

TOWN OF WATERFORD, CONNECTICUT



ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

**TOWN OF WATERFORD, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024**

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

INTRODUCTORY SECTION

**TOWN OF WATERFORD, CONNECTICUT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	I
LIST OF ELECTED AND APPOINTED OFFICIALS	V
ORGANIZATION CHART	VI

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5

BASIC FINANCIAL STATEMENTS

EXHIBITS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION	I	15
STATEMENT OF ACTIVITIES	II	16
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	IV	19

PROPRIETARY FUND

STATEMENT OF NET POSITION	V	21
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	VI	22
STATEMENT OF CASH FLOWS	VII	23
STATEMENT OF FIDUCIARY NET POSITION	VIII	24
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	IX	25

NOTES TO FINANCIAL STATEMENTS	26
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REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL	RSI-1	82
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL	RSI-2	84

PENSION TRUST FUNDS

**TOWN OF WATERFORD, CONNECTICUT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – PENSION TRUST FUND	RSI-3	90
SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION TRUST FUND	RSI-4	91
SCHEDULE OF INVESTMENT RETURNS – TOWN PENSION PLAN	RSI-5	92
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – MUNICIPAL EMPLOYEES RETIREMENT SYSTEM	RSI-6	93
SCHEDULE OF EMPLOYER CONTRIBUTIONS – MUNICIPAL EMPLOYEES RETIREMENT SYSTEM	RSI-7	94
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – TEACHERS RETIREMENT SYSTEM	RSI-8	95
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS – OPEB TRUST FUND	RSI-9	96
SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB TRUST FUND	RSI-10	97
SCHEDULE OF INVESTMENT RETURNS – OPEB TRUST FUND	RSI-11	98
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – TEACHERS RETIREMENT SYSTEM	RSI-12	99
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES		
GENERAL FUND		
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS	A-1	103
REPORT OF PROPERTY TAX COLLECTIONS	A-2	104
SCHEDULE OF SEWER ASSESSMENTS RECEIVABLE	A-4	105
COMBINING BALANCE SHEET	B-1	110
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	B-2	116
FIDUCIARY FUNDS		
COMBINING STATEMENT OF FIDUCIARY NET POSITION – PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS	C-1	124
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION AND OTHER EMPLOYEE TRUST FUNDS	C-2	125

**TOWN OF WATERFORD, CONNECTICUT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

STATISTICAL SECTION

TABLES

FINANCIAL TRENDS

NET POSITION BY COMPONENT	1	128
CHANGES IN NET POSITION	2	129
FUND BALANCES – GOVERNMENTAL FUNDS	3	131
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4	132

REVENUE CAPACITY

ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY	5	133
PRINCIPAL PROPERTY TAXPAYERS	6	134
PROPERTY TAX LEVIES AND COLLECTIONS	7	135

DEBT CAPACITY

RATIOS OF OUTSTANDING DEBT BY TYPE	8	136
SCHEDULE OF DEBT LIMITATION	9	137
LEGAL DEBT MARGIN INFORMATION	10	138

DEMOGRAPHIC AND ECONOMIC STATISTICS

DEMOGRAPHIC AND ECONOMIC STATISTICS	11	139
PRINCIPAL EMPLOYERS	12	140

OPERATING INFORMATION

FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM	13	141
OPERATING INDICATORS BY FUNCTION/PROGRAM	14	142
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM	15	143



December 3, 2024

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, 2024.

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, 2024. 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 retail sales outlets, a production/software development company, several utilities, and 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
- Continues to be a Viable Tax payer
- 2-Year Tax Deal Signed

Economic Development Commission Master Plan

- Town Plan of Conservation and Development now in draft form and being reviewed by commission members

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**

- Completion of 40 (32 affordable 8 market rate) apartment units at 908 Hartford Turnpike.
- Work completed on phase 1 and 2 for apartment complex on Willets Avenue (phase 3 underway).
- Completion of self-storage facility on Rte. 85
- Approval of 40 (4 affordable, 36 market rate) single family units at 48 Great Neck Road – Ivy Hill – 5 units occupied, construction ongoing
- Approval of new Chipotle franchise 124 Boston Post Road – construction complete business open
- Approval of pickleball club at 365 Mago Point Way –construction complete business open
- Approval of new gas station and convenience store 118 Boston Post Road – construction ongoing
- Approval of new gas station 809 Hartford Turnpike – construction complete business open
- Approval of new car wash 890 Hartford Turnpike – construction ongoing

New Industry

- Approval granted for Safe Futures on Rte. 85

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 reviewed and approved an updated fund balance policy in April 2024. In that regard, the Town's 2024 Audited Financial Waterford has an Unassigned Fund Balance in the General Fund of \$23,684,472.

**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
 - The town applied for a moratorium to allow necessary time to review its affordable housing plan

Town Center Improvements ("Main Street")

- Committee Formed in June 2020
- Improved Recreational Amenities
 - Accessible walking paths, sidewalks, and boardwalks
- Improved Fiber Connectivity
- 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

