assets and Liabilities:		
(Increase) Decrease in:		
Accounts Receivable	8,835	-
Interfunds Receivable	-	(26,607)
Increase (Decrease) in:		
Accounts Payable	229,502	(153,328)
Accrued Liabilities	9,727	(358,000)
Interfunds Payable	(188,803)	-
Advance Collections And Deposits	(27,568)	(9,030)
Compensated Absences	(67,012)	-
Total Adjustments	<u>1,624,197</u>	<u>(546,965)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 542,137</u>	<u>\$ (1,424,198)</u>
NONCASH DISCLOSURE OF CAPITAL AND RELATED FINANCIAL ACTIVITIES		
Capital Contributions from Other Funds	<u>\$ 260,374</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

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

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
	Student Scholarship	
ASSETS		
Cash and Cash Equivalents	\$ 22,480	\$ 298,100
Investments:		
Mutual Funds	11,045,749	-
Receivables:		
Accrued Interest and Dividends	3,470	-
Total Assets	<u>11,071,699</u>	<u>298,100</u>
LIABILITIES		
Accounts and Other Payables	17,586	-
NET POSITION		
Restricted for OPEB Benefits	10,544,654	-
Restricted for Pension Benefits	509,459	-
Restricted for Scholarships	<u>-</u>	<u>298,100</u>
Total Net Position	<u>\$ 11,054,113</u>	<u>\$ 298,100</u>

See accompanying Notes to Financial Statements.

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

	Pension and Other Employee Benefit Trust Funds	Custodial Fund	Student Scholarship
ADDITIONS			
Contributions:			
Employer	\$ 1,646,096	\$ -	
Other	-	72,604	
Total Contributions	<u>1,646,096</u>	<u>72,604</u>	
Investment Income:			
Net Change in Fair Value of Investments	<u>1,012,137</u>	<u>711</u>	
Total Additions	<u>2,658,233</u>	<u>73,315</u>	
DEDUCTIONS			
Benefit Payments	566,471	-	
Administration	12,602	-	
Payments to Individuals	-	56,306	
Total Deductions	<u>579,073</u>	<u>56,306</u>	
CHANGE IN NET POSITION			
Net Position - Beginning of Year	<u>8,974,953</u>	<u>281,091</u>	
NET POSITION - END OF YEAR	<u>\$ 11,054,113</u>	<u>\$ 298,100</u>	

See accompanying Notes to Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Waterford, Connecticut (the Town) was settled in 1646 and incorporated in 1801. The Town operates under a charter and a Board of Selectmen, Board of Finance, and Representative Town Meeting (RTM) form of government.

Accounting principles generally accepted in the United State 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 postretirement 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.

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.

TOWN OF WATERFORD, 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 (Continued)

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.

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The Town reports the following major governmental funds:

General Fund

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

Capital and Nonrecurring Expenditures Fund

The Capital and Nonrecurring Expenditures Fund accounts for revenues and expenditures to be used for various short-term construction projects funded by the General Fund.

Waterford High School Building Project

The Waterford High School Building Project accounts for revenues and expenditures and other financing sources for the construction of the High School.

American Rescue Funds

The American Rescue Funds Grant accounts for revenues and expenditures associated with the related funding to support recovery from Covid-19.

Additionally, the Town reports the following major proprietary fund:

Utility Commission Fund

The Utility Commission Fund accounts for the operation and maintenance of the sewer collection system, which is owned by the Town and is primarily supported through charges to customers.

Additionally, the Town reports the following fund types:

Internal Service Fund

The Internal Service Fund is used to account for the Town's insurance program for health insurance coverage of the Town and Board of Education employees.

Pension and Other Employee Benefit Trust Funds

The Pension and Other Employee Benefit Trust Funds account for the assets that have been set aside in a trust for the employee retirement plan for certain Town employees and assets that have been set aside in a trust for other post-employment benefits for certain employees.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Custodial Funds

The Custodial Funds account for monies held on behalf of students for scholarships.

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 and administrative expenses. 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.

D. Cash and Cash Equivalents

The Town classifies money market funds, STIF investments, treasury bills, and certificates of deposit having original maturities of three months or less when purchased as cash equivalents. The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The pool is reported at amortized cost. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Investments

Investments are stated at fair value.

F. Supplies and Prepaid Items

Supplies consist of United States Department of Agriculture donated commodities and are stated at fair market value. Supplies are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. 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.

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

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

H. 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

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

Infrastructure:	
Public Domain Infrastructure	10 to 65 Years
System Infrastructure	30 Years
Land and Buildings:	
Land	
Land Improvements	20 Years
Buildings	25 to 40 Years
Building Improvements	25 to 40 Years
Equipment:	
Vehicles	8 Years
Office Equipment	5 to 20 Years
Computer Equipment	5 Years
Machinery and Equipment	5 to 30 Years
Software	15 Years

I. Leases

Lessee

The Town determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the Town's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the Town's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the Town will exercise that option.

The Town has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Leases (Continued)

Lessee (Continued)

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Town has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The Town accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the Town treats the components as a single lease unit.

Lessor

The Town determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the Town's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

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.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guaranteed payment is required, and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Leases (Continued)

Lessor (Continued)

The Town has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Town has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The Town accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the Town treats the components as a single lease unit.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows related to pensions, OPEB and leases in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees). 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. 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 four sources: grants receivable, special assessments, property taxes and interest on property taxes. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

K. Net Pension Liability and Net 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 WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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 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 period incurred.

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.

M. Compensated Absences

Town and Board of Education 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 period are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only for amounts that have become due. The general fund is typically used to liquidate the liability.

N. 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.”

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Equity (Continued)

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 of Waterford Representative Town Meeting) in the form of an ordinance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

Assigned Fund Balance – This balance represents amounts constrained for the intent to be used for a specific purpose by a governing body or board or official that has been delegated authority to assign amounts by the Town Charter. The Finance Director has been delegated authority to assign amounts.

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.

O. Property Taxes

The Town’s property tax is levied each June on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town and are computed at 70% of market value. Although taxes are levied in June, the legal right to attach property does not exist until July 1. Taxes are due and payable in two installments on the following July 1 and January 1. Interest of 1-½% per month is charged on delinquent taxes. The Town files liens against property if taxes that are due July 1 remain unpaid on the following June 30. Liens are effective on the attachment date and are continued by filing prior to the following levy date.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Property Taxes (Continued)

Additional supplemental property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31 and are payable in one installment due January 1.

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.

P. 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.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Formal legally adopted annual budgets are employed as a management control device in the General Fund only. Project-length budgets are employed in the Capital Projects Funds. All unencumbered appropriations in the general fund lapse at year-end.

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

The Town uses the following procedures in establishing the budgetary data included in the financial statements. Those boards seeking appropriations, with the exception of the Board of Education, make their budgetary requests to the Board of Selectmen by a date designated by the Board. During the months of January and February, the Board of Selectmen conducts budget hearings with the requesting agencies. The Board of Selectmen will take action on these requests no later than the second week in February and forward the budgets and its recommendation for funding to the Board of Finance. During the month of March, the Board of Finance conducts budget hearings with the requesting departments, Boards, Commissions, and Agencies including the Board of Education. The Board of Finance then conducts a public hearing to determine the budget it will recommend to the RTM. This recommendation cannot exceed the recommended level of appropriation by the Board of Selectmen unless a departmental appeal is made to them based upon the action of the Board of Selectmen in a timeframe approved by Ordinance. The RTM holds its annual budget meeting the first Monday in May and acts upon the recommended budget as submitted by the Board of Finance inclusive of the Board of Education. The RTM cannot increase the level of appropriation recommended by the Board of Finance unless a departmental appeal is made to them from the action of the Board of Finance in a timeframe approved by Ordinance. The annual budget meeting legally appropriates this budget to departmental line items for expenditures and transfers. The Board of Finance then sets a tax mill rate for the ensuing fiscal year based upon this level of budget.

Town management may transfer amounts within the series level within a department with Commission or Board approval, but only the Board of Finance is authorized to transfer the legally budgeted amounts between series within or between departmental accounts. In this function, series within the various departments serve as the level of management control.

The Superintendent of Schools is authorized to make limited line-item transfers under emergency circumstances where the urgent need for the transfer prevents the Board of Education from meeting in a timely fashion to consider the transfer. Any such transfer shall be announced at the next regularly scheduled meeting of the Board.

The Town's budgeting system requires accounting for certain transactions to be on a basis other than GAAP. The major difference between the budgetary and GAAP basis is that encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as assigned fund balance.

Summarizations of the amended budget approved by the RTM for the "budgetary" General Fund is presented. During the year, there were \$3,245,236 of supplemental budgetary appropriations

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

As explained above, the Town's budgetary fund structure accounts for certain transactions differently from that utilized in reporting in conformity with generally accepted accounting principles.

The differences between the budgetary and GAAP basis of accounting are as follows:

- Encumbrances are recognized as valid and proper charges against budget appropriations in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year but are shown as an assigned fund balance on a GAAP basis.
- State of Connecticut Teachers' Retirement System pension and OPEB contributions made on-behalf of the Town of Waterford for teachers' pension and OPEB benefits are reported for GAAP purposes only.
- Excess Cost - Student based grant is credited against the Board of Education's operating budget.
- Bond Refundings - Proceeds from principal and premium received through bond refundings, as well as the cost of bond issuance costs and payments made to bond escrow agents during the bond refunding are recorded for GAAP purposes only.
- GASB 54 Funds - Certain funds are consolidated with the general fund following the guidance of GASB 54, *Fund Balance Reporting and Government Fund Type Definitions*. These funds do not have legally adopted budgets but are recorded with the general fund for GAAP purposes.

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

B. Deficit Fund Equity

The following funds had deficit fund balances at year-end:

Fund	Amount
Waterford High School Building Project	\$ 2,941,577
Nuclear Safety Emergency Preparedness	80,594
ARPA Rural Roads Fund	17,708

These deficits will be eliminated in future years by grants and when permanent financing is obtained.

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

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

The Town and the Pension and OPEB Trust Funds have a policy for investments which is governed by State Statutes. 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). STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days which is under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

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.

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

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

Deposits (Continued)

Deposit Custodial Credit Risk (Continued)

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$2,215,056 of the Town's bank balance of \$7,119,392 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 1,940,946
Uninsured and Collateral Held by the Pledging Bank's	
Trust Department, Not in the Town's Name	274,110
Total Amount Subject to Custodial Credit Risk	<u>\$ 2,215,056</u>

Cash Equivalents

At June 30, 2023, the Town's cash equivalents amounted to \$49,666,143. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	Standard & Poor's	Fitch Ratings
State Short-Term Investment Fund (STIF)	AAAm	
Money Market Funds	Not Rated	

Investments

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

	Fair Value	Maturity in Years		
		Less Than 1	1 - 10	More Than 10
Interest-Bearing Investments:				
Certificates of Deposit*	\$ 4,958,363	\$ 1,265,194	\$ 3,693,169	\$ -
U.S. Government Securities	11,509,597	10,947,009	472,484	90,104
U.S. Government Agencies	942,318	101,227	841,091	-
Total	<u>17,410,278</u>	<u>\$ 12,313,430</u>	<u>\$ 5,006,744</u>	<u>\$ 90,104</u>
Other Investments:				
Mutual Funds	11,187,803			
Total Investments	<u>\$ 28,598,081</u>			

* Subject to coverage by Federal Depository Insurance and Collateralization.

Presented below is the rating of investments for each debt investment type:

Average Rating	U.S. Government Securities	U.S. Government Agencies	Certificates of Deposit
Aaa	\$ 11,509,597	\$ 942,318	\$ -
Not Rated	-	-	4,958,363
Total	<u>\$ 11,509,597</u>	<u>\$ 942,318</u>	<u>\$ 4,958,363</u>

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

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

Investments (Continued)

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2023:

	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Mutual Funds	\$ 11,187,803	\$ 11,187,803	\$ -	\$ -
U.S. Government Securities	11,509,597	11,509,597	-	-
U.S. Government Agencies	942,318	-	942,318	-
Total	<u>\$ 23,639,718</u>	<u>\$ 22,697,400</u>	<u>\$ 942,318</u>	<u>\$ -</u>

Mutual funds and U.S. Government Securities are classified in Level 1 of the fair value hierarchy and are valued using prices quoted in active markets for those securities.

Interest Rate Risk

The Town, Pension and OPEB plans have a policy that limits investing in short-term securities, money market funds, or similar investment pools, and limiting the average maturity in the portfolio in accordance with this policy will minimize interest rate risk.

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 and pension plan do have a policy that limits that amounts invested in any one issuer to no more than 15% from a specific issuer or business sector (except U.S. Treasuries or Connecticut Short Term Investment Funds), which is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

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.

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

NOTE 4 RECEIVABLES

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

	General Fund	Utility Commission	Nonmajor and Other Funds	Total
Receivables:				
Leases	\$ 786,882	\$ -	\$ 138,878	\$ 925,760
Property Taxes	941,600	-	-	941,600
Interest	391,661	-	-	391,661
Accounts	118,683	1,571,628	13,268	1,703,579
Intergovernmental	43,268	-	391,748	435,016
Assessment Charges	16,848	-	-	16,848
Gross Receivables	<u>2,298,942</u>	<u>1,571,628</u>	<u>543,894</u>	<u>4,414,464</u>
Less: Allowance for Uncollectibles	<u>(56,660)</u>	<u>-</u>	<u>(3,193)</u>	<u>(59,853)</u>
Total Receivables, Net	<u><u>\$ 2,242,282</u></u>	<u><u>\$ 1,571,628</u></u>	<u><u>\$ 540,701</u></u>	<u><u>\$ 4,354,611</u></u>

NOTE 5 LEASE RECEIVABLES

The Town, acting as lessor, leases real property under long-term, noncancelable lease agreements. The leases expire at various dates through 2063 if all renewal options are exercised. During the year ended June 30, 2023, the Town recognized \$118,635 and \$19,169 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 62,134	\$ 13,101
2025	64,173	12,173
2026	66,275	11,214
2027	58,140	10,250
2028	31,994	9,659
2029-2033	175,031	40,549
2034-2038	34,206	33,157
3039-2043	47,943	30,150
2044-2048	64,499	26,031
2049-2053	84,373	20,577
2054-2058	108,144	13,522
2059-2063	128,848	4,575
Total	<u><u>\$ 925,760</u></u>	<u><u>\$ 224,958</u></u>

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

NOTE 6 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 9,008,096	\$ -	\$ -	\$ (15,000)	\$ 8,993,096
Permanent Easements	5,000	-	-	15,000	20,000
Construction in Progress	1,998,142	114,063	-	(1,886,843)	225,362
Total Capital Assets Not Being Depreciated and Amortized	11,011,238	114,063	-	(1,886,843)	9,238,458
Capital Assets Being Depreciated and Amortized:					
Land Improvements	3,899,370	12,115	-	-	3,911,485
Buildings and Improvements	253,406,796	3,027	(31,568)	8,450	253,386,705
Vehicles	16,378,616	364,562	(415,395)	105,524	16,433,307
Machinery and Equipment	15,948,426	662,459	(289,651)	-	16,321,234
Right-to-Use Lease Machinery and Equipment	280,635	9,522	-	-	290,157
Infrastructure	105,032,398	1,485,781	(3,205,938)	1,772,869	105,085,110
Software	551,872	-	-	-	551,872
Total Capital Assets Being Depreciated and Amortized	395,498,113	2,537,466	(3,942,552)	1,886,843	395,979,870
Less Accumulated Depreciation for:					
Land Improvements	(1,981,037)	(135,232)	-	-	(2,116,269)
Buildings and Improvements	(90,770,894)	(5,767,253)	31,568	-	(96,506,579)
Vehicles	(11,365,519)	(793,939)	415,395	-	(11,744,063)
Machinery and Equipment	(13,356,416)	(563,158)	288,051	-	(13,631,523)
Right-to-Use Lease Machinery and Equipment	(59,412)	(74,162)	-	-	(133,574)
Infrastructure	(52,243,504)	(1,745,600)	1,461,433	-	(52,527,671)
Total Accumulated Amortization and Depreciation	(476,392)	(13,187)	-	-	(489,579)
	(170,253,174)	(9,092,531)	2,196,447	-	(177,149,258)
Total Capital Assets Being Depreciated and Amortized, Net	225,244,939	(6,555,065)	(1,746,105)	1,886,843	218,830,612
Governmental Activities					
Capital Assets, Net	<u>\$ 236,256,177</u>	<u>\$ (6,441,002)</u>	<u>\$ (1,746,105)</u>	<u>\$ -</u>	<u>\$ 228,069,070</u>
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 127,970	\$ -	\$ -	\$ -	\$ 127,970
Construction in Progress	495,337	-	(329,255)	(166,082)	-
Total Capital Assets Not Being Depreciated	623,307	-	(329,255)	(166,082)	127,970
Capital Assets Being Depreciated:					
Buildings and Improvements	1,383,627	-	-	-	1,383,627
Vehicles	839,641	-	-	-	839,641
Machinery and Equipment	1,225,290	-	-	-	1,225,290
Infrastructure	96,140,143	241,374	-	166,082	96,547,599
Software	19,000	19,000	(19,000)	-	19,000
Total Capital Assets Being Depreciated	99,607,701	260,374	(19,000)	166,082	100,015,157
Less Accumulated Depreciation for:					
Buildings and Improvements	(474,181)	(34,591)	-	-	(508,772)
Vehicles	(608,179)	(28,379)	-	-	(636,558)
Machinery and Equipment	(591,760)	(88,898)	-	-	(680,658)
Infrastructure	(53,853,093)	(1,506,381)	-	-	(55,359,474)
Software	(13,987)	(1,267)	15,200	-	(54)
Total Accumulated Depreciation	(55,541,200)	(1,659,516)	15,200	-	(57,185,516)
Total Capital Assets Being Depreciated, Net	44,066,501	(1,399,142)	(3,800)	166,082	42,829,641
Business-Type Activities					
Capital Assets, Net	<u>\$ 44,689,808</u>	<u>\$ (1,399,142)</u>	<u>\$ (333,055)</u>	<u>\$ -</u>	<u>\$ 42,957,611</u>

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

NOTE 6 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

General Government	\$ 222,756
Public Safety	673,120
Public Works	2,531,950
Recreation	349,828
Library	21,670
Social Services	114,877
Education	<u>5,178,330</u>
Total Depreciation and Amortization Expense -	
Governmental Activities	<u>\$ 9,092,531</u>

Business-Type Activities:

Utility Commission	<u>\$ 1,659,516</u>
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Construction Commitments

The Town has active construction projects as of June 30, 2023. At year-end, the Town's commitments are as follows:

Project	Spent-to-Date	Remaining Commitment
Department of Public Works	\$ 19,529,501	\$ 2,394,345
Public Safety	49,702	24,100
Recreation	6,000	31,730
Board of Education	13,905	12,945
Total	<u>\$ 19,599,108</u>	<u>\$ 2,463,120</u>

The commitments are being financed with General Fund and Capital Projects Fund appropriations and state and federal grants and bonding.