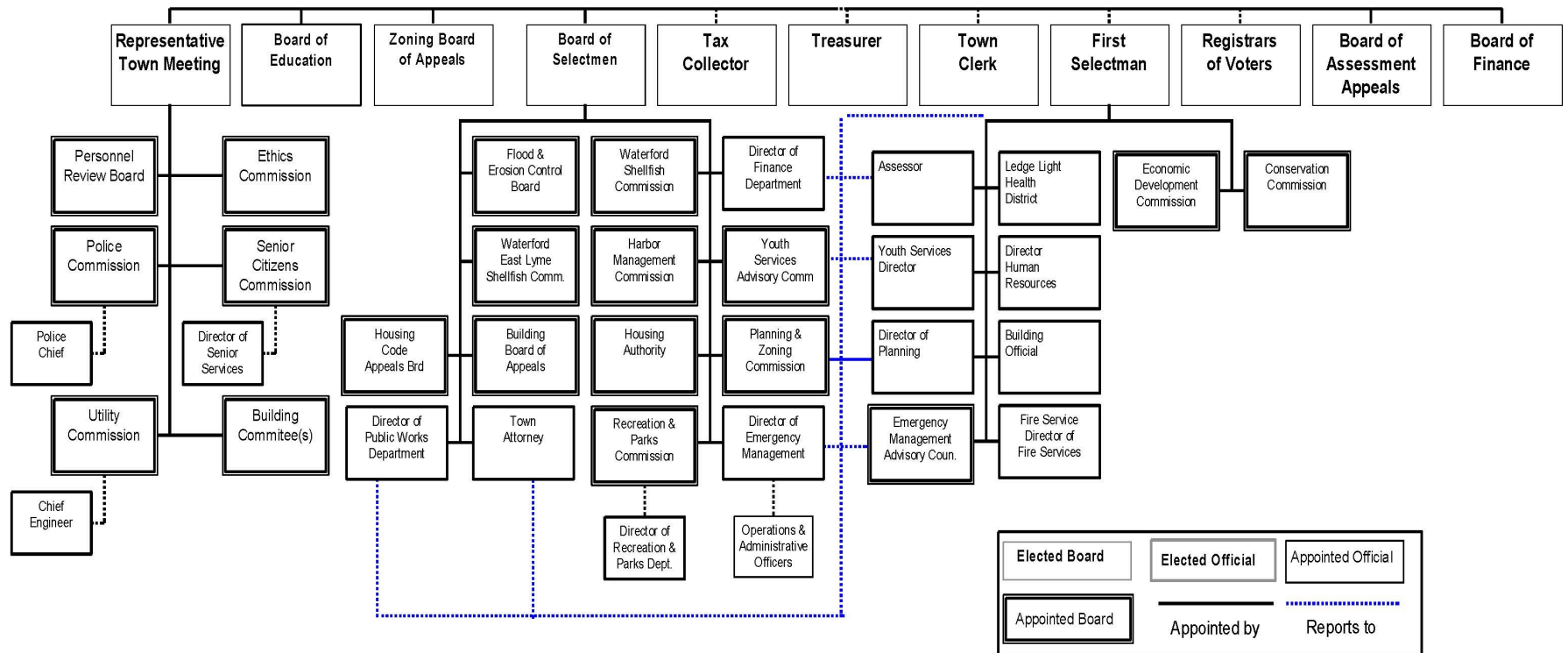
**TOWN OF WATERFORD, CONNECTICUT
PRINCIPAL TOWN OFFICIALS
JUNE 30, 2024**

Robert J. Brule, Jr.
Thomas W. Giard III
Kimberly Allen
Abbas Danesh
Jonathan Mullen
Gary Schneider
Marc Balestracci
James Bartelli
Alan Wilensky
Paige Walton
Ryan McNamara
David Campo
Daniela Gorman
Steve Cardelle
Christine Johnson
Michael Howley
Christine Walters

First Selectman
Superintendent of Schools
Director of Finance
Treasurer
Planning Director
Director of Public Works
Chief of Police
Chief Engineer, Utilities Commission
Tax Collector
Assessor
Recreation and Parks Director
Town Clerk
Director of Human Services
Building Official
Library Director
Director of Fire Services
Director of Human Resources

TOWN OF WATERFORD, CONNECTICUT ORGANIZATION CHART JUNE 30, 2024

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, 2024, 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 opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Waterford, Connecticut, as of June 30, 2024, 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 3, 2024, 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 3, 2024

**TOWN OF WATERFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

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, 2024. 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 \$898.0 thousand, or 1.8 %, net position of our governmental activities increased by \$762.0 thousand or 0.5 %.
- During the year, the Town had expenses that were \$134.0 thousand more than the \$125.1 million generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues, and transfers in increased by \$174 thousand or 4.1%, while expenses increased by \$99 thousand or 1.9 %.
- The total cost of all of the Town's programs was \$125.3 million, with no new programs added this year.
- The General Fund reported a fund balance this year of \$25.0 million.
- The resources available for appropriation were \$1.5 million more than anticipated for the General Fund. There were additional appropriations of \$4.5 million, of which, \$4.3 million was for transfers out to the Capital Improvement and Capital and Nonrecurring Funds. Unused appropriations of \$1.6 million were returned to fund balance at year end. Overall, the operating results decreased the General Fund balance by \$1.4 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, 2024**

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, 2024**

- *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 \$212.0 to \$211.9 million or 0.1 %. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

Table 1 (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current Assets	\$ 62,538	\$ 65,926	\$ 7,472	\$ 6,764	\$ 70,010	\$ 72,690
Capital Assets, Net of Accumulated Depreciation	223,870	228,070	41,657	42,958	265,527	271,028
Total Assets	286,408	293,996	49,129	49,722	335,537	343,718
Deferred Outflows of Resources	19,259	19,058	-	-	19,259	19,058
Liabilities:						
Long-Term Debt Outstanding	120,825	128,623	348	364	121,173	128,987
Other Liabilities	13,036	13,680	907	586	13,943	14,266
Total Liabilities	133,861	142,303	1,255	950	135,116	143,253
Deferred Inflows of Resources	7,796	7,503	-	-	7,796	7,503
Net Position:						
Net Investment in Capital Assets	167,448	164,702	41,656	42,958	209,104	207,660
Restricted	2,310	2,301	-	-	2,310	2,301
Unrestricted	(5,748)	(3,755)	6,218	5,814	470	2,059
Total Net Position	\$ 164,010	\$ 163,248	\$ 47,874	\$ 48,772	\$ 211,884	\$ 212,020

Net position of the Town's governmental activities increased by 0.5 % (\$164.0 million in 2024 compared to \$163.2 million in 2023). 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 – decreased by \$1.9 million, (\$3.8 million) in 2023 compared to (\$5.7 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, 2024.