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Receivable Entity	Payable Entity	Amount
General Fund	Waterford High School Building Project	\$ 2,942,807
General Fund	Nonmajor Governmental Funds	138,322
General Fund	Utility Commission	20,730
American Rescue Fund	General Fund	4,587,611
Nonmajor Governmental Funds	General Fund	2,101,460
Internal Service Fund	General Fund	337,466
Total		<u>\$ 10,128,396</u>

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

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund receivables and payables generally represent temporary balances arising from reimbursement-type transactions.

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

	Transfers In				
	General Fund	Capital and Nonrecurring Expenditures Fund	Nonmajor Governmental Funds	Total Transfers Out	
Transfers:					
General Fund	\$ -	\$ 3,803,560	\$ 3,553,361	\$ 7,356,921	
Capital and Nonrecurring Expenditures Fund	-	-	-	-	
Non Majors	175,240	25,000	-	200,240	
Total Transfers In	<u>\$ 175,240</u>	<u>\$ 3,828,560</u>	<u>\$ 3,553,361</u>	<u>\$ 7,557,161</u>	

Interfund transfers arose from appropriating General Fund amounts to the Capital Improvement and Capital Nonrecurring Funds and various nonmajor governmental funds. There were also transfers out of the Capital Improvement fund of \$174,973 into the General fund for unused appropriations and one residual fund balance transfer for \$267.

Capital asset contributions totaling \$260,374 were made from governmental funds to business type funds during the year ended June 30, 2023. This activity is included in transfer in the government-wide activity in Exhibit II of the accompanying financial statements.

NOTE 8 LONG-TERM DEBT

Changes in Long-Term Liabilities

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

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 66,975,000	\$ -	\$ 5,310,000	\$ 61,665,000	\$ 6,450,000
Premium on Bonds	3,790,644	-	769,245	3,021,399	-
Total Bonds Payable	<u>70,765,644</u>	<u>-</u>	<u>6,079,245</u>	<u>64,686,399</u>	<u>6,450,000</u>
Leases Payable	204,794	9,522	73,429	140,887	71,078
Other Liabilities:					
Net OPEB Liability	17,595,916	1,968,984	-	19,564,900	-
Landfill Postclosure Monitoring	223,000	-	24,000	199,000	21,000
Compensated Absences	7,033,590	-	161,237	6,872,353	1,152,032
Net Pension Liability	20,396,063	16,763,324	-	37,159,387	-
Prior Service Cost (MERS)	536	-	536	-	-
Total Other Liabilities	<u>45,249,105</u>	<u>18,732,308</u>	<u>185,773</u>	<u>63,795,640</u>	<u>1,173,032</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 116,219,543</u>	<u>\$ 18,741,830</u>	<u>\$ 6,338,447</u>	<u>\$ 128,622,926</u>	<u>\$ 7,694,110</u>
Business-Type Activities:					
Compensated Absences	<u>\$ 430,520</u>	<u>\$ -</u>	<u>\$ 67,012</u>	<u>\$ 363,508</u>	<u>\$ 36,092</u>

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

NOTE 8 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities (Continued)

Compensated absences, net pension liability and net OPEB liability 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:

Description	Maturity Ranges	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance June 30, 2023
Governmental Activities:						
Schools:						
Clark Lane School	\$800,000 - \$850,000	\$ 9,440,000	12/29/2014	8/15/2026	3.0% - 5.0%	\$ 3,345,000
Great Neck Elementary	\$655,000 - \$960,000	9,085,000	12/18/2019	8/1/2030	4.0% - 5.0%	7,015,000
School Issue of 2017	\$185,000 - \$2,830,000	14,585,000	6/21/2017	6/30/2031	2.0% - 5.0%	11,310,000
Municipal Complex	\$680,000 - \$685,000	13,655,000	7/23/2020	9/15/2040	2.0% - 5.0%	12,285,000
School Refunding	\$905,000 - \$3,195,000	28,890,000	12/30/2020	8/15/2033	0.3% - 2.0%	27,710,000
Total						<u>\$ 61,665,000</u>

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

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 6,450,000	\$ 1,698,250
2025	6,595,000	1,514,750
2026	6,645,000	1,319,500
2027	6,395,000	1,083,425
2028	5,545,000	829,375
2029-2033	23,690,000	1,866,249
2034-2038	4,305,000	399,399
2039-2043	2,040,000	65,025
Total	<u>\$ 61,665,000</u>	<u>\$ 8,775,973</u>

Leases

The Town leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2026.

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

NOTE 8 LONG-TERM DEBT (CONTINUED)

Leases (Continued)

Total future minimum lease payments under lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 71,078	\$ 1,779
2025	58,167	713
2026	9,754	133
2027	1,888	22
Total	\$ 140,887	\$ 2,647

Landfill Post-Closure Care Costs

Effective January 1, 2002, the Town's Miner Lane landfill was closed. The cost of the ongoing maintenance of the cap and the Department of Energy and Environmental Protection requirement for water quality testing over a 30-year period is estimated to be approximately \$21,000 a year. Accordingly, the Town has recorded a liability in the government-wide financial statements of \$199,000.

Authorized But Unissued

The total of authorized but unissued bonds at June 30, 2023 is approximately \$8,592,000. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

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 (in thousands):

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 211,363	\$ 13,630	\$ 197,733
Schools	422,726	56,627	366,099
Sewers	352,271	-	352,271
Urban Renewal	305,302	-	305,302
Pension Deficit	281,817	-	281,817
Total	\$ 1,573,479	\$ 70,257	\$ 1,503,222

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$657,560,505.

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

NOTE 9 FUND BALANCE

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

	General Fund	Capital and Nonrecurring Expenditures Fund	Waterford High School Building Project	Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 19,081	\$ 19,081
Prepaid Expenditures	17,213	-	-	-	17,213
Nonspendable Trust	-	-	-	119,247	119,247
Restricted for:					
General Government	-	-	-	67,204	67,204
Public Safety	-	-	-	44,156	44,156
Public Works	-	-	-	776,789	776,789
Recreation	-	-	-	78,443	78,443
Social Services	-	-	-	252,500	252,500
Education	-	-	-	864,600	864,600
Committed to:					
Recreation	-	-	-	25,151	25,151
Public Works	-	-	-	661,573	661,573
Other Capital Projects	-	10,252,907	-	7,649,195	17,902,102
Education	-	-	-	411,183	411,183
Assigned to:					
General Government	72,734	-	-	-	72,734
Public Safety	35,361	-	-	-	35,361
Public Works	-	-	-	-	-
Recreation	2,970	-	-	-	2,970
Education	253,998	-	-	-	253,998
Unassigned	<u>26,086,355</u>	<u>-</u>	<u>(2,941,577)</u>	<u>(98,302)</u>	<u>23,046,476</u>
Total Fund Balances	<u>\$ 26,468,631</u>	<u>\$ 10,252,907</u>	<u>\$ (2,941,577)</u>	<u>\$ 10,870,820</u>	<u>\$ 44,650,781</u>

As discussed in Note 2.A., budgetary information, under budgetary basis of accounting encumbrance accounting, is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. As of June 30, 2023, the amount of General Fund encumbrances expected to be honored upon performance by the vendor in the next year totaled \$234,415.

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

NOTE 10 TAX ABATEMENTS

As of June 30, 2023, the Town provides tax abatements through the following program:

The AHEPA 250-II Inc. (AHEPA) tax abatement agreement provides a real property tax abatement on certain property within the Town for the purpose of providing housing to the low or moderate-income elderly and handicapped, as allowed under Chapter 133 of the Connecticut General Statutes Section 8-215 and 8-216. Eligibility for the abatement is predicated on AHEPA limiting occupancy in the premises to those meeting the criteria for low or moderate-income elderly and handicapped individuals in addition to maintaining a contracted standard of housing for the property. The agreement allows for an abatement over a ten-year period to end on June 27, 2034, if not extended, and is determined by the percentage of the annual Town levy that is expended for education. For the year ended June 30, 2023, taxes abated through this agreement totaled \$25,336. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the Town to the abatement recipient under this agreement.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Pension Trust Fund

A. Plan Description

The Town maintains a single employer defined benefit pension plan (the Plan). The Plan was established and is administered by the Town. The Plan covers employees who retired or terminated in a vested status prior to State of Connecticut Municipal Employees' Retirement System (MERS) participation. There are no contributions required from the members. The Town is required to contribute the amounts necessary to finance the benefits for the participants in this Plan. The Plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. The Plan does not issue a separate stand-alone financial report.

The Plan provides retirement, disability and death benefits to plan members and their beneficiaries. The Plan is closed to new members. All eligible full-time employees have the option of enrolling in the MERS plan.

B. Benefit Provisions

Members who retired at normal retirement date (age 62 and 15 years of service) receive benefits equal to 1.5% of final average earnings (the average of the highest five years within the last 10 years) per year of service, limited to 30 years. Members who retired at service retirement date (age 50 and 25 years of service) receive benefits equal to 2% of final average earnings per year of service, limited to 30 years, until age 62. Members who retired at early retirement date (age 57 and 15 years of service) could elect to receive benefits accrued to that date, reduced by .4167% for each month prior to normal retirement date, or to defer benefits until normal retirement date with no reduction. Benefit provisions are established and can be amended by the Representative Town Meeting.

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

C. Plan Administration

The general administration and management of the pension plan and the responsibility for carrying out the provision of the plan shall be placed with the Retirement Commission. The Retirement Commission is made up as follows:

- A member of the Board of Police Commissioners to be appointed by the Board of Police Commissioners, annually;
- A member of the Board of Selectmen to be appointed by the Board of Selectmen, annually;
- A member of the Board of Education to be appointed by the Board of Education, annually;
- A member of the Board of Finance to be appointed by the Board of Finance, biennially, for a two-year term, subsequent to December 1 but no later than December 31 of each odd-numbered year;
- Two members of the Representative Town Meeting to be appointed by the Representative Town Meeting biennially, for a two-year term at the regularly scheduled December meeting of each odd-numbered year; and
- A member of the fire service to be appointed by the Director of Fire Services, annually.

Plan membership consisted of the following at July 1, 2021, the date of the latest actuarial valuation:

Retirees, Disabled Employees, and Beneficiaries	
Currently Receiving Benefits	7
Terminated Plan Members Entitled to Benefits But	
Not Yet Receiving Them	-
Active Members	-
Total	<u><u>7</u></u>

D. Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized as revenues when due in accordance with the terms of the Plan. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative costs are paid from pension fund resources.

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

D. Summary of Significant Accounting Policies (Continued)

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

Funding Policy

There are no active employees of the Plan. Contributions required for the year ended June 30, 2023, were \$27,280, with contributions of \$27,280 made by the Town. Excess assets in the Plan may be used to fund past service costs for employees who transferred to MERS.

E. Investments

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. 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 summarized in the following table.

The following was the Retirement Commission's adopted asset allocation policy and the long-term expected real rate of return as of June 30, 2023:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Bonds	30.00 %	1.10 %
US Bonds - Dynamic	16.50	1.10
Global Bonds	3.50	0.70
Large Cap Domestic Equity	20.63	4.50
Small Cap Domestic Equity	6.88	4.80
Developed International Equity	16.88	7.30
Emerging International Equity	5.63	8.60
Total	<u>100.00 %</u>	

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.28%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

F. 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	\$ 717,948
Plan Fiduciary Net Position	509,459
Net Pension Liability	<u>\$ 208,489</u>

Plan Fiduciary Net Position as a Percentage of the	
Total Pension Liability	70.96 %

Actuarial Assumptions

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

Cost-of-Living Adjustments	2.40% (Prior 2.60%)
Actuarial Cost Method	Entry-Age Normal
Investment Rate of Return	6.25%, Compounded Annually

Plan mortality rates were based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021 (Prior Scale MP-2019).

Discount Rate

The discount rate used to measure the total pension liability was 6.25%. 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.

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

G. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2022	\$ 746,333	\$ 522,836	\$ 223,497
Changes for the Year:			
Service Cost	-	-	-
Interest on Total Pension Liability	43,846	-	43,846
Differences Between Expected and Actual Experience	18,735	-	18,735
Changes in Assumptions	-	-	-
Employer Contributions	-	27,280	(27,280)
Member Contributions	-	-	-
Net Investment Income	-	52,142	(52,142)
Benefit Payments, Including Refund to Employee Contributions	(90,966)	(90,966)	-
Administrative Expenses	-	(1,833)	1,833
Net Changes	<u>(28,385)</u>	<u>(13,377)</u>	<u>(15,008)</u>
Balances - June 30, 2023	<u>\$ 717,948</u>	<u>\$ 509,459</u>	<u>\$ 208,489</u>

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:

	Current		
	1% Decrease (5.25%)	Discount Rate (6.25%)	1% Increase (7.25%)
Net Pension Liability	\$ 259,210	\$ 208,489	\$ 161,476

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

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 \$42,869. 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
Net Difference Between Projected and Actual Earning on Pension Plan Investments	<u>\$ 37,528</u>

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

<u>Year Ending June 30.</u>	Governmental Activities
2024	\$ 8,346
2025	8,301
2026	25,163
2027	(4,282)
Total	<u>\$ 37,528</u>

J. Schedule of Plan Net Position

	Pension Trust Fund
ASSETS	
Cash and Cash Equivalents	\$ 6,676
Investments:	
Mutual Funds	503,669
Receivables:	
Accrued Interest and Dividends	256
Total Assets	<u>510,601</u>
LIABILITIES	
Accounts and Other Payables	<u>1,142</u>
NET POSITION	
Restricted for Pension Benefits	<u>\$ 509,459</u>

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

K. Schedule of Changes in Plan Net

		<u>Pension Trust Fund</u>
ADDITIONS		
Contributions:		
Employer	\$	27,280
Investment Income:		
Net Appreciation in Fair Value of Investments		<u>52,142</u>
Total Additions		79,422
DEDUCTIONS		
Benefit Payments		90,966
Administration		<u>1,833</u>
Total Deductions		<u>92,799</u>
CHANGE IN NET POSITION		(13,377)
Net Position - Beginning of Year		<u>522,836</u>
NET POSITION - END OF YEAR	<u>\$</u>	<u>509,459</u>

Municipal Employees' Retirement System

A. Plan Description

Certain employees of the Town of Waterford, Connecticut, and Waterford Public Schools participate in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing multiemployer public employee retirement system established by the state of Connecticut and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates, and other plan provisions. MERS is considered to be part of the state of Connecticut's financial reporting entity and is included in the state's financial reports as a pension trust fund. Those reports can be obtained at www.ct.gov.

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Municipal Employees' Retirement System (Continued)

B. Benefit Provisions

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

Normal Retirement

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

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

Early Retirement

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

Disability Retirement - Service Connected

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Municipal Employees' Retirement System (Continued)

B. Benefit Provisions (Continued)

Disability Retirement - Nonservice Connected

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

Pre-Retirement Death Benefit

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

C. Contributions

Member

Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 3.75% of compensation up to the social security taxable wage base plus 6.5%, if any, in excess of such base.

Employer

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

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

At June 30, 2023, the Town reports a total liability of \$36,950,898 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The actuarial assumptions used in the June 30, 2021 valuation were based on results of an actuarial experience study for the period July 1, 2012 through June 30, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2023, the Town's proportion was 2.69%. The decrease in proportion from the prior year is 0.15%.

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Municipal Employees' Retirement System (Continued)

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

For the year ended June 30, 2023, the Town recognized pension expense of \$7,315,544. At June 30, 2023, the Town reported deferred inflow of resources and deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,671,607	\$ 1,405,416
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	5,380,193	-
Change in Employer Proportional Share	906,874	2,194,932
Contributions After the Measurement Date	4,386,351	-
Total	<u>\$ 14,345,025</u>	<u>\$ 3,600,348</u>

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

Amounts reported as deferred outflows and inflows of resources related to pension, excluding Town contributions after the measurement date, will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	Governmental Activities
2024	\$ 993,503
2025	1,197,398
2026	825,768
2027	3,341,657
Total	<u>\$ 6,358,326</u>

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Municipal Employees' Retirement System (Continued)

E. Payable to MERS

The Town has recorded \$-0- as a long-term liability to MERS at June 30, 2023. This amount represents prior services cost calculated when the Town entered the Plan. This amount will be paid in annual installments. The current year amount paid was \$536.

F. Actuarial Assumptions

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

Inflation	2.50%
Salary Increase	3.50%-10.00%, Including Inflation
Investment Rate of Return	7.00%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on:

- RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees.
- RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.
- For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Municipal Employees' Retirement System (Continued)

F. Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00 %	6.90 %
Public Credit	2.00	2.90
Core Fixed Income Fund	13.00	0.40
Liquidity Fund	1.00	(0.40)
Risk Mitigation	5.00	0.10
Private Equity Fund	15.00	11.20
Private Credit	10.00	6.20
Real Estate Fund	10.00	6.30
Infra. & Natural Resources	7.00	7.70
Total	100.00 %	

G. Discount Rate

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Municipal Employees' Retirement System (Continued)

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's Proportionate Share of the Net Pension Liability	\$ 51,094,285	\$ 36,950,898	\$ 25,088,798

Connecticut State Teachers' Retirement System – Pension

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

B. Benefit Provisions (Continued)

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.

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the state was \$7,803,575 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.

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

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

At June 30, 2023, the Town reports 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		98,976,445
Total		<u>\$ 98,976,445</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 \$9,566,184 in Exhibit II.

E. Actuarial Assumptions

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

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

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

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

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

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

Cost-of-Living Allowance

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

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

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

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

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

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.

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.

J. Aggregated Pension Information

The Town recognized the following amounts related to pension plans as of and for the year ended June 30, 2023:

	Town Pension	MERS	State Teachers	Total
Deferred Outflows of Resources				
Related to Pensions	\$ 37,528	\$ 14,345,025	\$ -	\$ 14,382,553
Net Pension Liability	208,489	36,950,898	-	37,159,387
Deferred Inflows of Resources				
Related to Pensions	-	3,600,348	-	3,600,348
Pension Expense	42,869	7,315,544	9,566,184	16,924,597
Total	<u>\$ 288,886</u>	<u>\$ 62,211,815</u>	<u>\$ 9,566,184</u>	<u>\$ 72,066,885</u>

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS

Town Post-Retirement Healthcare Plan

A. Plan Description

The Town administers one single employer, post-retirement healthcare plan (OPEB Plan) for the Town, Police, Fire, and Board of Education employee. The OPEB plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the OPEB Trust fund. The Town does not issue a separate stand-alone financial statement for this program.

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

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Town Post-Retirement Healthcare Plan (Continued)

A. Plan Description (Continued)

The Town plan provides for medical, dental, and life insurance benefits for all eligible Town, Police, Fire, and Board of Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations. Administration costs are financed from investment earnings.

B. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town. The Town currently funds on the “pay-as-you-go” basis. The Town’s contributions are actuarially determined on an annual basis using the projected unit cost method. The Town’s total plan contribution was \$1,618,816. There are no employee contributions.

At July 1, 2022, plan membership consisted of the following:

Active Employees	368
Retired Employees	118
Total	486

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 10.10%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Town Post-Retirement Healthcare Plan (Continued)

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	\$ 30,109,553
Plan Fiduciary Net Position	10,544,654
Net OPEB Liability	<u>\$ 19,564,899</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	35.02%
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E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, rolled forward to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary Increases	2.40%, Average, Including Inflation
Investment Rate of Return	6.50%, Net of OPEB Plan Investment Expense, Including Inflation
Healthcare Cost Trend Rates	
Medical	6.50% Decreasing 0.20% per Year to an Ultimate Rate of 4.40% for 2033 and Later Years
Dental	4.00% per Year

Mortality rates were based on the Pub - 2010 Public Retirement Plans Mortality Tables with separate tables for General employees, Public Safety employees and Teachers and for nonannuitants and annuitants, projected to the valuation date with Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. A full actuarial experience study has not been completed.

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

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Town Post-Retirement Healthcare Plan (Continued)

E. Actuarial Assumptions (Continued)

The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of the real rates of returns for each major asset class are included in the OPEB Plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset as of June 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Core Fixed Income	16.00 %	1.10 %
Dynamic Bonds	12.00	1.10
Global Bonds	2.00	0.70
US Large Cap	32.25	4.50
US Small Cap	5.75	4.80
International Equity Developed	21.00	7.30
Emerging Markets	6.00	8.60
Broad Real Assets	5.00	3.40
Total	<u>100.00 %</u>	

F. Discount Rate

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

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

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

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB Liability	\$ 22,620,489	\$ 19,564,899	\$ 16,921,406

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

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Town Post-Retirement Healthcare Plan (Continued)

H. 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 (5.50% Decreasing to 3.40%)	Current Health Care Trend Rate (6.50% Decreasing to 4.40%)	1% Increase (7.50% Decreasing to 5.40%)
Net OPEB Liability	\$ 16,951,389	\$ 19,564,899	\$ 22,604,870

I. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances - July 1, 2022	\$ 26,048,033	\$ 8,452,117	\$ 17,595,916
Changes for the Year:			
Service Cost	308,850	-	308,850
Interest on Total OPEB Liability	1,697,986	-	1,697,986
Differences Between Expected and Actual Experience	1,476,855	-	1,476,855
Changes in Assumptions	1,053,334	-	1,053,334
Employer Contributions	-	1,618,816	(1,618,816)
Net Investment Income	-	959,995	(959,995)
Benefit Payments, Including Refund to Employee Contributions	(475,505)	(475,505)	-
Administrative Expenses	-	(10,769)	10,769
Net Changes	<u>4,061,520</u>	<u>2,092,537</u>	<u>1,968,983</u>
Balances - June 30, 2023	<u>\$ 30,109,553</u>	<u>\$ 10,544,654</u>	<u>\$ 19,564,899</u>

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

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Town Post-Retirement Healthcare Plan (Continued)

J. OPEB Expense and Deferred Outflow/Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the Town recognized OPEB expense of \$1,215,654. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,928,880	\$ 1,877,740
Changes of Assumptions	964,580	488,897
Net Difference Between Projected and Actual Earning on OPEB Plan Investments	321,439	-
Total	<u>\$ 3,214,899</u>	<u>\$ 2,366,637</u>

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

<u>Year Ending June 30.</u>	Governmental Activities
2024	\$ 7,183
2025	(5,878)
2026	276,489
2027	(114,123)
2028	(39,442)
Thereafter	724,033
Total	<u>\$ 848,262</u>

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

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Town Post-Retirement Healthcare Plan (Continued)

K. Schedule of Plan Net Position

	OPEB Trust Fund
ASSETS	
Cash and Cash Equivalents	\$ 15,804
Investments:	
Mutual Funds	10,542,080
Receivables:	
Accrued Interest and Dividends	3,214
Total Assets	<u>10,561,098</u>
LIABILITIES	
Accounts and Other Payables	<u>16,444</u>
NET POSITION	
Restricted for OPEB Benefits	<u>\$ 10,544,654</u>

L. Schedule of Changes in Plan Net Position

	OPEB Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 1,618,816
Investment Income:	
Net Depreciation in Fair Value of Investments	<u>959,995</u>
Total Additions	2,578,811
DEDUCTIONS	
Benefit Payments	475,505
Administration	10,769
Total Deductions	<u>486,274</u>
CHANGE IN NET POSITION	2,092,537
Net Position - Beginning of Year	<u>8,452,117</u>
NET POSITION - END OF YEAR	<u>\$ 10,544,654</u>

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

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-Employment Benefits - 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, multiemployer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

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

B. Benefit Provisions

There are two types of the healthcare 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 healthcare 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 healthcare 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 healthcare coverage or elect to not enroll in a CTRB sponsored healthcare coverage option must wait two years to re-enroll.

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

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-Employment Benefits - Connecticut State Teachers' Retirement Plan (Continued)

B. Benefit Provisions (Continued)

Survivor Healthcare Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

C. Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Pro rata Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

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

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-Employment Benefits - Connecticut State Teachers' Retirement Plan (Continued)

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.

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 \$110,373 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	8,668,066	
Total	\$	<u>8,668,066</u>

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

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-Employment Benefits - Connecticut State Teachers' Retirement Plan (Continued)

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

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 of 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 \$522,489 in Exhibit II.

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%
Healthcare Costs Trend Rate	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.5% 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.

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

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-Employment Benefits - Connecticut State Teachers' Retirement Plan (Continued)

F. Actuarial Assumptions (Continued)

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

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

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

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

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%).

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

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-Employment Benefits - Connecticut State Teachers' Retirement Plan (Continued)

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%
- 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 Healthcare 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 healthcare cost trend rate or the discount rate would only impact the amount recorded by the state of Connecticut.

I. OPEB Plan Fiduciary Net Position

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

J. Other Information

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

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

NOTE 13 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. 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.

Medical Self Insurance

The Town's self-insurance program is used to account for health insurance coverage for Town and Board of Education employees on a cost-reimbursement basis. Under the program, the Town is obligated for claim payments. A stop loss insurance contract executed with an insurance captive covers claims in excess of \$175,000 on a per member basis with an aggregate stop loss coverage limit of \$12,834,000 per year.

The Fund establishes claims liabilities based on estimates of claims that have been incurred but not reported; accordingly, the Fund recorded an additional liability at June 30, 2023, of \$727,000.

Premium payments are reported as interfund services provided and used for the General Fund, and, accordingly, they are treated as operating revenues of the Self-Insurance Fund and operating expenditures of the General Fund.

A schedule of changes in the claims liability for the years ended June 30, 2023 and 2022, is presented below:

	2023	2022
Unpaid Claims, July 1	\$ 1,085,000	\$ 605,346
Incurred Claims (Including IBNR)	9,308,605	10,230,889
Claim Payments	(9,666,605)	(9,751,235)
Unpaid Claims, June 30	<u><u>\$ 727,000</u></u>	<u><u>\$ 1,085,000</u></u>

NOTE 14 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

Litigation and Unasserted Claims

There are various 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 have a materially adverse effect on the financial position of the Town.

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

NOTE 14 CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

Contingent Liabilities (Continued)

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.

NOTE 15 MAJOR TAXPAYER

For the fiscal year ended June 30, 2023, 34.5% of the Town's property tax revenues were derived from its largest taxpayer, Dominion Nuclear Connecticut, Inc., an electrical power facility.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WATERFORD, 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 Budgetary Basis	Variance Over (Under)
	Original	Final		
Property Taxes:				
Revenues from Current Year	\$ 95,943,064	\$ 95,943,064	\$ 96,601,120	\$ 658,056
Prior Year Taxes	300,000	300,000	591,513	291,513
Interest and Lien Fees	321,563	321,563	561,351	239,788
Total Property Taxes	96,564,627	96,564,627	97,753,984	1,189,357
Intergovernmental:				
State of Connecticut:				
Equalized Cost Sharing	316,189	316,189	377,227	61,038
Health and Welfare	6,359	6,359	5,982	(377)
General Government:				
Tax Relief:				
Tax Relief - State-Owned Property	-	-	-	-
Tiered Pilot	316,181	316,181	316,181	-
Disabled	-	-	1,946	1,946
Private Tax-Exempt Property	-	-	-	-
Veterans	-	-	5,870	5,870
Court Fines	-	-	8,333	8,333
Civil Preparedness	9,713	9,713	23,403	13,690
Telecommunication	48,729	48,729	58,071	9,342
Town Aid Road	316,431	316,431	321,120	4,689
SDE State Grant	14,000	14,000	-	(14,000)
LOCIP	115,890	115,890	-	(115,890)
Enhancement 911	22,981	22,981	22,418	(563)
Police Body Worn Camera Grant	-	-	-	-
Bullet Proof Vest Grant	-	-	-	-
Municipal Revenue Sharing	-	-	373,384	373,384
Grants for Municipal Projects	-	-	34,255	34,255
Total State of Connecticut	1,166,473	1,166,473	1,548,190	381,717
FEMA Reimbursement	-	-	-	-
Total Intergovernmental	1,166,473	1,166,473	1,548,190	381,717
Assessments and Connections:				
Water Main Assessments	-	-	16,501	16,501
Sewer Assessments	-	-	-	-
Total Assessments and Connections	-	-	16,501	16,501
Licenses and Permits:				
Recreation and Parks Commission	\$75,000	\$75,000	207,692	132,692
Building Inspector	350,000	350,000	602,212	252,212
License, Fees, Permits, and Fines	40,159	40,159	21,268	(18,891)
Conveyance Tax	200,000	200,000	431,899	231,899
Planning and Zoning	38,500	38,500	66,185	27,685
Liens - Utility Commission	-	-	8,140	8,140
Town Clerk Fees	200,000	200,000	153,260	(46,740)
Total Licenses and Permits	903,659	903,659	1,490,656	586,997

TOWN OF WATERFORD, 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 Budgetary Basis	Variance Over (Under)
	Original	Final		
Fines, Penalties, and Charges for Services:				
Tuition	\$ 83,432	\$ 83,432	\$ 105,931	\$ 22,499
Library	-	-	541	541
False Alarm Fines	-	-	-	-
Bulky Waste Fees	70,000	70,000	112,201	42,201
Recycling	30,000	30,000	72,082	42,082
Miscellaneous	69,306	69,306	72,244	2,938
EMS - Reg. Comm Ctr Fees	6,000	6,000	6,000	-
Tipping Fees	200,000	200,000	264,872	64,872
Senior Services	10,796	10,796	13,446	2,650
Total Fines, Penalties, and Charges for Services	469,534	469,534	647,317	177,783
Other Sources:				
Rent and Miscellaneous	4,930	4,930	4,930	-
Rental of Buildings	75,000	75,000	784,826	709,826
Sales of Vehicles	-	-	683	683
Sale of Equipment	-	-	11,978	11,978
NI Radio Comm. Network Use Fee	72,000	72,000	-	(72,000)
SCRRRA Rebate	-	-	1,945	1,945
Eugene O'Neill Lease	10,000	10,000	17,932	7,932
CIRMA Members Equity Distribution	-	-	-	-
Cost Sharing PRR	-	-	187,367	187,367
Ambulance Operating Subsidy	-	-	-	-
YSB BOE Clerical Stipend	5,000	5,000	-	(5,000)
BOE Human Resources Offset	-	-	-	-
Total Other Sources	166,930	166,930	1,009,661	842,731
Interest and Dividends:				
Interest on Investments	110,000	110,000	2,034,123	1,924,123
Total Revenues	99,381,223	99,381,223	104,500,432	5,119,209
Other Financing Sources:				
Transfers In	-	-	175,240	175,240
Cancellation of Prior Year Encumbrances	-	-	70,976	70,976
Total Other Financing Sources	-	-	246,216	246,216
Total Revenues and Other Financing Sources	\$ 99,381,223	\$ 99,381,223	104,746,648	\$ 5,365,425

Budgetary revenues are different than GAAP revenues because:

State of Connecticut State Teachers' Retirement System on-behalf pension contributions for Town teachers is not budgeted.	7,803,575
State of Connecticut State Teachers' Retirement System on-behalf OPEB contributions for Town teachers is not budgeted.	110,373
Encumbrances for purchases and commitments which were subsequently cancelled in the next fiscal year	(70,976)
Excess cost - student based grant	506,103
GASB 87 not budgeted	(650,807)
GASB 54 activity of certain special revenue funds now consolidated into the General Fund	29,191