The net position of our business-type activities decreased by 1.8% (\$47.9 million in 2024 compared to \$48.8 million in 2023).

**TOWN OF WATERFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

The Town's total revenues (excluding special items) were \$125.2 million. The total cost of all programs and services was \$125.3 million. Our analysis below separately considers the operations of governmental and business-type activities.

Table II (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,839	\$ 3,704	\$ 3,861	\$ 3,820	\$ 7,700	\$ 7,524
Operating Grants and Contributions	11,930	15,755	-	-	11,930	15,755
Capital Grants and Contributions	3,654	1,143	-	-	3,654	1,143
General Revenues:						
Property Taxes	96,206	97,440	-	-	96,206	97,440
Grants and Contributions Not Restricted to Specific Purposes	936	755	-	-	936	755
Unrestricted Investment Earnings	4,301	2,853	326	184	4,627	3,037
Loss on Disposal of Capital Assets	-	-	-	-	-	-
Miscellaneous Revenue	73	47	-	-	73	47
Total Revenues	120,939	121,697	4,187	4,004	125,126	125,701
Program Expenses:						
General Government	17,265	16,340	-	-	17,265	16,340
Public Safety	13,087	14,438	-	-	13,087	14,438
Public Works	10,725	12,102	-	-	10,725	12,102
Recreation	3,304	1,967	-	-	3,304	1,967
Library	1,047	1,158	-	-	1,047	1,158
Social Services	1,380	1,374	-	-	1,380	1,374
Education	71,966	72,529	-	-	71,966	72,529
Interest and Fiscal Charges	1,153	1,249	-	-	1,153	1,249
Utility Commission	-	-	5,335	5,236	5,335	5,236
Total Program Expenses	119,927	121,157	5,335	5,236	125,262	126,393
Excess (Deficiency) of Revenues Over Expenses Before Transfers	1,012	540	(1,148)	(1,232)	(136)	(692)
Transfers	(250)	(260)	250	260	-	-
Change in Net Position	762	280	(898)	(972)	(136)	(692)
Net Position - Beginning of Year	163,248	162,968	48,772	49,744	212,020	212,712
Net Position - End of Year	\$ 164,010	\$ 163,248	\$ 47,874	\$ 48,772	\$ 211,884	\$ 212,020

Governmental Activities

Approximately 79.6% of these revenues were derived from property taxes, followed by 13.6% from operating and capital grants and contributions, 3.2% from charges for services and 3.6% from investment and other general revenues.

Major factors affecting operations include:

- Operating grants and contributions were down by \$3.8 million due primarily to the following: There was a decrease in the State's on-behalf contribution for the Teachers' Retirement System of \$986.6 thousand and a decrease in the State's on-behalf contribution for the Teachers' Retirement System OPEB of \$1.5 million. There was an increase in the Excess Cost grant of \$140.3 thousand. There was a decrease in Special Assistance grants of \$554.6 thousand. There was a decrease in assistance to the School Cafeteria fund of \$465.6 thousand.

**TOWN OF WATERFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

- Property Tax Revenues were down by \$1.2 million.
- Investment earnings were up by \$1.5 million due to higher interest rates.
- Capital grants and contributions increased by \$2.5 million due mainly to the following:
 - Recreation Capital grants were up by \$1.8 million for the Civic Triangle project funded by American Rescue funds of \$1.7 million and LOCIP funds of \$177.2 thousand.
 - Public works capital grants were up by \$740.7 thousand. The Cost Sharing PRR grant increased by \$625.4 thousand. American Rescue funds for Public Works Projects increased by \$413.7 thousand. There was an increase in LOCIP of \$131.3 thousand. There was a decrease of \$149.7 thousand for the Cross Road LOTCIP grant recognized in FY23. There was a decrease of \$280.0 thousand for the Jordan Village Sidewalk grant in FY23.
 - Social Service Capital grants decreased by \$52.0 thousand due to a grant for a new Senior Van in FY23.
- Miscellaneous Revenue is up by \$26.7 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.

Table III (in thousands)

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Education	\$ 71,966	\$ 72,529	\$ 59,511	\$ 56,935
General Government	17,265	16,339	15,888	14,804
Public Safety	13,087	14,438	12,548	13,604
Public Works	10,725	12,102	8,323	10,203
Recreation	3,304	1,967	1,115	1,695
All Others	3,580	3,779	3,119	3,313
Totals	<u>\$ 119,927</u>	<u>\$ 121,154</u>	<u>\$ 100,504</u>	<u>\$ 100,554</u>

Business-Type Activities

Net position of the Town's business-type activities (see Table 1) decreased by 1.8% (\$47.9 million in 2024 compared to \$48.8 million in 2023). Revenues and transfers in for the Town's business-type activities (see Table 2) increased by \$174.0 thousand (\$4.4 million in 2024 compared to \$4.3 million in 2023). Overall expenses were higher than revenues and transfers in by \$897.0 thousand. The factors driving these results include:

- An increase in Sewer use fee revenue of \$41.0 thousand.
- A decrease in transfers in of \$10.0 thousand.
- An increase of investment earnings of \$143.0 thousand.
- An increase in expenses of \$99.0 thousand.