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

\$ 112,474,107

TOWN OF WATERFORD, 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 Budgetary Basis	Variance (Over) Under
	Original	Final		
General Government:				
Selectman:				
Personnel Costs	\$ 201,395	\$ 201,224	\$ 199,852	\$ 1,372
Services	5,060	3,437	2,306	1,131
Materials and Supplies	1,150	3,079	3,075	4
Total Selectman	207,605	207,740	205,233	2,507
Registrar of Voters:				
Personnel Costs	64,394	76,839	76,674	165
Services	5,656	5,781	5,691	90
Materials and Supplies	8,153	10,523	10,519	4
Equipment	1	1	-	1
Total Registrar of Voters	78,204	93,144	92,884	260
Board of Finance:				
Personnel Costs	2,528	2,528	1,606	922
Services	64,100	71,418	69,298	2,120
Materials and Supplies	45	45	13	32
Total Board of Finance	66,673	73,991	70,917	3,074
Assessor:				
Personnel Costs	249,230	212,871	200,866	12,005
Services	9,464	70,023	69,863	160
Materials and Supplies	650	2,105	2,013	92
Total Assessor	259,344	284,999	272,742	12,257
Board of Assessment Appeals:				
Personnel Costs	1,070	3,238	3,231	7
Services	550	740	738	2
Total Board of Assessment Appeals	1,620	3,978	3,969	9
Tax Collector:				
Personnel Costs	179,890	184,040	183,974	66
Services	29,969	33,304	33,267	37
Materials and Supplies	280	205	181	24
Total Tax Collector	210,139	217,549	217,422	127
Finance:				
Personnel Costs	567,285	558,102	557,813	289
Services	102,311	125,275	124,708	567
Materials and Supplies	32,000	33,408	33,407	1
Equipment	2,113	2,400	2,399	1
Total Finance	703,709	719,185	718,327	858
Legal Department:				
Services	295,000	360,000	359,635	365

TOWN OF WATERFORD, 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 Budgetary Basis	Variance (Over) Under
	Original	Final		
General Government (Continued):				
Town Clerk:				
Personnel Costs	\$ 243,989	\$ 275,487	\$ 259,901	\$ 15,586
Services	28,900	28,900	25,292	3,608
Materials and Supplies	2,850	2,850	1,690	1,160
Total Town Clerk	275,739	307,237	286,883	20,354
Planning and Zoning Commission:				
Personnel Costs	608,720	616,120	585,220	30,900
Services	44,252	36,852	17,668	19,184
Materials and Supplies	3,560	3,560	3,089	471
Equipment	1,440	1,440	-	1,440
Total Planning and Zoning Commission	657,972	657,972	605,977	51,995
Insurance:				
Services	4,728,672	4,421,639	4,413,432	8,207
Economic Development Commission:				
Services	27,471	27,471	16,396	11,075
Conservation Commission:				
Services	17,750	17,750	13,276	4,474
Materials and Supplies	500	500	253	247
Total Conservation Commission	18,250	18,250	13,529	4,721
Zoning Board of Appeals:				
Services	4,260	4,260	3,678	582
Materials and Supplies	50	50	-	50
Total Zoning Board of Appeals	4,310	4,310	3,678	632
Retirement Commission:				
Personnel Costs	6,333,067	6,288,067	6,234,062	54,005
Representative Town Meeting:				
Personnel Costs	1	1	-	1
Services	18,902	18,902	17,490	1,412
Total Representative Town Meeting	18,903	18,903	17,490	1,413

TOWN OF WATERFORD, 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 Budgetary Basis	Variance (Over) Under
	Original	Final		
General Government (Continued):				
Building Department:				
Personnel Costs	\$ 302,453	\$ 225,386	\$ 213,606	\$ 11,780
Services	11,283	46,283	30,020	16,263
Materials and Supplies	2,293	2,298	2,213	85
Equipment	612	612	-	612
Total Building Department	316,641	274,579	245,839	28,740
Social Service Grants:				
Services	67,173	67,173	67,101	72
Contracts Out to Agencies	19,300	19,300	19,300	-
Total Social Service Grants	86,473	86,473	86,401	72
Contingency:				
Miscellaneous	265,000	31,207	-	31,207
Flood and Erosion Control Board:				
Personnel Costs	818	818	422	396
Services	1,295	1,295	-	1,295
Materials and Supplies	25	25	-	25
Total Flood and Erosion Control Board	2,138	2,138	422	1,716
Ethics Commission:				
Personnel Costs	650	650	250	400
Services	150	150	-	150
Materials and Supplies	50	50	-	50
Total Ethics Commission	850	850	250	600
Human Resources:				
Personnel Costs	167,972	168,352	167,725	627
Services	90,854	90,954	77,910	13,044
Materials and Supplies	1,030	930	899	31
Total Human Resources	259,856	260,236	246,534	13,702
Information Technology:				
Personnel Costs	267,928	252,042	242,916	9,126
Services	791,004	796,617	707,201	89,416
Equipment	101,459	111,732	98,783	12,949
Total Information Technology	1,160,391	1,160,391	1,048,900	111,491
Total General Government	15,978,027	15,520,309	15,160,922	359,387

TOWN OF WATERFORD, 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 Budgetary Basis	Variance (Over) Under
	Original	Final		
Public Safety:				
Emergency Management:				
Personnel Costs	\$ 959,830	\$ 961,930	\$ 878,795	\$ 83,135
Services	105,346	105,346	88,329	17,017
Materials and Supplies	3,310	3,310	2,155	1,155
Total Emergency Management	1,068,486	1,070,586	969,279	101,307
Fire Services:				
Personnel Costs	2,279,501	2,295,995	2,279,780	16,215
Services	851,549	956,885	952,068	4,817
Materials and Supplies	218,370	327,838	317,695	10,143
Equipment	59,000	29,560	29,294	266
Total Fire Services	3,408,420	3,610,278	3,578,837	31,441
Police Department:				
Personnel Costs	5,950,414	6,001,757	5,920,228	81,529
Services	261,765	252,765	237,379	15,386
Materials and Supplies	211,785	234,785	227,521	7,264
Equipment	4,250	4,250	4,203	47
Total Police Department	6,428,214	6,493,557	6,389,331	104,226
Total Public Safety	10,905,120	11,174,421	10,937,447	236,974
Public Works:				
Building Maintenance:				
Personnel Costs	82,433	82,073	79,538	2,535
Services	750,956	801,908	773,491	28,417
Materials and Supplies	4,000	6,398	6,393	5
Capital Improvements	5,000	3,042	3,041	1
Total Building Maintenance	842,389	893,421	862,463	30,958
Public Works:				
Personnel Costs	2,480,366	2,369,281	2,358,919	10,362
Services	1,185,850	1,258,635	1,176,189	82,446
Materials and Supplies	656,125	821,519	792,959	28,560
Equipment	69,945	53,351	49,789	3,562
Capital Improvements	317,277	317,277	218,517	98,760
Total Public Works	4,709,563	4,820,063	4,596,373	223,690
Total Public Works	5,551,952	5,713,484	5,458,836	254,648

TOWN OF WATERFORD, 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 Budgetary Basis	Variance (Over) Under
	Original	Final		
Social Services:				
Youth Service Bureau:				
Personnel Costs	\$ 242,150	\$ 238,125	\$ 193,105	\$ 45,020
Services	30,010	34,035	33,776	259
Total Social Services	<u>272,160</u>	<u>272,160</u>	<u>226,881</u>	<u>45,279</u>
Conservation of Health:				
Services	148,126	148,127	148,126	1
Waterford Public Health Nursing Service:				
Contracts Out to Agencies	26,000	26,000	8,279	17,721
Senior Citizen Commission:				
Personnel Costs	438,670	428,970	408,068	20,902
Services	41,186	26,620	22,799	3,821
Materials and Supplies	13,620	13,655	11,918	1,737
Equipment	1,017	2,087	2,068	19
Total Senior Citizen Commission	<u>494,493</u>	<u>471,332</u>	<u>444,853</u>	<u>26,479</u>
Total Social Services	940,779	917,619	828,139	89,480
Library:				
Personnel Costs	946,985	946,850	935,914	10,936
Services	1,015	1,150	1,112	38
Materials and Supplies	7,475	7,475	7,369	106
Equipment	44,000	44,000	43,999	1
Total Library	<u>999,475</u>	<u>999,475</u>	<u>988,394</u>	<u>11,081</u>
Recreation and Parks:				
Personnel Costs	1,142,115	1,263,365	1,247,035	16,330
Services	233,501	228,380	199,504	28,876
Materials and Supplies	72,065	95,710	95,076	634
Total Recreation and Parks	<u>1,447,681</u>	<u>1,587,455</u>	<u>1,541,615</u>	<u>45,840</u>
Debt Service:				
Principal	5,310,000	5,310,000	5,310,000	-
Interest	1,887,640	1,887,640	1,887,460	180
Total Debt Service	<u>7,197,640</u>	<u>7,197,640</u>	<u>7,197,460</u>	<u>180</u>
Board of Education	<u>52,109,124</u>	<u>52,109,124</u>	<u>51,804,421</u>	<u>304,703</u>
Total Expenditures	95,129,798	95,219,527	93,917,234	1,302,293

TOWN OF WATERFORD, 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 Budgetary Basis	Variance (Over) Under
	Original	Final		
Other Financing Uses:				
Transfers Out	\$ 4,251,425	\$ 7,406,932	\$ 7,406,932	\$ -
Total Expenditures and Other Financing Uses	\$ 99,381,223	\$ 102,626,459	101,324,166	\$ 1,302,293
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut State Teachers' Retirement System on-behalf pension contributions for Town teachers is not budgeted.			7,803,575	
State of Connecticut State Teachers' Retirement System on-behalf OPEB contributions for Town teachers is not budgeted.			110,373	
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 the order is received for financial reporting purposes.			41,855	
Excess cost - student based grant			506,103	
Implementation of GASB 87 not budgeted			9,522	
GASB 54 Activity of Certain Special Revenue Funds now consolidated into the General Fund			106,049	
GASB 54 Transfer out Activity of Certain Special Revenue Funds now consolidated into the General Fund			11,710	
Transfers to Certain Special Revenue Funds consolidated with the General Fund are eliminated for GAAP reporting purposes upon consolidation.			(61,721)	
Total Expenditures and Other Financing Sources as Reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds			\$ 109,851,632	

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

TOWN OF WATERFORD, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
Building Permits Issued	1,867	21	13	30	28	31	24	15	15	19
Building Inspections Conducted	5,600	270	180	330	475	490	312	195	282	408
Police:										
Physical Arrests	977	1,006	708	818	1,062	1,170	1,128	1,914	1,955	2,104
Parking Violations	12	38	24	69	146	147	162	176	38	57
Traffic Violations	4,320	4,869	3,159	4,102	6,344	5,162	3,509	4,066	3,691	4,937
Fire:										
Emergency Responses	2,224	2,549	2,239	2,900	3,930	4,167	3,860	3,896	3,668	3,624
Fires Extinguished	37	70	69	81	47	60	62	82	60	68
Inspections	223	243	139	185	272	323	311	425	488	539
Refuse Collection:										
Refuse Collected (Tons Per Day)	30	26	31	29	28	28	25	48	27	42
Recyclables Collected (Tons Per Day)	11	10	7	8	15	17	17	17	13	9
Other Public Works:										
Street Resurfacing (Miles)	7	2	1	2	3	2	2	3	4	3
Potholes Repaired	500	678	211	267	453	534	372	510	989	747
Recreation and Parks:										
Athletic Field Permits Issued	770	1,748	1,494	1,026	2,091	2,003	2,076	2,060	2,832	2,855
Community Center Admissions (1)	8,719	3,513	493	19,524	61,784	61,000	61,218	62,240	61,689	61,630
Number of Program Registrations	1,742	1,124	27	3,229	6,146	7,247	6,973	7,531	5,812	5,381
Program Fees	73,880	38,853	815	63,933	212,071	203,612	201,084	201,885	190,780	190,485
Senior Services:										
Number of Program Participants	284	654	23,147	24,181	47,159	47,060	45,751	43,931	45,432	44,856
Program Revenue	12,406	31,463	22,719	26,771	34,138	32,040	29,135	31,074	27,988	29,911
Library:										
Volumes in Collection	79,767	80,327	78,436	78,250	81,782	84,904	80,254	83,023	81,283	83,076
Total Volumes Borrowed	148,863	147,476	136,477	151,739	193,542	200,769	209,508	218,010	232,796	242,724
Water:										
New Connections	21	36	36	25	25	28	22	7	7	8
Water Main Breaks	5	13	14	11	11	13	7	6	7	9
Average Daily Consumption (MGD)	6.3	5.7	2.4	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Peak Daily Consumption (MGD)	7.0	6.3	4.2	4.7	4.7	4.6	4.6	4.6	4.6	4.6

Source: Department Directors

(100)

TOWN OF WATERFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION TRUST FUND
LAST TEN FISCAL YEARS

TOWN OF WATERFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION TRUST FUND
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution Contributions in Relation to the Actuarially Determined Contribution	\$ 27,280	\$ 59,870	\$ 59,870	\$ 81,131	\$ 81,131	\$ 81,493	\$ 81,493	\$ 83,367	\$ 83,367	\$ 78,744
	<u>27,280</u>	<u>83,000</u>	<u>82,000</u>	<u>89,953</u>	<u>82,000</u>	<u>81,493</u>	<u>84,000</u>	<u>83,367</u>	<u>83,367</u>	<u>78,744</u>
Contribution Deficiency (Excess)	\$ -	\$ (23,130)	\$ (22,130)	\$ (8,822)	\$ (869)	\$ -	\$ (2,507)	\$ -	\$ -	\$ -
Covered Payroll	N/A									
Contributions as a Percentage of Covered Payroll	N/A									

Notes to Schedule:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Salary, Closed
Remaining Amortization Period	As of the July 1, 2021 Valuation Nine Years Remain.
Asset Valuation Method	The actuarial value of assets used in the development of plan contributions phases in the recognition of differences between the market value and expected actuarial value by recognizing 20% of the difference each year.
Inflation	2.40% (Prior 2.60%)
Cost-of-Living Increases	2.40% (Prior 2.60%)
Investment Rate of Return	6.25%, Net of Pension Plan Investment Expense, Including Inflation
Mortality	Pub-2010 Public Retirement Plans Amount - Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021 (Prior MP-2019).

N/A - Not Applicable. Plan Members are Retired.

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

Annual Money-Weighted Rate of Return,
Net of Investment Expense

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	10.28%	-15.96%	20.68%	5.97%	5.55%	5.12%	9.89%	1.75%	2.57%	11.89%

TOWN OF WATERFORD, CONNECTICUT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	2.69%	2.84%	3.01%	3.02%	3.07%	5.54%	6.09%	4.88%	5.21%
Town's Proportionate Share of the Net Pension Liability	\$ 36,950,898	\$ 20,172,566	\$ 33,488,078	\$ 31,145,927	\$ 29,401,392	\$ 13,738,876	\$ 16,236,237	\$ 12,496,017	\$ 12,413,899
Town's Covered Payroll	\$ 22,290,531	\$ 22,102,038	\$ 22,102,038	\$ 22,102,038	\$ 21,046,486	\$ 21,269,052	\$ 20,394,151	\$ 18,584,885	\$ 17,944,522
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	165.77%	91.27%	151.52%	140.92%	139.70%	64.60%	79.61%	67.24%	69.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.71%	82.59%	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 4,386,351	\$ 4,047,147	\$ 3,690,224	\$ 3,273,290	\$ 2,819,839	\$ 2,694,077	\$ 2,603,848	\$ 2,423,860	\$ 2,515,782	\$ 2,425,327
Contributions in Relation to the Actuarially Determined Contribution	<u>4,386,351</u>	<u>4,047,147</u>	<u>3,690,224</u>	<u>3,273,290</u>	<u>2,819,839</u>	<u>2,694,077</u>	<u>2,603,848</u>	<u>2,423,860</u>	<u>2,515,782</u>	<u>2,425,327</u>
Contribution Deficiency (Excess)	<u>\$ -</u>									
Covered Payroll	\$ 22,269,793	\$ 22,290,531	\$ 22,102,038	\$ 21,046,486	\$ 21,269,052	\$ 20,394,151	\$ 18,584,885	\$ 17,944,522	\$ 17,944,522	\$ 18,274,228
Contributions as a Percentage of Covered Payroll	19.70%	18.16%	16.70%	15.55%	13.26%	13.21%	14.01%	13.51%	14.02%	13.27%

Notes to Schedule:

Valuation Date: June 30, 2022

Measurement Date: June 30, 2022

Actuarially determined contribution rates are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method

Entry Age Normal

Amortization Method

Level Dollar, Closed

Single Equivalent Amortization Period

20 Years

Asset Valuation Method

5-Years Smoothed Market

Inflation

2.50%

Salary Increases

3.50% - 10.00%, Including Inflation

Investment Rate of Return

7.00%, Net of Investment-Related Expense

Change in Assumptions

In 2019, the latest experience study for the System updated most of the actuarial assumptions utilized in the June 30, 2020 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement and salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2017.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated With the Town	<u>98,976,445</u>	<u>83,564,236</u>	<u>105,509,269</u>	<u>97,008,042</u>	<u>74,798,836</u>	<u>75,284,376</u>	<u>79,425,593</u>	<u>60,790,928</u>	<u>56,189,042</u>
Total	<u>\$ 98,976,445</u>	<u>\$ 83,564,236</u>	<u>\$ 105,509,269</u>	<u>\$ 97,008,042</u>	<u>\$ 74,798,836</u>	<u>\$ 75,284,376</u>	<u>\$ 79,425,593</u>	<u>\$ 60,790,928</u>	<u>\$ 56,189,042</u>
Town's Covered Payroll	\$ 24,402,175	\$ 24,383,687	\$ 23,898,019	\$ 23,917,559	\$ 23,425,482	\$ 23,142,985	\$ 21,020,000	\$ 20,407,000	\$ 21,623,000
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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%	61.56%

Notes to Schedule:

Changes in Benefit Terms	None
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
Remaining 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 WATERFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OPEB TRUST FUND
LAST SEVEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service Cost	\$ 308,850	\$ 295,833	\$ 276,630	\$ 265,479	\$ 281,505	\$ 264,365	\$ 257,290
Interest	1,697,986	1,661,479	1,586,755	1,579,705	1,700,177	1,672,521	1,622,163
Differences Between Expected and Actual Experience	1,476,855	(668,560)	818,687	(1,146,862)	(1,149,976)	(829,167)	(76,479)
Changes of Assumptions	1,053,334	-	18,578	-	(917,752)	-	-
Benefit Payments, Including Refunds of Member Contributions	(475,505)	(996,497)	(345,778)	(855,957)	(712,252)	(746,707)	(1,497,102)
Net Change in Total OPEB Liability	4,061,520	292,255	2,354,872	(157,635)	(798,298)	361,012	305,872
Total OPEB Liability - Beginning	26,048,033	25,755,778	23,400,906	23,558,541	24,356,839	23,995,827	23,689,955
Total OPEB Liability - Ending	30,109,553	26,048,033	25,755,778	23,400,906	23,558,541	24,356,839	23,995,827
Plan Fiduciary Net Position:							
Contributions - Employer	1,618,816	1,746,497	1,445,778	1,614,570	1,871,345	1,906,707	3,811,946
Net Investment Income	959,995	(1,340,230)	1,860,477	300,988	268,186	133,054	40,292
Benefit Payments, Including Refunds of Member Contributions	(475,505)	(996,497)	(345,778)	(855,957)	(712,252)	(746,707)	(1,497,102)
Administrative Expense	(10,769)	(19,670)	(7,791)	(7,242)	(6,729)	(11,768)	-
Net Change in Plan Fiduciary Net Position	2,092,537	(609,900)	2,952,686	1,052,359	1,420,550	1,281,286	2,355,136
Plan Fiduciary Net Position - Beginning	8,452,117	9,062,017	6,109,331	5,056,972	3,636,422	2,355,136	-
Plan Fiduciary Net Position - Ending	10,544,654	8,452,117	9,062,017	6,109,331	5,056,972	3,636,422	2,355,136
Net OPEB Liability - Ending	\$ 19,564,899	\$ 17,595,916	\$ 16,693,761	\$ 17,291,575	\$ 18,501,569	\$ 20,720,417	\$ 21,640,691
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	35.02%	32.45%	35.18%	26.11%	21.47%	14.93%	9.81%
Covered Payroll	\$ 29,726,235	\$ 32,626,883	\$ 31,862,190	\$ 31,077,578	\$ 30,290,037	\$ 30,429,413	\$ 29,615,001
Net OPEB Liability as a Percentage of Covered Payroll	65.82%	53.93%	52.39%	55.64%	61.08%	68.09%	73.07%

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

TOWN OF WATERFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB TRUST FUND
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 2,231,121	\$ 2,217,688	\$ 2,139,712	\$ 2,127,089	\$ 2,482,200	\$ 2,474,700	\$ 2,607,000	\$ 2,755,300	\$ 2,720,300	\$ 2,747,000
Contributions in Relation to the Actuarially Determined Contribution	<u>1,508,151</u>	<u>1,677,660</u>	<u>1,388,794</u>	<u>1,556,483</u>	<u>1,802,704</u>	<u>1,829,904</u>	<u>3,698,337</u>	<u>798,000</u>	<u>584,100</u>	<u>608,000</u>
Contribution Deficiency (Excess)	<u>\$ 722,970</u>	<u>\$ 540,028</u>	<u>\$ 750,918</u>	<u>\$ 570,606</u>	<u>\$ 679,496</u>	<u>\$ 644,796</u>	<u>\$ (1,091,337)</u>	<u>\$ 1,957,300</u>	<u>\$ 2,136,200</u>	<u>\$ 2,139,000</u>
Covered Payroll	\$ 29,726,235	\$ 32,626,883	\$ 31,862,190	\$ 31,077,578	\$ 30,290,037	\$ 30,429,413	\$ 29,615,001	\$ 29,073,500	\$ 29,073,500	\$ 31,032,400
Contributions as a Percentage of Covered Payroll	5.07%	5.14%	4.36%	5.01%	5.95%	6.01%	12.49%	2.74%	2.01%	1.96%

Notes to Schedule:

Valuation Date: July 1, 2022
 Measurement Date: June 30, 2023

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

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Salary
Amortization Period	Amortized Over 30 Years on a Closed Basis. The Amortization Began on July 1, 2006, and, as of the July 1, 2020 Valuation, 16 Years Remain.
Asset Valuation Method	Market Value
Inflation	2.40%
Healthcare Cost Trend Rates	6.50% Decreasing to 4.60%
Inflation	2.40%
Investment Rate of Return	6.50%
Retirement Age	Medical and Dental Benefits Pre-65 Medical Benefits Post-65
Mortality	Pub - 2010 Public Retirement Plans Mortality Tables (with separate tables for General employees, Public Safety employees and Teacher) and for nonannuitants and annuitants, projected to the valuation date with Scale MP-2020.

**TOWN OF WATERFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OPEB TRUST FUND
LAST SEVEN FISCAL YEARS***

	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	10.10%	-13.74%	26.18%	5.44%	6.44%	4.13%	2.09%

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

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

	2023	2022	2021	2020	2019	2018
Town's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated With the Town	8,668,066	9,104,170	15,736,711	15,128,952	14,952,787	19,377,337
Total	\$ 8,668,066	\$ 9,104,170	\$ 15,736,711	\$ 15,128,952	\$ 14,952,787	\$ 19,377,337
Town's Covered Payroll	\$ 24,402,175	\$ 24,383,687	\$ 23,898,019	\$ 23,917,559	\$ 23,425,482	\$ 23,142,985
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%
Notes to Schedule:						
Changes in Benefit Terms	None					
Changes of Assumptions	Based on the procedure described in GASB 74, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 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 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.					
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.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

GENERAL FUND

The General Fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The General Fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health, social services, recreation, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

TOWN OF WATERFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS
GENERAL FUND – BOARD OF EDUCATION
YEAR ENDED JUNE 30, 2023

	Final Appropriation	Expenditures and Encumbrances	Unexpended Balance
Salaries - Certified	\$ 24,029,242	\$ 23,750,450	\$ 278,792
Salaries - Support	6,427,768	5,839,611	588,157
Salaries - Other	56,620	55,992	629
Temporary Pay - Certified	1,017,873	1,348,354	(330,481)
Temporary Pay - Support	165,700	257,546	(91,846)
Overtime - Support	124,075	115,099	8,976
Health and Dental Insurance	6,742,222	6,706,167	36,055
Life and Major Medical Insurance	80,068	72,545	7,523
Long-Term Disability	3,366	3,086	281
Social Security Contribution	981,527	956,014	25,513
Reimbursements	104,400	67,741	36,659
Unemployment Compensation	70,000	13,089	56,911
Workers' Compensation	399,599	297,275	102,324
Sick Pay	138,657	235,094	(96,437)
Retirement Incentive	7,500	15,000	(7,500)
Instructional Services	107,005	99,855	7,150
Staff and Curriculum Development	96,050	102,244	(6,194)
Other Professional and Technical Services	1,789,652	1,412,593	377,059
Legal Services	113,749	124,574	(10,825)
Public Utilities	79,241	84,449	(5,208)
Maintenance and Repairs	423,486	348,125	75,361
Rentals	23,570	9,519	14,051
Pupil Transportation	2,350,868	2,691,982	(341,114)
Insurance - Property	112,519	95,154	17,365
Insurance - Liability	114,171	149,669	(35,498)
Other Insurance	25,626	18,046	7,580
Communications	78,230	71,816	6,414
Postage	19,244	15,422	3,822
Advertising	3,500	8,360	(4,860)
Tuition	2,574,650	2,489,195	85,455
Travel and Conference	155,433	162,485	(7,052)
Other Purchased Services	198,000	222,355	(24,355)
Instructional Supplies	405,192	398,552	6,640
Software	524,015	557,662	(33,647)
Maintenance and Custodial	295,620	450,384	(154,764)
Heat and Energy	1,369,692	1,576,391	(206,699)
Transportation Supplies	189,779	188,743	1,036
Textbooks	172,500	303,065	(130,565)
Library and Professional Books	30,660	24,207	6,453
Other Supplies	179,244	173,521	5,723
Equipment	298,778	258,185	40,593
Membership Dues and Fees	30,034	34,807	(4,773)
Total	\$ 52,109,124	\$ 51,804,421	\$ 304,703

TOWN OF WATERFORD, CONNECTICUT
REPORT OF PROPERTY TAX COLLECTIONS
GENERAL FUND
YEAR ENDED JUNE 30, 2023

Grand List	Uncollected Taxes July 1, 2022		Lawful Corrections		Transfers to Suspense		Adjusted Taxes Collectible		Collections			Uncollected Taxes June 30, 2023	
	Current Levy		Additions	Deductions			Taxes	Interest	Lien Fees	Total			
2021	\$ -	\$ 97,273,094	\$ 93,223	\$ 314,657	\$ 5,316	\$ 97,046,345	\$ 96,531,952	\$ 141,094	\$ 433	\$ 96,673,479	\$ 514,393		
2020	363,003	-	32,876	15,228	7,970	372,681	223,738	42,729	1,224	267,691	148,944		
2019	155,671	-	5,743	9,195	7,465	144,754	78,054	37,835	504	116,393	66,700		
2018	100,098	-	609	8,202	2,839	89,666	48,300	35,858	384	84,542	41,365		
2017	72,776	-	304	487	765	71,828	39,025	32,802	288	72,114	32,803		
2016	66,751	-	-	216	136	66,399	36,848	37,561	264	74,674	29,550		
2015	53,479	-	-	-	-	53,479	28,932	34,833	192	63,957	24,547		
2014	38,962	-	-	-	-	38,962	21,375	29,229	144	50,748	17,587		
2013	34,780	-	-	-	-	34,780	18,510	29,297	144	47,951	16,270		
2012	29,281	-	-	-	-	29,281	15,998	25,550	96	41,644	13,283		
2011	29,047	-	-	-	-	29,047	13,834	26,264	96	40,194	15,213		
2010	24,638	-	-	-	-	24,638	13,148	26,879	96	40,123	11,490		
2009	15,799	-	-	-	-	15,799	7,168	17,517	72	24,757	8,631		
2008	4,528	-	-	-	-	4,528	3,701	8,876	48	12,625	827		
2007	3,059	-	-	829	-	2,230	2,230	5,811	24	8,065	-		
Total	\$ 991,872	\$ 97,273,094	\$ 132,755	\$ 348,814	\$ 24,492	\$ 98,024,416	97,082,813	532,135	4,009	97,618,957	\$ 941,603		
							Suspense Collections		29,493	25,087	120	54,700	
							Total Collections		\$ 97,112,306	\$ 557,222	\$ 4,129	97,673,657	
							Property Taxes Receivable - Considered Available:						
							June 30, 2022					(31,549)	
							June 30, 2023					111,876	
							Total					\$ 97,753,984	

TOWN OF WATERFORD, CONNECTICUT
SCHEDULE OF WATER MAIN ASSESSMENTS RECEIVABLE
GENERAL FUND
YEAR ENDED JUNE 30, 2023

Contract Number	Principal Uncollected July 1, 2022	Interest and Liens Uncollected July 1, 2022	New Contracts	Lawful Corrections				Collections			Principal Balance Uncollected June 30, 2023	Interest and Liens Uncollected June 30, 2023	Balance Uncollected June 30, 2023
	Interest and Liens Billed	Principal Additions	Principal Deductions	Interest and Lien Additions	Interest and Lien Deductions	Assessments	Interest and Lien Fees	Transferred to Town Clerk	Total				
40	\$ -	\$ -	\$ 39,866	\$ 2,990	\$ -	\$ 39,866	\$ 39,866	\$ 26,355	\$ -	\$ 16,501	\$ -	\$ -	\$ -
Water Main Assessment Receivable - Considered Available:													
June 30, 2022													
June 30, 2023													
Total													
\$ -													

TOWN OF WATERFORD, CONNECTICUT
SCHEDULE OF SEWER ASSESSMENTS RECEIVABLE
GENERAL FUND
YEAR ENDED JUNE 30, 2023

Contract Number	Principal Uncollected July 1, 2022	Lawful Corrections				Collections				Principal Balance Uncollected June 30, 2023	Interest and Liens Uncollected June 30, 2023	Balance Uncollected June 30, 2023			
		Interest and Liens Uncollected July 1, 2022	New Contracts	Interest and Liens Billed	Principal Additions	Principal Deductions	Interest and Lien Additions	Interest and Lien Deductions	Assessments	Interest and Lien Fees	Transferred to Town Clerk	Total			
76	\$ 7,417	\$ 8,079	\$ -	\$ 1,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,417	\$ 9,431	\$ 16,848

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Fund	Funding Source	Function
Special Education Grants	State and federal grants	School related programs
School Cafeteria	Sale of food and grants	School lunch program
School Activity	Charges for services	Student activities
Waterford Special Activity Fund	Donations, program fees and a transfer from the General fund	To account for programs and donation expenditures for the first selectman and recreation and parks departments
Drug Enforcement	Federal and state forfeited property	Drug enforcement and education
Youth Services	Donations and admission fees	Youth programs
Water	Rentals from cell phone companies for antennas on water towers	Maintenance of water infrastructure
Contributed Gifts	Donations	Expenditures of donations according to the purpose of the various gifts
Senior Citizens	Donations and program fees	Services and programs for senior citizens
Youth Services Local Prevention Council Grant	Local prevention council grant	Youth services alcohol and drug abuse prevention program
Small Harbor Improvement Projects (SHIP) Grant	Connecticut Port Authority grant in aid	Mago Point Planning Study-Design
Youth Services Mini Grant	State grant passed through NECASA	Community Coalition to address the Opioid Crisis
Certified Local Government Historic Preservation Enhancement Grant	State of Connecticut Department of Economic and Community Development	National register nomination for Oil Mill District
JAG Grant	Federal Justice Assistance funds passed through the Criminal Justice Planning Division of the State of CT OPM	Purchase of police department interview room equipment
Dock Removal Grant	Grant from private organization	Removal of derelict dock structures in the Thames River at 74 Scotch Cap Road
Nuclear Safety Emergency Preparedness Grant	State grant	Nuclear Safety Preparedness Program
Drug Recognition Expert (DRE) Support Grant	Federal Police Traffic Services funds passed through the State of Connecticut DOT	Coordination of DRE training activities
State Election Grant	State grant	To alleviate costs for absentee ballots for the November 2022 election
Senior Resources Agency on Aging Grant	Senior Resources Agency on Aging Grant	Purchase of Equipment for the Senior Center
Community Foundation Grant	Community Foundation Grant	Funding for establishing a Council for Diversity, Equity and Inclusion (DEI)
Comprehensive DUI Enforcement Program Grant	Federal Highway Safety funds passed through the State of CT Department of Transportation	Regional check points to enforce driving under the influence laws
EFSP (Emergency Food and Shelter Program) Grants	Phase 39 and ARPA-R funds passed through the United Way of Southeastern Connecticut	Resources to aid in providing emergency assistance for food and shelter
Historic Properties	Donations	Donations to the Historic Properties Commission

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

Fund	Funding Source	Function
Jordan Mill Pond Fishway	Grant from nonprofit organization	Construct a fishway to promote spawning
Harbor Management	Docking and mooring fees	Harbor management
Youth Services Enhancement Grant	State grant	To promote youth developmental activities
Small Cities Grant II	State Community Development Block Grant (CDBG) funds and loan payments	Waterford Housing Rehabilitation Program
Historic Documents Preservation Grant	Connecticut State Library Targeted Grant	Preservation of historic documents
Reeve Foundation Grant	Christopher Reeve Foundation grant	Purchase of recreational equipment to make Waterford Beach accessible to individuals in wheelchairs
Senior Services Title IIIB Open Doors Grant	Federal funding under Title III and matching contributions	Senior Services open doors program for local senior citizens
Senior Services Wal Mart Grant	Grant from Wal Mart	Senior services program to conduct in-home fall assessment risks for local seniors
Distracted Driving HVE Grant	Department of Transportation Federal Highway Safety Grant	Department of Transportation Federal Highway Safety Grant
Student Athletics Fund	Gate receipts	Site workers, ticket takers and tournament fees
ARPA Auto Theft & Violence Grant	Federal grants	Additional patrols to reduce or prevent crimes including stolen vehicles, auto break ins, and catalytic converter theft
FEMA Grant Fund	Federal grants	To protect the health and safety of the public and firefighting personnel against fire and fire-related hazards
ARPA Rural Roads Fund	Federal grants	Increased enforcement of traffic violations on local roads
FEMA Fire Prevention and Safety Fund	Federal grants	To fund equipment and supplies to support fire safety and prevention programs

Capital Project Funds

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlay.