**TOWN OF WATERFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

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 \$42.8 million, which is decrease of \$1.8 million from last year's total of \$44.6 million. Included in this year's total change in fund balance is a decrease of \$1.5 million in the General Fund, an increase of \$554.0 thousand in the Capital and NonRecurring Fund and a decrease of \$856.9 thousand for Nonmajor Governmental Funds.

Capital Projects Funds:

- The Capital and Nonrecurring Fund balance increased by \$554.0 thousand due to revenues of \$611.6 thousand plus transfers in of \$3.4 million and expenditures of \$3.5 million.

Non-Major Capital Projects Funds:

- The Capital Improvement Fund decreased by \$765.6 thousand due to grant revenue of \$1.1 million and net transfers in and out of \$1.6 million which was reduced by expenditures of \$3.5 million.

Special Revenue Funds:

- The Cafeteria fund decreased by \$107.2 thousand due to revenues of \$1.4 million, offset by expenditures of \$1.5 million.
- The Water Fund decreased by \$90.9 thousand due to revenues of \$40.2 thousand and expenditures of \$131.1 thousand.

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 \$52.4 million at the end of the year, which includes a \$4.5 million fund balance in the Internal Service Fund.

Net position of the Utility Commission Fund at the end of the year amounted to \$47.9 million. Factors affecting the balance of this fund are included in the discussion of the Town's business-type activities.

In fiscal year 2024, net position of the Internal Service fund decreased by \$901.8 thousand from fiscal year 2023. This is due to \$13.5 million in contributions and other revenues (an increase of \$1.1 million over fiscal year 2023), reduced by expenses for claims and program administration of \$14.7 million (an increase of \$1.5 million over fiscal year 2023).

**TOWN OF WATERFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

General Fund Budgetary Highlights

Revenues were higher than budgetary estimates by \$1.5 million and expenditures were less than revised budgetary estimates by \$1.6 million. Overall expenditures over revenues on a budgetary basis were \$1.4 million. In the current year, revenues decreased by \$1.2 million or 1.1 % over the prior year and expenditures increased by \$3.7 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 \$269.3 thousand and under prior year revenue by \$1.5 million.
- State and Federal grant funding was over budgetary estimates by \$45.5 thousand and over prior year revenue by \$153.5 thousand.
- Assessment revenue is under the prior year by \$16.5 thousand.
- License and permit revenue is over budgetary estimates by \$266.2 thousand and under the prior year by \$95.0 thousand. Town clerk fees decreased by \$7.5 thousand over fiscal year 2023. The building department revenues decreased from FY23 by \$21.4 thousand, conveyance tax revenue is down from FY23 by \$123.1 thousand. Planning & zoning had a decrease of \$13.6 thousand over the prior year. Miscellaneous fees and permits were down from FY23 by \$3.6 thousand. Recreation and parks revenue is up from FY23 by \$74.2 thousand.
- Fines, Penalties and Charges for Services are over budgetary estimates by \$85.9 thousand and under the prior year revenue by \$17.7 thousand. The biggest change was an increase for miscellaneous revenue of \$90.0 thousand which included revenue from the sale of 1 Hamel Court of \$114.7 thousand. There was decrease of \$89.3 thousand in tipping fee revenue. Recycling revenue decreased by \$23.5 thousand. Tuition fees decreased by \$19.6 thousand. Fire Service Inspections & Plan fees started in FY24 for an increase of \$9.5 thousand. Senior Services program revenue was up by \$7.6 thousand. Bulky Waste fees were up by \$6.6 thousand and the Library was up by \$1.0 thousand.
- Other sources of revenue were over budgetary estimates by \$71.0 thousand and under the prior year revenue by \$726.0 thousand. Rental of Buildings was down \$701.1 thousand due to a one-time prepayment in FY24 for a new fifty-year lease. Cost sharing PRR was down by \$187.4 thousand due to a change in how it is being accounted for. The New London Radio fee was up \$85.1 thousand due to it being used to offset the Information Technology budget in FY23. The BOE custodial stipend started in FY24 which resulted in an increase of \$73.2 thousand. The Eugene O'Neill Lease was up \$4.5 thousand. The SCRRA rebate was down by \$0.4 thousand.
- Investment income is over budgetary estimates by \$591.6 thousand and over prior year revenue by \$1.1 million.
- 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 \$194.8 thousand and under the prior year by \$51.4 thousand.

Overall Expenditures came in \$1.6 million under revised budgetary estimates. The largest amounts of unused appropriations returned in the current fiscal year are as follows:

- The Retirement Commission returned \$560.9 thousand.
- The Public Works Department returned \$425.7 thousand.
- The Police Department returned \$256.3 thousand.
- The Emergency Management Department returned \$92.2 thousand.
- The Insurance Department returned \$59.0 thousand.

**TOWN OF WATERFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

The Town's General Fund balance of \$25.0 million reported on Exhibit III differs from the General Fund's budgetary balance of \$24.9 million reported in the budgetary comparison in the required supplementary information. This is principally because budgetary fund balance does not include \$133.8 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 2024, those balances amounted to \$47.5 thousand.

CAPITAL ASSET AND DEBT ADMINISTRATION

At June 30, 2024, 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.

Table IV (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 9,210	\$ 8,993	\$ 128	\$ 128	\$ 9,338	\$ 9,121
Land Improvements	1,661	1,796	-	-	1,661	1,796
Building and Improvements	151,270	156,880	840	875	152,110	157,755
Machinery and Equipment	2,539	2,690	472	546	3,011	3,236
Right-to-Use Lease Machinery and Equipment	137	157	-	-	137	157
Vehicles	4,522	4,689	277	203	4,799	4,892
Infrastructure	51,055	52,557	39,671	41,188	90,726	93,745
Permanent Easements	20	20	-	-	20	20
Software	219	62	18	18	237	80
Construction In Progress	3,236	225	250	-	3,486	225
Total	<u>\$ 223,869</u>	<u>\$ 228,069</u>	<u>\$ 41,656</u>	<u>\$ 42,958</u>	<u>\$ 265,525</u>	<u>\$ 271,027</u>

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

Governmental Activities:

- Buildings and improvements decreased by \$5.6 million due to additions of \$157.4 thousand and depreciation expense of \$5.8 million.
- Construction-in-progress increased by \$3.0 million due mainly to the Civic Triangle Improvement project for \$1.5 million, several public works projects accounted for \$282.5 thousand, Water projects for the Utility Commission were \$491.4 thousand. Another \$714.1 thousand of the increase was for payments from the Fleet Management Fund for equipment and vehicles purchased, but not put into service as of the year end.
- Land Improvements decreased by \$136.0 thousand due to disposals \$9.5 thousand and depreciation expense of \$134.9 thousand.
- Vehicles decreased by \$167.0 thousand due to additions of \$501.4 thousand, in accordance with the fleet management plan, this was offset by depreciation expense of \$647.7 thousand and a loss on the disposal of \$21.1 thousand.
- Infrastructure decreased by \$1.5 million. Additions which included the completion of various road projects, increased infrastructure by \$253.1 thousand. Depreciation expense was \$1.8 million.
- Machinery and equipment decreased by \$151.0 thousand due to mainly to additions of \$379.7 thousand, which was offset by depreciation expense of \$496.5 thousand and a loss on disposal of \$33.8 thousand.

**TOWN OF WATERFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

- Right-to-use machinery and equipment decreased by \$20.0 thousand due to additions of \$55.7 thousand and depreciation of \$75.0 thousand.
- Software increased by \$156.9 thousand due to additions of \$193.3 thousand less amortization expense of \$6.8 thousand and a loss on the disposal of \$29.6 thousand.
- Land increased by \$217.4 thousand due to the purchase of 8 Goshen Road.

Business-Type Activities

- There was an increase to Construction-in-Progress of \$249.6 thousand for construction on the Old Norwich Pump Station.
- There was a decrease to machinery and equipment of \$73.0 thousand due to an addition of \$6.0 thousand and depreciation of \$78.8 thousand.
- There was an increase to vehicles of \$74.2 thousand due to an addition of \$98.6 thousand and depreciation of \$24.4 thousand.
- 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 \$55.2 million of outstanding general obligation bonds. Bonds issued in July 2023 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 \$684.3 million.

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

Economic Factors

- The unemployment rate for the Town in 2024 was 2.5%, which is a decrease from a rate of 3.7% a year ago. Waterford's unemployment rate is lower than the State's average unemployment rate of 3.9%, and the national average of 4.3% as of June 2024.

During the current fiscal year, unassigned fund balance in the General Fund decreased by \$2.4 million. The main reason for the decrease is negative operating results of \$1.4 million. An increase in the nonspendable balance of \$6.7 thousand and an increase in the assigned balance of \$905.1 thousand also decreased 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, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 40,266,770	\$ 6,521,513	\$ 46,788,283
Investments	19,415,294		19,415,294
Receivables, Net	2,555,756	1,213,735	3,769,491
Internal Balances	262,859	(262,859)	-
Supplies	26,260	-	26,260
Prepaid Items	11,162	-	11,162
Capital Assets:			
Intangible Assets Not Being Amortized	20,000	-	20,000
Intangible Assets Being Amortized, Net	219,154	17,680	236,834
Assets Not Being Depreciated	12,446,893	377,596	12,824,489
Assets Being Depreciated, Net	211,183,371	41,260,880	252,444,251
Total Assets	286,407,519	49,128,545	335,536,064
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pensions	15,418,358	-	15,418,358
Deferred Outflows of Resources Related to OPEB	2,571,696	-	2,571,696
Deferred Charge on Refunding	1,268,827	-	1,268,827
Total Deferred Outflows of Resources	19,258,881	-	19,258,881
LIABILITIES			
Current Liabilities:			
Accounts and Other Payables	3,826,008	675,072	4,501,080
Accrued Liabilities	4,830,149	216,052	5,046,201
Unearned Revenue	4,378,573	15,402	4,393,975
Total Current Liabilities	13,034,730	906,526	13,941,256
Noncurrent Liabilities:			
Due Within One Year	7,967,580	45,191	8,012,771
Due in More Than One Year	112,857,352	302,889	113,160,241
Total Noncurrent Liabilities	120,824,932	348,080	121,173,012
Total Liabilities	133,859,662	1,254,606	135,114,268
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	2,702,761	-	2,702,761
Deferred Inflows of Resources Related to OPEB	3,641,646	-	3,641,646
Deferred Inflows of Resources Related to Leases	1,451,876	-	1,451,876
Total Deferred Inflows of Resources	7,796,283	-	7,796,283
NET POSITION			
Net Investment in Capital Assets	167,448,166	41,656,156	209,104,322
Restricted for:			
Trust Purposes:			
Nonexpendable	116,969	-	116,969
Grants	1,403,008	-	1,403,008
Contracts	790,623	-	790,623
Unrestricted	(5,748,311)	6,217,783	469,472
Total Net Position	\$ 164,010,455	\$ 47,873,939	\$ 211,884,394

See accompanying Notes to Financial Statements.