Fund	Funding Source	Function
Fleet Management	Sales and rental of vehicles and equipment as well as annual transfer from the Capital Improvement Fund	Program for funding the replacement of equipment and vehicles over ten thousand dollars
Sewer Maintenance and Development	Sewer connection fees	Maintenance of existing sewer system assets
Capital Improvements Fund	General fund appropriations	Various Capital Improvements
Early Childhood Learning Center	State grants	Construction of a District Magnet School

NONMAJOR GOVERNMENTAL FUNDS**SPECIAL REVENUE FUNDS (CONTINUED)****Permanent Funds**

Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting governments programs.

Fund	Funding Source	Function
Hammond Memorial Trust	Payments from trust and investment earnings	Maintenance of cemetery

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

Special Revenue Funds							
	Special Education Grants	School Cafeteria	School Activity	Waterford Special Activity Fund	Drug Enforcement Grant	Youth Services	Water
ASSETS							
Cash and Cash Equivalents	\$ 20,428	\$ 586,101	\$ 341,724	\$ -	\$ -	\$ -	\$ -
Investments	-	22,861	24,986	-	-	-	-
Receivables, Net	23,127	257,378	-	-	-	8	138,878
Interfund Receivables	216,858	-	-	70,608	13,599	280,804	660,096
Supplies	-	19,081	-	-	-	-	-
Total Assets	\$ 260,413	\$ 885,421	\$ 366,710	\$ 70,608	\$ 13,599	\$ 280,812	\$ 798,974
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts and Other Payable	\$ 34,724	\$ -	\$ -	\$ 2,457	\$ -	\$ 13,173	\$ -
Accrued Liabilities	79,693	-	-	60	-	22,849	525
Interfund Payables	-	6,777	-	-	-	-	-
Unearned Revenue	140,960	-	-	16,330	-	173,341	-
Total Liabilities	255,377	6,777	-	18,847	-	209,363	525
DEFERRED INFLOWS OF RESOURCES							
Related to Leases	-	-	-	-	-	-	136,876
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	136,876
FUND BALANCES							
Nonspendable	-	19,081	-	-	-	-	-
Restricted	5,036	859,563	-	26,610	13,599	71,449	-
Committed	-	-	366,710	25,151	-	-	661,573
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	5,036	878,644	366,710	51,761	13,599	71,449	661,573
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 260,413	\$ 885,421	\$ 366,710	\$ 70,608	\$ 13,599	\$ 280,812	\$ 798,974

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

	Special Revenue Funds						
	Contributed Gifts	Senior Services	Youth Services Local	Small Harbor Improvement Projects Grant	Youth Services Mini Grant	2019 JAG Local VCP Grant	Dock Removal Grant
			Prevention Council Grant				
ASSETS							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Receivables, Net	-	-	-	-	-	-	-
Interfund Receivables	106,222	36,513	1,848	35,000	3,240	-	40,376
Supplies	-	-	-	-	-	-	-
Total Assets	\$ 106,222	\$ 36,513	\$ 1,848	\$ 35,000	\$ 3,240	\$ -	\$ 40,376
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts and Other Payable	\$ 538	\$ 3,232	\$ 1,848	\$ -	\$ 864	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-	-	-
Interfund Payables	-	3,183	-	-	-	-	-
Unearned Revenue	-	16,398	-	35,000	-	-	40,376
Total Liabilities	538	22,813	1,848	35,000	864	-	40,376
DEFERRED INFLOWS OF RESOURCES							
Related to Leases	-	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	105,684	13,700	-	-	2,376	-	-
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	105,684	13,700	-	-	2,376	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 106,222	\$ 36,513	\$ 1,848	\$ 35,000	\$ 3,240	\$ -	\$ 40,376

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

	Special Revenue Funds						
	Nuclear Safety Emergency Preparedness	DRE Support Grant	State of CT Election Grant	Senior Resources on Aging Grant	Community Foundation Grant	Comprehensive DUI Enforcement Program	EFSP Grant
ASSETS							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Receivables, Net	80,776	7,416	-	-	-	4,910	-
Interfund Receivables	-	-	2,200	-	2,200	-	-
Supplies	-	-	-	-	-	-	-
Total Assets	\$ 80,776	\$ 7,416	\$ 2,200	\$ -	\$ 2,200	\$ 4,910	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts and Other Payable	\$ 689	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	68	-	-	-	284	-
Interfund Payables	79,905	7,348	-	-	-	4,626	-
Unearned Revenue	-	-	2,200	-	-	-	-
Total Liabilities	80,594	7,416	2,200	-	-	4,910	-
DEFERRED INFLOWS OF RESOURCES							
Related to Leases	-	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	80,776	-	-	-	-	-	-
Total Deferred Inflows of Resources	80,776	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	2,200	-	-
Committed	-	-	-	-	-	-	-
Unassigned	(80,594)	-	-	-	-	-	-
Total Fund Balances	(80,594)	-	-	-	2,200	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 80,776	\$ 7,416	\$ 2,200	\$ -	\$ 2,200	\$ 4,910	\$ -

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

	Special Revenue Funds						
	Historic Properties	Jordan Mill Pond Fishway	Harbor Management	Youth Services Enhancement Grant	Small Cities Grant II	Historic Documents Preservation Grant	Reeve Foundation Grant
ASSETS							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 162,583	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Receivables, Net	-	-	425	-	-	-	-
Interfund Receivables	12,702	-	28,135	1,213	192	-	1,530
Supplies	-	-	-	-	-	-	-
Total Assets	\$ 12,702	\$ -	\$ 28,560	\$ 1,213	\$ 162,775	\$ -	\$ 1,530
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts and Other Payable	\$ 73	\$ -	\$ 369	\$ 1,213	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	377	-	-	-	-
Interfund Payables	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total Liabilities	73	-	746	1,213	-	-	-
DEFERRED INFLOWS OF RESOURCES							
Related to Leases	-	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	12,629	-	27,814	-	162,775	-	1,530
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	12,629	-	27,814	-	162,775	-	1,530
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,702	\$ -	\$ 28,560	\$ 1,213	\$ 162,775	\$ -	\$ 1,530

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

	Special Revenue Funds						Capital Projects Funds		
	Senior Services Wal Mart Grant	Student Athletics	ARPA Auto Theft & Violence Grant	FEMA Grant Fund	ARPA Rural Roads Fund	Fleet Management	Sewer Maintenance & Development		
ASSETS									
Cash and Cash Equivalents	\$ -	\$ 44,473	\$ -	\$ -	\$ -	\$ 3,498,272	\$ 777,269		
Investments									
Receivables, Net						17,708	10,075		
Interfund Receivables							1,402		
Supplies									
Total Assets	\$ -	\$ 44,473	\$ 35,000	\$ 1,938	\$ 17,708	\$ 3,509,749	\$ 777,269		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts and Other Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities							1,281		
Interfund Payables							16,427		
Unearned Revenue									480
Total Liabilities	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ 17,708	\$ -	\$ -	480
DEFERRED INFLOWS OF RESOURCES									
Related to Leases									
Unavailable Revenue - Grants Receivable							17,708		
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,708	\$ -	\$ -	
FUND BALANCES									
Nonspendable									
Restricted							1,938		776,789
Committed									
Unassigned									
Total Fund Balances	\$ -	\$ 44,473	\$ 35,000	\$ 1,938	\$ (17,708)	\$ 3,509,749	\$ 3,509,749	\$ 776,789	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 44,473	\$ 35,000	\$ 1,938	\$ 17,708	\$ 3,509,749	\$ 3,509,749	\$ 776,789	

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

	Permanent				Total Nonmajor Governmental Funds	
	Capital Projects Funds		Fund			
	Capital Improvements Fund	Early Childhood Learning Center	Hammond Memorial Trust			
ASSETS						
Cash and Cash Equivalents	\$ 4,430,341	\$ -	\$ 55	\$ 9,861,246		
Investments	-	-	119,192	167,039		
Receivables, Net	-	-	-	540,701		
Interfund Receivables	-	549,784	-	2,101,460		
Supplies	-	-	-	19,081		
Total Assets	\$ 4,430,341	\$ 549,784	\$ 119,247	\$ 12,689,527		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts and Other Payable	\$ 81,474	\$ -	\$ -	\$ 140,654		
Accrued Liabilities	-	-	-	105,137		
Interfund Payables	20,056	-	-	138,322		
Unearned Revenue	739,149	-	-	1,199,234		
Total Liabilities	840,679	-	-	1,583,347		
DEFERRED INFLOWS OF RESOURCES						
Related to Leases	-	-	-	136,876		
Unavailable Revenue - Grants Receivable	-	-	-	98,484		
Total Deferred Inflows of Resources	-	-	-	235,360		
FUND BALANCES						
Nonspendable	-	-	119,247	138,328		
Restricted	-	-	-	2,083,692		
Committed	3,589,662	549,784	-	8,747,102		
Unassigned	-	-	-	(98,302)		
Total Fund Balances	3,589,662	549,784	119,247	10,870,820		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,430,341	\$ 549,784	\$ 119,247	\$ 12,689,527		

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

Special Revenue Funds								
	Special Education Grants	School Cafeteria	School Activity	Waterford Special Activity Fund	Drug Enforcement Grant	Youth Services	Water	Contributed Gifts
REVENUES								
Intergovernmental	\$ 2,487,329	\$ 1,302,318	\$ 203,537	\$ 399,868	\$ 49,390	\$ 1,926	\$ 6,750	\$ -
Fines, Penalties, and Charges for Services	-	-	11	70	-	-	211,654	55,524
Investment Earnings (Loss)	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenues	<u>2,487,329</u>	<u>1,505,866</u>	<u>399,938</u>	<u>68,140</u>	<u>1,926</u>	<u>290,983</u>	<u>55,524</u>	<u>46,458</u>
EXPENDITURES								
Current:								
General Government	-	-	-	-	11,541	-	-	-
Public Safety	-	-	-	-	-	3,860	-	23,770
Public Works	-	-	-	-	-	-	-	46,243
Recreation	-	-	-	-	21,298	-	-	8,243
Social Services	-	-	-	-	-	-	-	-
Education	2,487,808	1,189,044	301,690	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,487,808</u>	<u>1,189,044</u>	<u>301,690</u>	<u>32,839</u>	<u>3,860</u>	<u>264,977</u>	<u>46,243</u>	<u>32,013</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(479)	316,822	98,248	35,301	(1,934)	26,006	9,281	14,445
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	16,460	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	16,460	-	-	-	-
NET CHANGE IN FUND BALANCES	(479)	316,822	98,248	51,761	(1,934)	26,006	9,281	14,445
Fund Balances - Beginning of Year	<u>5,515</u>	<u>561,822</u>	<u>268,462</u>	<u>-</u>	<u>15,533</u>	<u>45,443</u>	<u>652,292</u>	<u>91,239</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,036</u>	<u>\$ 878,644</u>	<u>\$ 366,710</u>	<u>\$ 51,761</u>	<u>\$ 13,599</u>	<u>\$ 71,449</u>	<u>\$ 661,573</u>	<u>\$ 105,684</u>

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

	Special Revenue Funds					
	Youth Services Local Prevention Council Grant		Small Harbor Improvement Projects Grant		2019 JAG Local VCP Grant	
	Senior Services	Youth Services Local Prevention Council Grant	Small Harbor Improvement Projects Grant	Youth Services Mini Grant	2019 JAG Local VCP Grant	Dock Removal Grant
REVENUES						
Intergovernmental						
Fines, Penalties, and Charges for Services	\$ -	\$ 4,153	\$ -	\$ -	\$ 19,896	\$ -
Investment Earnings (Loss)	46,656	-	-	-	-	-
Other	-	-	-	-	-	-
Total Revenues	<u>11,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,896</u>	<u>-</u>
58,310	58,310	4,153	-	-	19,896	-
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	19,896	-
Public Works	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Social Services	63,410	5,763	-	1,291	-	-
Education	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>63,410</u>	<u>5,763</u>	<u>-</u>	<u>1,291</u>	<u>19,896</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,100)	(1,610)	-	(1,291)	-	-
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(5,100)	(1,610)	-	(1,291)	-	-
Fund Balances - Beginning of Year	<u>18,800</u>	<u>1,610</u>	<u>-</u>	<u>3,667</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 13,700</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,376</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

Special Revenue Funds										
REVENUES	Nuclear Safety Emergency Preparedness	DRE Support Grant	State of CT Election Grant	Senior Resources on Aging Grant	Community Foundation Grant	Comprehensive DUI Enforcement Program	EFSP Grant	Historic Properties	Jordan Mill Pond Fishway	
Intergovernmental										
Fines, Penalties, and Charges for Services										
Investment Earnings (Loss)	\$ -	\$ 34,016	\$ 4,827	\$ 3,491	\$ -	\$ 10,066	\$ 5,000	\$ -	\$ 55,188	
Other	-	-	-	-	-	-	-	-	-	
Total Revenues	-	-	-	-	-	-	-	-	-	
EXPENDITURES										
Current:										
General Government										
Public Safety										
Public Works										
Recreation										
Social Services										
Education										
Capital Outlay										
Total Expenditures	80,594	34,016	4,827	3,491	-	10,066	5,000	73	55,698	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(80,594)	-	-	-	-	-	-	(73)	(510)	
OTHER FINANCING SOURCES (USES)										
Transfers In										
Transfers Out	-	-	-	-	-	-	-	-	-	
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	(267)	
NET CHANGE IN FUND BALANCES	(80,594)	-	-	-	-	-	-	(73)	(777)	
Fund Balances - Beginning of Year	-	-	-	2,200	-	-	-	12,702	777	
FUND BALANCES - END OF YEAR	\$ (80,594)	\$ -	\$ -	\$ 2,200	\$ -	\$ -	\$ -	\$ 12,629	\$ -	

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

	Special Revenue Funds							
	Harbor Management	Youth Services Enhancement Grant	Small Cities Grant II	Historic Documents Preservation Grant	Reeve Foundation Grant	Senior Services Wal Mart Grant	Student Athletics	ARPA Auto Theft & Violence Grant
REVENUES								
Intergovernmental								
Fines, Penalties, and Charges for Services	\$ 9,075	\$ 18,053	\$ 24,396	\$ 5,500	\$ -	\$ -	\$ 93,044	\$ -
Investment Earnings (Loss)	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenues	9,075	18,053	24,396	5,500	-	-	93,044	-
EXPENDITURES								
Current:								
General Government	16,580	-	-	5,500	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Education	-	18,053	-	-	-	500	-	-
Capital Outlay	-	-	-	-	-	-	92,477	-
Total Expenditures	16,580	18,053	-	5,500	-	500	92,477	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,505)	-	24,396	-	-	(500)	567	-
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(7,505)	-	24,396	-	-	(500)	567	-
Fund Balances - Beginning of Year	35,319	-	138,379	-	1,530	500	43,906	-
FUND BALANCES - END OF YEAR	\$ 27,814	\$ -	\$ 162,775	\$ -	\$ 1,530	\$ -	\$ 44,473	\$ -

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

	Special Revenue Funds								Capital Projects Funds		Permanent Fund		Total Nonmajor Governmental Funds
	FEMA Grant Fund	ARPA Rural Roads Fund	Fleet Management	Sewer Maintenance & Development	Capital Improvements Fund	Early Childhood Learning Center	Hammond Memorial Trust	Interfund Eliminations					
REVENUES													
Intergovernmental													
Fines, Penalties, and Charges for Services	\$ 40,808	\$ -	\$ 52,000	\$ -	\$ 292,148	\$ -	\$ -	\$ -				\$ 4,343,469	
Investment Earnings (Loss)	-	-	62,776	187,388	-	-	-	-				1,343,308	
Other	-	-	138,827	26,784	-	-	-	8,683				174,375	
Total Revenues	-	-	33,464	-	-	-	-	8,683				182,905	
	40,808	-	287,067	214,172	292,148	-	-	-				6,044,057	
EXPENDITURES													
Current:													
General Government									10,000			104,219	
Public Safety	38,870	17,708	-	-	-	-	-	-	-			228,780	
Public Works	-	-	-	-	-	-	-	-	-			46,243	
Recreation	-	-	-	-	-	-	-	-	-			29,541	
Social Services	-	-	-	-	-	-	-	-	-			362,485	
Education	-	-	-	-	-	-	-	-	-			4,071,019	
Capital Outlay	-	-	-	-	-	-	-	-	-			2,133,728	
Total Expenditures	38,870	17,708	736,760	-	1,396,968	-	-	10,000	-			6,976,015	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,938	(17,708)	(449,693)	214,172	(1,104,820)	-	(1,317)	-				(931,958)	
OTHER FINANCING SOURCES (USES)													
Transfers In	-	-	800,000	-	3,536,901	-	-	(800,000)				3,553,361	
Transfers Out	-	-	-	-	(999,973)	-	-	800,000				(200,240)	
Total Other Financing Sources (Uses)	-	-	800,000	-	2,536,928	-	-	-				3,353,121	
NET CHANGE IN FUND BALANCES	1,938	(17,708)	350,307	214,172	1,432,108	-	(1,317)	-				2,421,163	
Fund Balances - Beginning of Year	-	-	3,159,442	562,617	2,157,554	549,784	120,564	-				8,449,657	
FUND BALANCES - END OF YEAR	\$ 1,938	\$ (17,708)	\$ 3,509,749	\$ 776,789	\$ 3,589,662	\$ 549,784	\$ 119,247	\$ -				\$ 10,870,820	

FIDUCIARY FUNDS

FIDUCIARY FUNDS

TRUST FUNDS

Pension Trust Fund – To account for assets that have been set aside in trust for the employee retirement plan for certain Town employees.