**TOWN OF WATERFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 17,265,289	\$ 1,354,141	\$ 23,408	\$ -	\$ (15,887,740)	\$ -	\$ (15,887,740)
Public Safety	13,086,964	187,424	351,533	-	(12,548,007)	-	(12,548,007)
Public Works	10,724,960	473,513	107,473	1,821,442	(8,322,532)	-	(8,322,532)
Recreation	3,304,155	351,226	4,955	1,832,963	(1,115,011)	-	(1,115,011)
Library	1,047,259	1,525	-	-	(1,045,734)	-	(1,045,734)
Social Services	1,380,285	352,065	107,174	-	(921,046)	-	(921,046)
Education	71,966,031	1,119,274	11,335,295	-	(59,511,462)	-	(59,511,462)
Interest on Long-Term Debt	1,152,215	-	-	-	(1,152,215)	-	(1,152,215)
Total Governmental Activities	119,927,158	3,839,168	11,929,838	3,654,405	(100,503,747)	-	(100,503,747)
Business-Type Activities:							
Utility Commission	5,334,777	3,860,539	-	-	-	(1,474,238)	(1,474,238)
Total Business-Type Activities	5,334,777	3,860,539	-	-	-	(1,474,238)	(1,474,238)
Total Primary Governmental Activities	\$ 125,261,935	\$ 7,699,707	\$ 11,929,838	\$ 3,654,405	(100,503,747)	(1,474,238)	(101,977,985)
GENERAL REVENUES							
Property Taxes					96,206,078	-	96,206,078
Grants and Contributions Not Restricted to Specific Programs					936,252	-	936,252
Unrestricted Investment Earnings					4,300,683	327,257	4,627,940
Miscellaneous					72,934	-	72,934
Transfers					(249,626)	249,626	-
Total General Revenues and Transfers					101,266,321	576,883	101,843,204
CHANGE IN NET POSITION					762,574	(897,355)	(134,781)
Net Position - Beginning of Year					163,247,881	48,771,294	212,019,175
NET POSITION - END OF YEAR					\$ 164,010,455	\$ 47,873,939	\$ 211,884,394

See accompanying Notes to Financial Statements.

**TOWN OF WATERFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	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	\$ 13,164,207	\$ 11,414,150	\$ 1,298	\$ -	\$ 10,087,873	\$ 34,667,528
Investments	19,273,397	-	-	-	141,897	19,415,294
Receivables, Net	2,131,151	-	-	-	423,131	2,554,282
Interfund Receivables	4,282,333	-	-	2,995,657	2,327,199	9,605,189
Supplies	-	-	-	-	26,260	26,260
Prepaid Items	10,503	-	-	-	659	11,162
Total Assets	<u>\$ 38,861,591</u>	<u>\$ 11,414,150</u>	<u>\$ 1,298</u>	<u>\$ 2,995,657</u>	<u>\$ 13,007,019</u>	<u>\$ 66,279,715</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts and Other Payables	\$ 2,142,946	\$ 385,852	\$ -	\$ 447,129	\$ 585,392	\$ 3,561,319
Accrued Liabilities	3,318,685	-	-	-	46,037	3,364,722
Interfund Payables	5,401,789	221,438	2,942,807	-	855,228	9,421,262
Unearned Revenue	558,515	-	-	2,548,528	1,237,757	4,344,800
Total Liabilities	<u>11,421,935</u>	<u>607,290</u>	<u>2,942,807</u>	<u>2,995,657</u>	<u>2,724,414</u>	<u>20,692,103</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue:						
Property Taxes	1,077,258	-	-	-	-	1,077,258
Special Assessments	50,108	-	-	-	-	50,108
Grants Receivable	-	-	-	-	163,900	163,900
Other Receivables	-	-	-	-	14	14
Lease Receivable	1,347,120	-	-	-	104,756	1,451,876
Total Deferred Inflows of Resources	<u>2,474,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,670</u>	<u>2,743,156</u>
FUND BALANCES						
Nonspendable	10,503	-	-	-	143,888	154,391
Restricted	-	-	-	-	2,029,731	2,029,731
Committed	-	10,806,860	-	-	7,898,512	18,705,372
Assigned	1,270,195	-	-	-	-	1,270,195
Unassigned	23,684,472	-	(2,941,509)	-	(58,196)	20,684,767
Total Fund Balances	<u>24,965,170</u>	<u>10,806,860</u>	<u>(2,941,509)</u>	<u>-</u>	<u>10,013,935</u>	<u>42,844,456</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 38,861,591</u>	<u>\$ 11,414,150</u>	<u>\$ 1,298</u>	<u>\$ 2,995,657</u>	<u>\$ 13,007,019</u>	<u>\$ 66,279,715</u>

See accompanying Notes to Financial Statements.

**TOWN OF WATERFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III)	\$ 42,844,456
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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	408,169,473
Less: Accumulated Depreciation and Amortization	<u>(184,300,055)</u>
Net Capital Assets	223,869,418

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	695,345
Interest Receivable on Property Taxes	381,913
Delinquent Special Assessments	18,171
Unavailable Revenue - Grants Receivable	163,900
Unavailable Revenue - Other Receivables	31,951
Deferred Outflows of Resources Related to Pensions	15,418,358
Deferred Outflows of Resources Related to OPEB	2,571,696
Deferred Charge on Refunding	1,268,827

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.