OPEB Trust Fund – To account for assets that have been set aside in trust for other post-employment benefits for certain Town employees.

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

	Pension Trust Fund	OPEB Trust Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 6,676	\$ 15,804	\$ 22,480
Investments:			
Mutual Funds	503,669	10,542,080	11,045,749
Receivables:			
Accrued Interest and Dividends	256	3,214	3,470
Total Assets	<u>510,601</u>	<u>10,561,098</u>	<u>11,071,699</u>
LIABILITIES			
Accounts and Other Payables	<u>1,142</u>	<u>16,444</u>	<u>17,586</u>
NET POSITION			
Restricted for OPEB Benefits	-	10,544,654	10,544,654
Restricted for Pension Benefits	<u>509,459</u>	<u>-</u>	<u>509,459</u>
Total Net Position	<u><u>\$ 509,459</u></u>	<u><u>\$ 10,544,654</u></u>	<u><u>\$ 11,054,113</u></u>

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

	Pension Trust Fund	OPEB Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 27,280	\$ 1,618,816	\$ 1,646,096
Investment Income:			
Net Change in Fair Value of Investments	<u>52,142</u>	<u>959,995</u>	<u>1,012,137</u>
Total Additions	79,422	2,578,811	2,658,233
DEDUCTIONS			
Benefit Payments	90,966	475,505	566,471
Administration	<u>1,833</u>	<u>10,769</u>	<u>12,602</u>
Total Deductions	<u>92,799</u>	<u>486,274</u>	<u>579,073</u>
CHANGE IN NET POSITION			
	(13,377)	2,092,537	2,079,160
Net Position - Beginning of Year	<u>522,836</u>	<u>8,452,117</u>	<u>8,974,953</u>
NET POSITION - END OF YEAR	<u>\$ 509,459</u>	<u>\$ 10,544,654</u>	<u>\$ 11,054,113</u>

STATISTICAL SECTION

STATISTICAL SECTION INFORMATION

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

Statistical section information is presented in the following categories:

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

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

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

TABLE 1

TOWN OF WATERFORD, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 164,702	\$ 166,836	\$ 165,530	\$ 172,217	\$ 172,063	\$ 172,024	\$ 174,397	\$ 174,913	\$ 173,491	\$ 178,578
Restricted	2,301	1,612	1,440	135	137	145	130	216	178	169
Unrestricted	(3,756)	(5,480)	(9,002)	(13,040)	(11,532)	(5,839)	(10,913)	(5,725)	5,299	3,661
Total Governmental Activities	163,248	162,968	157,968	159,312	160,668	166,330	163,614	169,404	178,968	182,408
Net Position	163,248	162,968	157,968	159,312	160,668	166,330	163,614	169,404	178,968	182,408
Business-Type Activities:										
Net Investment in Capital Assets	42,958	44,690	45,670	49,212	50,975	52,848	54,164	54,835	55,840	57,974
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	5,814	5,053	4,767	4,361	3,842	3,822	3,299	2,765	2,194	1,379
Total Business-Type Activities	48,771	49,743	50,437	53,573	54,817	56,670	57,463	57,600	58,034	59,353
Net Position	48,771	49,743	50,437	53,573	54,817	56,670	57,463	57,600	58,034	59,353
Primary Government:										
Net Investment In Capital Assets	207,660	211,526	211,200	221,430	223,038	224,872	228,561	229,748	229,331	236,552
Restricted	2,301	1,612	1,440	135	137	145	130	216	178	169
Unrestricted	2,058	(427)	(4,235)	(8,679)	(7,690)	(2,017)	(7,614)	(2,960)	7,493	5,040
Total Primary Government	\$ 212,019	\$ 212,711	\$ 208,405	\$ 212,885	\$ 215,485	\$ 223,000	\$ 221,077	\$ 227,004	\$ 237,002	\$ 241,761
Net Position	\$ 212,019	\$ 212,711	\$ 208,405	\$ 212,885	\$ 215,485	\$ 223,000	\$ 221,077	\$ 227,004	\$ 237,002	\$ 241,761

Notes:

(1) Schedule prepared on the accrual basis of accounting.

TABLE 2

TOWN OF WATERFORD, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXPENSES										
Governmental Activities:										
General Government	\$ 16,339	\$ 14,481	\$ 15,705	\$ 15,856	\$ 15,429	\$ 14,892	\$ 13,745	\$ 14,176	\$ 13,676	\$ 12,699
Public Safety	14,438	11,579	13,999	13,150	13,198	12,098	11,508	13,356	10,640	10,167
Public Works	12,102	8,803	8,780	8,086	8,432	7,180	8,558	8,569	7,384	7,292
Recreation	1,967	1,836	1,763	1,941	1,773	1,020	1,763	1,897	1,822	1,741
Library	1,158	1,002	1,156	1,159	1,154	1,065	917	1,598	1,383	1,470
Social Services	1,374	1,303	1,285	1,427	1,370	1,299	1,321	3,238	3,254	3,282
Education	72,529	65,498	74,351	68,539	60,142	64,680	61,805	56,442	55,882	56,593
Interest on Long-Term Debt	1,247	1,363	1,393	2,057	2,285	2,400	2,604	2,795	3,096	2,809
Total Governmental Activities Expenses	<u>121,154</u>	<u>105,865</u>	<u>118,432</u>	<u>112,215</u>	<u>103,783</u>	<u>104,634</u>	<u>102,221</u>	<u>102,071</u>	<u>97,137</u>	<u>96,053</u>
Business-Type Activities:										
Utilities Commission	5,236	5,120	5,480	5,399	5,217	5,740	4,945	5,172	5,178	5,666
Total Primary Government Expenses	<u>126,390</u>	<u>110,985</u>	<u>123,912</u>	<u>117,614</u>	<u>109,000</u>	<u>110,374</u>	<u>107,166</u>	<u>107,243</u>	<u>102,315</u>	<u>101,719</u>
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	1,446	1,346	1,762	1,068	1,119	1,032	1,289	1,135	1,168	1,181
Public Safety	93	268	293	502	561	500	265	254	201	258
Public Works	785	623	872	612	735	635	846	829	528	967
Recreation	257	208	89	180	232	228	217	218	213	184
Library	1	-	-	10	16	17	18	19	19	19
Social Services	296	308	11	185	294	236	261	243	189	187
Education	826	479	319	533	657	611	582	592	721	728
Operating Grants And Contributions	15,754	11,664	19,990	13,901	6,171	12,205	11,261	9,056	8,874	9,940
Capital Grants And Contributions	1,143	1,858	578	658	839	2,450	3,106	1,004	6,163	1,584
Total Governmental Activities										
Program Revenues	<u>20,600</u>	<u>16,754</u>	<u>23,914</u>	<u>17,649</u>	<u>10,624</u>	<u>17,914</u>	<u>17,845</u>	<u>13,350</u>	<u>18,076</u>	<u>15,048</u>
Business-Type Activities:										
Charges for Services	3,820	3,798	3,841	3,710	3,765	3,654	3,727	3,728	3,797	3,914
Operating Grants and Contributions	-	-	-	-	-	-	-	-	2	8
Capital Grants and Contributions	-	-	16	-	-	-	417	1,307	945	423
Total Business-Type Activities										
Program Revenues	<u>3,820</u>	<u>3,798</u>	<u>3,857</u>	<u>3,710</u>	<u>3,765</u>	<u>3,654</u>	<u>4,144</u>	<u>5,035</u>	<u>4,744</u>	<u>4,345</u>
Total Primary Government										
Program Revenues	<u>24,420</u>	<u>20,552</u>	<u>27,771</u>	<u>21,359</u>	<u>14,389</u>	<u>21,568</u>	<u>21,989</u>	<u>18,385</u>	<u>22,820</u>	<u>19,393</u>
NET REVENUE (EXPENSE)										
Governmental Activities	(100,554)	(89,111)	(94,518)	(94,566)	(93,159)	(86,720)	(84,376)	(88,721)	(79,061)	(81,005)
Business-Type Activities	<u>(1,415)</u>	<u>(1,322)</u>	<u>(1,623)</u>	<u>(1,689)</u>	<u>(1,452)</u>	<u>(2,086)</u>	<u>(801)</u>	<u>(137)</u>	<u>(434)</u>	<u>(1,321)</u>
Total Primary Government										
Net Expense	<u>\$ (101,970)</u>	<u>\$ (90,433)</u>	<u>\$ (96,141)</u>	<u>\$ (96,255)</u>	<u>\$ (94,611)</u>	<u>\$ (88,806)</u>	<u>\$ (85,177)</u>	<u>\$ (88,858)</u>	<u>\$ (79,495)</u>	<u>\$ (82,326)</u>

TABLE 2
(CONTINUED)

TOWN OF WATERFORD, CONNECTICUT
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes	\$ 97,440	\$ 94,070	\$ 93,198	\$ 92,136	\$ 90,251	\$ 87,927	\$ 85,884	\$ 81,996	\$ 79,071	\$ 76,529
Grants and Contributions Not Restricted to Specific Programs	755	376	356	351	353	294	771	695	830	779
Unrestricted Investment Earnings	2,853	226	133	1,083	1,297	686	315	185	158	137
Miscellaneous	46	55	175	197	39	145	123	54	7	120
Transfers	(260)	(615)	(31)	(95)	(138)	(196)	-	-	-	-
Total Governmental Activities	<u>100,834</u>	<u>94,112</u>	<u>93,831</u>	<u>93,672</u>	<u>91,802</u>	<u>88,856</u>	<u>87,093</u>	<u>82,930</u>	<u>80,066</u>	<u>77,565</u>
Business-Type Activities:										
Investment Earnings	184	12	3	47	70	37	8	-	-	-
Loss on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers	260	615	31	95	138	196	-	-	-	-
Total Business-Type Activities	<u>444</u>	<u>627</u>	<u>34</u>	<u>142</u>	<u>208</u>	<u>233</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>101,278</u>	<u>94,739</u>	<u>93,865</u>	<u>93,814</u>	<u>92,010</u>	<u>89,089</u>	<u>87,101</u>	<u>82,930</u>	<u>80,066</u>	<u>77,565</u>
CHANGES IN NET POSITION										
Governmental Activities										
Business-Type Activities	279	5,001	(687)	(894)	(1,357)	2,136	2,717	(5,791)	1,005	(3,440)
Total Primary Government	<u>\$ (692)</u>	<u>\$ 4,306</u>	<u>\$ (2,276)</u>	<u>\$ (2,441)</u>	<u>\$ (2,601)</u>	<u>\$ 283</u>	<u>\$ 1,924</u>	<u>\$ (5,928)</u>	<u>\$ 571</u>	<u>\$ (4,761)</u>

Notes:

(1) Schedule prepared on the accrual basis of accounting.

TABLE 3

TOWN OF WATERFORD, CONNECTICUT
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	Fiscal Year										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	
General Fund:											
Nonspendable	\$ 17	\$ 356	\$ 22	\$ 215	\$ 191	\$ 158	\$ 45	\$ 461	\$ 67	\$ 29	
Committed	-	-	-	-	-	-	-	-	-	10,437	
Assigned	365	486	779	935	287	651	366	513	369	497	
Unassigned	26,086	23,004	22,981	18,963	16,781	13,980	13,183	10,948	10,138	1,984	
Total General Fund	\$ 26,469	\$ 23,846	\$ 23,782	\$ 20,113	\$ 17,259	\$ 14,789	\$ 13,594	\$ 11,922	\$ 10,574	\$ 12,947	
All Other Governmental Funds:											
Nonspendable	\$ 138	\$ 127	\$ 154	\$ 131	\$ 140	\$ 142	\$ 145	\$ 130	\$ 150	\$ 150	
Restricted	2,084	1,491	961	910	877	1,040	1,033	887	1,112	1,574	
Committed	19,000	16,309	13,755	11,434	7,206	8,061	9,437	10,250	14,367	12,746	
Assigned	-	-	-	1,606	1,189	900	620	364	186	149	
Unassigned	(3,040)	(2,942)	(3,033)	(2,946)	(2,942)	(2,980)	(3,699)	(5,924)	(6,021)	(5,844)	
Total All Other Governmental Funds	\$ 18,182	\$ 14,985	\$ 11,837	\$ 11,135	\$ 6,470	\$ 7,163	\$ 7,536	\$ 5,707	\$ 9,794	\$ 8,775	

TABLE 4

TOWN OF WATERFORD, CONNECTICUT
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	Fiscal Year										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	
REVENUES											
Property Taxes, Interest, and Liens	97,754	\$ 93,937	\$ 93,334	\$ 92,060	\$ 91,062	\$ 87,828	\$ 86,168	\$ 81,756	\$ 78,907	\$ 76,356	
Intergovernmental	15,229	16,013	11,736	11,396	12,197	10,197	15,149	11,367	12,055	13,140	
Assessments and Connections	204	140	131	123	53	70	33	95	1	145	
Licenses and Permits	1,643	1,699	1,988	1,641	1,737	1,624	1,175	1,021	1,040	1,028	
Fines, Penalties, and Charges for Services	1,828	1,770	1,151	1,382	1,771	1,591	1,806	1,524	1,511	1,524	
Investment Earnings	2,622	206	128	1,020	1,254	659	304	181	156	135	
Other	196	128	291	276	134	162	708	740	1,002	1,393	
Total Revenues	119,477	113,893	108,759	107,898	108,208	102,131	105,343	96,684	94,672	93,721	
EXPENDITURES											
General Government	15,180	14,603	14,620	14,164	13,454	13,480	13,493	13,180	12,290	11,837	
Public Safety	11,690	10,924	11,188	10,615	10,737	10,248	10,053	10,022	9,690	9,269	
Public Works	5,494	5,390	4,764	4,385	4,822	4,341	4,763	4,435	4,401	4,863	
Recreation	1,570	1,530	1,323	1,465	1,412	1,382	1,728	1,634	1,670	1,645	
Library	988	972	1,076	1,007	1,022	1,003	1,037	1,546	1,438	1,465	
Social Services	1,191	1,352	1,033	1,113	1,199	1,242	1,244	2,990	3,187	3,104	
Education	64,390	62,844	59,771	58,698	58,886	55,761	56,983	50,786	50,850	50,512	
Capital Outlay	5,890	5,411	8,383	11,637	7,314	6,424	5,156	7,414	5,438	9,025	
Debt Service:											
Principal	5,383	5,840	5,060	5,145	5,020	4,980	4,585	4,430	4,005	2,670	
Interest	1,890	2,095	2,715	2,355	2,565	2,449	2,937	2,985	3,057	2,601	
Total Expenditures	113,667	110,961	109,933	110,584	106,431	101,310	101,979	99,422	96,026	96,991	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES											
	5,810	2,932	(1,174)	(2,686)	1,777	821	3,364	(2,738)	(1,354)	(3,270)	
OTHER FINANCING SOURCES (USES)											
Transfers In	7,557	6,978	3,801	5,975	4,978	4,834	5,274	3,509	6,646	3,776	
Transfers Out	(7,557)	(6,978)	(3,801)	(5,975)	(4,978)	(4,834)	(5,274)	(3,509)	(6,646)	(3,776)	
Issuance of Leases	10	-	-	-	-	-	-	-	-	-	
Bonds and Notes Issued	-	281	32,545	19,085	-	-	14,585	-	-	15,930	
Bond and Notes Premium	-	-	1,442	1,610	-	-	2,842	-	-	404	
Payment to Refunding Bond Escrow Agent	-	-	(28,679)	(10,490)	-	-	(17,289)	-	-	-	
Total Other Financing Sources (Uses)	10	281	5,308	10,205	-	-	138	-	-	16,334	
NET CHANGE IN FUND BALANCES											
Fund Balances - Beginning of Year	5,819	3,213	4,134	7,519	1,777	821	3,502	(2,738)	(1,354)	13,064	
FUND BALANCES - END OF YEAR	44,651	38,832	\$ 35,619	\$ 31,248	\$ 23,729	\$ 21,952	\$ 21,131	\$ 17,629	\$ 20,367	21,721	8,657
Debt Service as a Percentage of Noncapital Expenditures	7.24%	8.13%	8.29%	8.20%	8.29%	8.49%	8.42%	8.77%	8.45%	6.37%	