4,517,186

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	(38,244,581)
Bonds and Notes Payable	(55,215,000)
Bond and Note Premiums	(2,353,496)
Interest Payable on Bonds And Notes	(601,427)
Leases Payable	(121,583)
Stipulated Tax Judgement	(966,737)
Compensated Absences	(6,897,140)
Landfill Post-Closure Monitoring Liability	(176,000)
Net OPEB Liability	(16,850,395)
Deferred Inflows of Resources Related to Pensions	(2,702,761)
Deferred Inflows of Resources Related to OPEB	<u>(3,641,646)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)	<u>\$ 164,010,455</u>
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TOWN OF WATERFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	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	\$ 96,300,388	\$ -	\$ -	\$ -	\$ -	\$ 96,300,388
Intergovernmental	10,830,903	-	-	2,003,910	3,538,774	16,373,587
Assessments and Connections	-	-	-	-	58,794	58,794
Licenses and Permits	1,617,277	-	-	-	-	1,617,277
Fines, Penalties, and Charges for Services	666,183	-	-	-	1,494,094	2,160,277
Investment Earnings	3,091,635	611,559	68	-	286,723	3,989,985
Other	12,635	-	-	-	974,136	986,771
Total Revenues	112,519,021	611,559	68	2,003,910	6,352,521	121,487,079
EXPENDITURES						
Current:						
General Government	15,936,024	-	-	3,011	65,300	16,004,335
Public Safety	11,191,688	-	-	37,671	269,385	11,498,744
Public Works	5,682,885	-	-	413,665	131,081	6,227,631
Recreation	1,419,549	-	-	1,533,721	68,311	3,021,581
Library	1,063,892	-	-	-	-	1,063,892
Social Services	909,825	-	-	15,842	384,652	1,310,319
Education	63,555,640	-	-	-	3,833,357	67,388,997
Capital Outlay	55,681	3,462,746	-	-	5,091,514	8,609,941
Debt Service:						
Principal Retirements	6,522,083	-	-	-	-	6,522,083
Interest and Fiscal Charges	1,701,562	-	-	-	-	1,701,562
Total Expenditures	108,038,829	3,462,746	-	2,003,910	9,843,600	123,349,085
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,480,192	(2,851,187)	68	-	(3,491,079)	(1,862,006)
OTHER FINANCING SOURCES (USES)						
Transfers In	158,176	3,405,140	-	-	2,792,370	6,355,686
Transfers Out	(6,197,510)	-	-	-	(158,176)	(6,355,686)
Issuance of Leases	55,681	-	-	-	-	55,681
Total Other Financing Sources (Uses)	(5,983,653)	3,405,140	-	-	2,634,194	55,681
NET CHANGE IN FUND BALANCES	(1,503,461)	553,953	68	-	(856,885)	(1,806,325)
Fund Balances - Beginning of Year	26,468,631	10,252,907	(2,941,577)	-	10,870,820	44,650,781
FUND BALANCES - END OF YEAR	\$ 24,965,170	\$ 10,806,860	\$ (2,941,509)	\$ -	\$ 10,013,935	\$ 42,844,456

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, 2024**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Total Governmental Funds (Exhibit IV) \$ (1,806,325)

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	5,420,862
Depreciation and Amortization Expense	(8,768,295)

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.

(852,219)

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	(84,562)
Property Tax Interest and Lien Revenue - Accrual Basis Change	(9,748)
Delinquent Special Assessment Receivable - Accrual Basis Change	1,323
Miscellaneous Grants and Accounts Receivable - Accrual Basis Change	71,620
Change in Deferred Outflows of Resources Related to Pensions	1,035,805
Change in Deferred Outflows of Resources Related to OPEB	(643,203)

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	6,450,000
Issuance of Leases	(59,050)
Lease Principal Payments	78,354
Amortization of Deferred Charge on Refunding	(191,709)
Amortization of Premiums	667,903
Landfill Post-Closure Monitoring	23,000

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	(24,787)
Accrued Interest	70,252
Stipulated Tax Judgement	(966,737)
Change in Net Pension Liability	(1,085,194)
Change in Net OPEB Liability	2,714,504
Change in Deferred Inflows of Resources Related to Pensions	897,587
Change in Deferred Inflows of Resources Related to OPEB	(1,275,009)

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.

(901,798)

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	\$ 762,574
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See accompanying Notes to Financial Statements.

TOWN OF WATERFORD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2024

	Business-Type Activities Utility Commission	Governmental Activities Internal Service Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 6,521,513	\$ 5,599,242
Receivables, Net	1,213,735	1,474
Interfund Receivables	-	78,932
Total Current Assets	<u>7,735,248</u>	<u>5,679,648</u>
Noncurrent Assets:		
Capital Assets, Net	<u>41,656,156</u>	<u>-</u>
Total Assets	49,391,404	5,679,648
LIABILITIES		
Current Liabilities:		
Accounts and Other Payables	607,635	264,689
Accrued Liabilities	216,052	864,000
Interfund Payables	262,859	-
Advance Collections	15,402	33,773
Deposits	67,437	-
Compensated Absences	<u>45,191</u>	<u>-</u>
Total Current Liabilities	1,214,576	1,162,462
Noncurrent Liabilities:		
Compensated Absences	<u>302,889</u>	<u>-</u>
Total Noncurrent Liabilities	<u>302,889</u>	<u>-</u>
Total Liabilities	<u>1,517,465</u>	<u>1,162,462</u>
NET POSITION		
Net Investment in Capital Assets	41,656,156	-
Unrestricted	<u>6,217,783</u>	<u>4,517,186</u>
Total Net Position	<u><u>\$ 47,873,939</u></u>	<u><u>\$ 4,517,186</u></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, 2024