TABLE 5

TOWN OF WATERFORD, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

Fiscal Year Ended June 30,	Grand List Year October 1,	Real Estate			Personal Property		Motor Vehicles		Less: Exemptions		Total Taxable Assessed Value	Total Direct Tax Rate (Mill Rate)	Estimated Actual Taxable Value
		Residential	Commercial	Industrial									
2023	2021	\$ 1,512,637	\$ 837,802	\$ 339,293	\$ 957,974	\$ 217,651	\$ 352,928	\$ 3,512,435	27.56	\$ 5,017,764			
2022	2020	1,499,675	822,648	339,794	907,920	172,797	355,661	3,387,173	27.64	4,838,819			
2021	2019	1,496,995	811,742	333,151	875,071	161,228	348,230	3,330,957	27.87	4,758,510			
2020	2018	1,490,621	820,308	333,682	843,989	156,473	344,559	3,300,514	27.98	4,715,020			
2019	2017	1,487,852	818,493	333,099	834,617	155,805	339,574	3,290,292	27.42	4,700,417			
2018	2016	1,469,387	410,093	734,321	814,973	152,334	342,048	3,239,060	27.03	4,627,229			
2017	2015	1,463,583	399,505	734,321	791,659	150,220	345,424	3,193,864	26.78	4,562,663			
2016	2014	1,460,280	404,196	734,321	760,024	149,335	349,274	3,158,882	25.83	4,512,689			
2015	2013	1,447,859	402,598	738,064	803,517	149,082	343,699	3,197,421	24.80	4,567,744			
2014	2012	1,447,758	430,568	799,766	789,947	146,841	441,933	3,172,947	24.08	4,532,781			

Source: Assessor's Office - Town of Waterford

Notes:

(1) Revaluation October 1, 2012

TABLE 6

TOWN OF WATERFORD, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
LAST TEN FISCAL YEARS
CURRENT YEAR AND TEN YEARS AGO
(IN THOUSANDS)
(UNAUDITED)

Business Name	Nature of Business	2021 GL			2011 GL		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Dominion Nuclear Connecticut	Nuclear Power	\$ 1,599,690	1	31.88 %	\$ 1,095,042	1	29.85 %
Eversource	Utility	107,793	2	2.15	40,588	3	1.11
Mass Municipal	Business Corp	42,874	3	0.40	-	-	-
Centro GA (Waterford Commons)	Retail	34,850	4	0.69	-	-	-
Crystal Mall LLC	Retail	19,955	5	0.85	88,413	2	2.41
Yankee Gas Services Co.	Utility	18,908	6	0.29	-	-	-
Green Mountain Power Corp	Utility	15,452	8	0.31	-	-	-
Chase Crossroads Waterford Square	Shopping Center	14,596	8	0.28	32,832	4	0.90
CT Waterford LLC (Oil Mill Solar)	Solar Utility	14,542	9	0.29	-	-	-
Sonalysts Inc.	Government Contractor	14,099	10	0.38	12,831	7	1.35
Galileo CMBS T2 LLC	Technology	-	-	-	30,951	5	0.84
Wal Mart Stores	Retail	-	-	-	18,942	6	0.52
Health Care REIT & Senior Living LLC	Senior Living	-	-	-	11,355	8	0.31
Waterford Real Estate Holdings	Real Estate	-	-	-	10,945	9	0.30
Dayton Hudson dba Target	Retail	-	-	-	10,595	10	0.29
 Total		 \$ 1,882,759		 37.52 %	 \$ 1,352,494		 37.88 %

Source: Town of Waterford, Office of Tax Assessor

TABLE 7

TOWN OF WATERFORD, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

Fiscal Year Ended June 30,	Tax Rate in Mills	Taxes Levied for the Fiscal Year (000's)			Adjusted Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of the Levy			Collections in Subsequent Years			Total Collections to Date		
								Amount	Percentage				Amount	Percentage		
2023	27.56	\$ 96,523	\$ (217)	\$ 96,306	\$ 96,523	99.68 %	\$ 364	\$ 96,887	1.00 %							
2022	27.64	93,367	(339)	93,028	93,672	99.68	364	94,036	100.72							
2021	27.87	92,573	(330)	92,243	92,636	99.69	584	93,220	100.70							
2020	27.98	92,085	(573)	91,512	91,644	99.43	-	92,228	100.16							
2019	27.42	90,489	(188)	90,301	89,774	99.21	477	90,251	99.74							
2018	27.03	87,763	(219)	87,544	86,952	99.08	327	87,279	99.45							
2017	26.78	85,757	(185)	85,572	85,025	99.15	474	85,499	99.70							
2016	25.83	81,681	(126)	81,555	80,913	99.06	319	81,232	99.60							
2015	24.80	79,312	(367)	78,945	78,331	98.76	293	78,624	99.59							
2014	24.08	76,344	(448)	75,896	75,511	98.91	181	75,692	99.73							

Source: Tax Collector's Report; Annual Comprehensive Financial Report

TABLE 8

TOWN OF WATERFORD, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

Fiscal Year	General Obligation Bonds ⁽¹⁾	Total Primary Government	Ratio of Debt to Per Capita Income	Ratio of Debt to Taxable Assessed Value	Debt per Capita
2023	\$ 61,665	\$ 61,665	0.07 %	1.76 %	\$ 3,153
2022	66,975	66,975	0.07	1.98	3,425
2021	69,400	69,400	6.38	2.08	3,556
2020	73,030	73,030	8.81	2.21	3,742
2019	69,465	69,465	8.70	2.10	3,655
2018	74,485	74,485	9.32	2.30	3,919
2017	79,465	79,465	9.95	2.49	4,181
2016	85,715	85,715	10.68	2.71	4,487
2015	90,145	90,145	11.12	2.82	4,675
2014	94,885	94,885	11.62	2.99	4,884

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

TABLE 9

TOWN OF WATERFORD, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
JUNE 30, 2023
(IN THOUSANDS)
(UNAUDITED)

Total Tax Collections for the Prior Year, June 30, 2022, Including Interest and Lien Fees							\$ 93,937
Reimbursement for Revenue Loss on:							
Property Tax Relief for Elderly, previous fiscal year							2
Base							\$ 93,939
	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	Total	
Debt Limitation:							
2-1/4 Times Base	\$ 211,363	\$ -	\$ -	\$ -	\$ -	\$ 211,363	
4-1/2 Times Base	-	422,726	-	-	-	422,726	
3-3/4 Times Base	-	-	352,271	-	-	352,271	
3-1/4 Times Base	-	-	-	305,302	-	305,302	
3 Times Base	-	-	-	-	281,817	281,817	
7 Times Base	-	-	-	-	-	-	
Total Debt Limitation	211,363	422,726	352,271	305,302	281,817	1,573,479	
Indebtedness:							
Bonds Payable	12,285	49,380	-	-	-	61,665	
Authorized and Unissued	1,345	7,247	-	-	-	8,592	
Total Indebtedness	13,630	56,627	-	-	-	70,257	
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ 197,733	\$ 366,099	\$ 352,271	\$ 305,302	\$ 281,817	\$ 1,503,222	

Note 1: In no event shall total debt exceed seven times annual receipts from taxation. The maximum amount permitted would be \$654 million.

Note 2: Bonds authorized and unissued represent bond authorizations for which bonds have been issued to partially finance the project or interim financing has been issued.

TABLE 10

TOWN OF WATERFORD, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 678,208	\$ 654,122	\$ 648,809	\$ 638,610	\$ 614,811	\$ 603,200	\$ 603,192	\$ 572,307	\$ 552,363	\$ 534,504
Total Net Debt Applicable to Limit	<u>61,665</u>	<u>75,567</u>	<u>72,815</u>	<u>73,030</u>	<u>69,465</u>	<u>74,485</u>	<u>87,841</u>	<u>134,033</u>	<u>138,463</u>	<u>137,207</u>
Legal Debt Margin	<u>\$ 616,543</u>	<u>\$ 578,555</u>	<u>\$ 575,994</u>	<u>\$ 565,580</u>	<u>\$ 545,346</u>	<u>\$ 528,715</u>	<u>\$ 515,351</u>	<u>\$ 438,274</u>	<u>\$ 413,900</u>	<u>\$ 397,297</u>

Total net debt applicable to the limit as a percentage of debt limit.

(1) In no event shall total debt exceed seven times annual receipts from taxation.

Source: Comprehensive Annual Financial Report - Statement of Debt Limitation

Note: See Schedule of Debt Limitation on prior page for calculation of current year debt limitation

TABLE 11

TOWN OF WATERFORD, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(UNAUDITED)

Fiscal Year	Population (1, 6)	Per Capita Personal Income (1, 6)	Total Personal Income (5)	Median Age (2, 6)	School Enrollment (3)	Unemployment Rate (4)
2023	19,558	\$ 46,597	\$ -	47	2,323	3.7 %
2022	19,553	44,931	-	42	2,348	4.8
2021	19,519	44,280	-	42	2,367	7.7
2020	18,746	43,125	-	46	2,469	10.6
2019	19,007	42,028	-	49	2,518	3.7
2018	19,007	42,028	-	48	2,653	2.8
2017	19,007	42,028	-	48	2,776	3.7
2016	19,427	39,498	-	47	2,749	4.8
2015	19,427	39,498	-	46	2,764	5.4
2014	19,508	39,042	-	47	2,799	6.0

(1) U.S. Department of Commerce, Bureau of Census (estimate for July, 2021)

(2) Connecticut Economic Resource Center based on U.S. Bureau of Census Data. September each year.

(3) Connecticut State Department of Education

(4) Connecticut Department of Labor. June each year. Not seasonally adjusted.

(5) Bureau of Economic Analysis September 2007

(6) Data source: American Community Survey

TABLE 12

TOWN OF WATERFORD, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

Business Name	Nature of Business	2023			2013			Percentage of Total City Employment
		Employees	Rank	Percentage of Total City Employment	Employees	Rank		
Dominion Nuclear Connecticut	Nuclear Power	1,650	1	16.74 %	1,650	1		17.02 %
Town of Waterford	Municipality	595	2	7.02	673	2		6.94
Waterford Hotel Group	Hospitality	568	3	5.39	531	3		5.48
Wal Mart Stores, Inc	Retail	497	4	5.04	-	N/A		-
Sonalysts Inc.	Government Contractor	486	5	2.79	275	4		2.84
Home Depot	Hardware & Lumber	200	6	2.03	186	7		1.92
Bayview Healthcare Center	Healthcare Facility	200	7	2.01	225	6		2.32
Lowe's Home Improvement	Hardware & Lumber	119	8	1.62	182	8		1.88
BJ's Wholesale	Retail Store	112	9	1.18	-	N/A		-
Coca Cola Bottling	Distributor	120	10	1.14	-	N/A		-
Sears	Retail	-	N/A	-	260	5		2.68
Target	Retail	-	N/A	-	178	9		1.84
Stop & Shop	Supermarket	-	N/A	-	175	10		1.81
Total		4,547		44.96 %	4,335			44.73 %

Source: Employment Data - Official Statement July 2020

TABLE 13

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government	66	66	73	94	92	92	92	92	92	92
Police	55	55	53	55	54	54	54	54	54	54
Fire	18	15	15	15	15	15	15	15	20	15
Refuse Collection	6	6	6	6	6	6	6	6	6	5
Other Public Works	28	28	28	27	24	24	24	24	24	28
Recreation and Parks	11	11	12	11	10	10	10	10	10	13
Library	11	11	16	21	24	24	24	24	24	23
Education	434	433	463	463	463	461	456	455	455	455
Total	595	625	551	692	688	686	681	680	685	685

Source: Town and Board of Education Human Resources Departments

TABLE 14

TOWN OF WATERFORD, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
Building Permits Issued	1,867	21	13	30	28	31	24	15	15	19
Building Inspections Conducted	5,600	270	180	330	475	490	312	195	282	408
Police:										
Physical Arrests	977	1,006	708	818	1,062	1,170	1,128	1,914	1,955	2,104
Parking Violations	12	38	24	69	146	147	162	176	38	57
Traffic Violations	4,320	4,869	3,159	4,102	6,344	5,162	3,509	4,066	3,691	4,937
Fire:										
Emergency Responses	2,224	2,549	2,239	2,900	3,930	4,167	3,860	3,896	3,668	3,624
Fires Extinguished	37	70	69	81	47	60	62	82	60	68
Inspections	223	243	139	185	272	323	311	425	488	539
Refuse Collection:										
Refuse Collected (Tons Per Day)	30	26	31	29	28	28	25	48	27	42
Recyclables Collected (Tons Per Day)	11	10	7	8	15	17	17	17	13	9
Other Public Works:										
Street Resurfacing (Miles)	7	2	1	2	3	2	2	3	4	3
Potholes Repaired	500	678	211	267	453	534	372	510	989	747
Recreation and Parks:										
Athletic Field Permits Issued	770	1,748	1,494	1,026	2,091	2,003	2,076	2,060	2,832	2,855
Community Center Admissions (1)	8,719	3,513	493	19,524	61,784	61,000	61,218	62,240	61,689	61,630
Number of Program Registrations	1,742	1,124	27	3,229	6,146	7,247	6,973	7,531	5,812	5,381
Program Fees	73,880	38,853	815	63,933	212,071	203,612	201,084	201,885	190,780	190,485
Senior Services:										
Number of Program Participants	284	654	23,147	24,181	47,159	47,060	45,751	43,931	45,432	44,856
Program Revenue	12,406	31,463	22,719	26,771	34,138	32,040	29,135	31,074	27,988	29,911
Library:										
Volumes in Collection	79,767	80,327	78,436	78,250	81,782	84,904	80,254	83,023	81,283	83,076
Total Volumes Borrowed	148,863	147,476	136,477	151,739	193,542	200,769	209,508	218,010	232,796	242,724
Water:										
New Connections	21	36	36	25	25	28	22	7	7	8
Water Main Breaks	5	13	14	11	11	13	7	6	7	9
Average Daily Consumption (MGD)	6.3	5.7	2.4	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Peak Daily Consumption (MGD)	7.0	6.3	4.2	4.7	4.7	4.6	4.6	4.6	4.6	4.6

Source: Department Directors

TABLE 15

TOWN OF WATERFORD, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Zone Offices	1	1	1	1	1	1	1	1	1	1
Patrol Units	28	28	28	28	28	26	26	20	20	20
Fire:										
Stations	5	5	5	5	5	5	5	5	5	5
Refuse Collection:										
Collection Trucks	6	6	6	6	6	6	6	6	6	6
Other Public Works:										
Streets (Miles)	121	121	121	121	121	121	121	121	121	121
Storm Drain (Miles)	61	61	61	61	61	61	61	61	61	61
Recreation and Parks:										
Acreage	550	550	550	550	550	550	550	550	550	550
Playgrounds	5	5	5	5	5	5	5	5	5	5
Baseball/Softball Diamonds	15	15	15	15	14	14	14	14	14	14
Soccer/Football Fields	10	10	10	10	10	10	10	10	10	10
Community Centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water Main (Miles)*	111	111	111	111	111	111	111	111	110	110
Fire Hydrants	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,133	1,133
Storage Capacity (000's of Gallons)	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800
Wastewater:										
Sanitary Sewers (Miles)**	149.15	149.15	149.15	149.15	148.01	148.01	148.01	148.01	148.01	148.01
Pump Stations	28	28	28	28	28	28	28	28	28	28

Source: Directors at each department

* Does not include service connections

** Includes lateral sewer service connections