	Business-Type Activities Utility Commission	Governmental Activities Internal Service Fund
OPERATING REVENUES		
User Charges for Services, Interest and Lien Fees	\$ 3,860,539	\$ -
Premium Charges to Other Funds	-	13,504,425
Total Operating Revenues	<u>3,860,539</u>	<u>13,504,425</u>
OPERATING EXPENSES		
Amortization Expense	1,267	-
Depreciation Expense	1,654,427	-
Salaries, Wages, and Employee Benefits	1,473,057	-
Treatment Plant Costs	1,178,511	-
Utilities	397,599	-
Repairs and Maintenance	298,649	-
Other Operating Expenses	91,267	-
Materials and Supplies	216,787	-
Professional Services	23,213	-
Claims	-	10,654,859
Program and Administrative Expenses	-	4,062,062
Total Operating Expenses	<u>5,334,777</u>	<u>14,716,921</u>
OPERATING LOSS	(1,474,238)	(1,212,496)
NONOPERATING REVENUE		
Income on Investments	<u>327,257</u>	<u>310,698</u>
Total Nonoperating Revenues	<u>327,257</u>	<u>310,698</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	(1,146,981)	(901,798)
Capital Contributions	<u>249,626</u>	<u>-</u>
CHANGE IN NET POSITION	(897,355)	(901,798)
Net Position - Beginning of Year	<u>48,771,294</u>	<u>5,418,984</u>
NET POSITION - END OF YEAR	<u><u>\$ 47,873,939</u></u>	<u><u>\$ 4,517,186</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF WATERFORD, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities Utility Commission	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Charges for Services and Premiums	\$ 4,189,827	\$ 13,502,951
Payments to Suppliers	(1,617,061)	-
Claims and Other Expenses Paid	-	(14,081,100)
Payments to Employees	(1,486,777)	-
Net Cash Provided (Used) by Operating Activities	<u>1,085,989</u>	<u>(578,149)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	<u>(104,613)</u>	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	(104,613)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Income on Investments	<u>327,257</u>	<u>310,698</u>
Net Cash Provided by Investing Activities	<u>327,257</u>	<u>310,698</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,308,633	(267,451)
Cash and Cash Equivalents - Beginning of Year	<u>5,212,880</u>	<u>5,866,693</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,521,513</u>	<u>\$ 5,599,242</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	\$ (1,474,238)	\$ (1,212,496)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization Expense	1,655,694	-
Change in Assets and Liabilities:		
(Increase) Decrease in:		
Accounts Receivable	357,893	(1,474)
Interfunds Receivable	-	258,534
Increase (Decrease) in:		
Accounts Payable	321,133	264,689
Accrued Liabilities	27,411	137,000
Interfunds Payable	242,129	-
Advance Collections And Deposits	(28,605)	(24,402)
Compensated Absences	(15,428)	-
Total Adjustments	<u>2,560,227</u>	<u>634,347</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,085,989</u>	<u>\$ (578,149)</u>
NONCASH DISCLOSURE OF CAPITAL AND RELATED FINANCIAL ACTIVITIES		
Capital Contributions from Other Funds	<u>\$ 249,626</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**TOWN OF WATERFORD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024**

	Pension and Other Employee Benefit Trust Funds	Custodial Fund Student Scholarship
ASSETS		
Cash and Cash Equivalents	\$ 37,230	\$ 283,292
Investments:		
Mutual Funds	13,802,141	-
Total Assets	<u>13,839,371</u>	<u>283,292</u>
LIABILITIES		
Accounts and Other Payables	21,050	-
NET POSITION		
Restricted for OPEB Benefits	13,311,529	-
Restricted for Pension Benefits	506,792	-
Restricted for Scholarships	<u>-</u>	<u>283,292</u>
Total Net Position	<u><u>\$ 13,818,321</u></u>	<u><u>\$ 283,292</u></u>

See accompanying Notes to Financial Statements.

TOWN OF WATERFORD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024

	Pension and Other Employee Benefit Trust Funds	Custodial Fund Student Scholarship
ADDITIONS		
Contributions:		
Employer	\$ 2,050,944	\$ -
Other	-	95,979
Total Contributions	<u>2,050,944</u>	<u>95,979</u>
Investment Income:		
Net Change in Fair Value of Investments	<u>1,360,613</u>	<u>775</u>
Total Additions	3,411,557	96,754
DEDUCTIONS		
Benefit Payments	652,165	-
Administration	(4,816)	-
Payments to Individuals	-	111,562
Total Deductions	<u>647,349</u>	<u>111,562</u>
CHANGE IN NET POSITION	2,764,208	(14,808)
Net Position - Beginning of Year	<u>11,054,113</u>	<u>298,100</u>
NET POSITION - END OF YEAR	<u><u>\$ 13,818,321</u></u>	<u><u>\$ 283,292</u></u>

See accompanying Notes to Financial Statements.

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024

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, 2024

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 postemployment benefits for certain employees.

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024

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 uncollectible.

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, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

Land, permanent easements, and construction in progress are not depreciated. Other 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 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, 2024

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.

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.

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Leases (Continued)

Lessor (Continued)

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).

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.

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources (Continued)

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.

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.

**TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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/amortization and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

Unrestricted Net Position – This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

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

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

Committed Fund Balance – This component represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town 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.

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Equity (Continued)

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

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.

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, deferred outflows and inflows, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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.

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.

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

Summarizations of the amended budget approved by the RTM for the “budgetary” General Fund is presented. During the year, there were \$4,547,982 of supplemental budgetary appropriations

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.

**TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Deficit Fund Equity

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

Fund	Amount
Waterford High School Building Project	\$ 2,941,509
Nuclear Safety Emergency Preparedness	38,566
ARPA Rural Roads Fund	1,216
Emergency Management Performance Grant	927
FEMA Grant Fund	16,645
Senior Services Title IIIB	183

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

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.

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

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.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$2,032,479 of the Town's bank balance of \$2,534,872 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 1,779,002
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	<u>253,477</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 2,032,479</u></u>

Cash Equivalents

At June 30, 2024, the Town's cash equivalents amounted to \$44,752,358. 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.

	<u>Standard & Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
Money Market Funds	Not Rated

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

Investments

As of June 30, 2024, 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*	\$ 5,369,170	\$ 947,474	\$ 4,421,696	\$ -
U.S. Government Securities	12,551,826	11,368,726	580,765	602,335
U.S. Government Agencies	1,377,386	319,585	1,057,801	-
Total	19,298,382	<u>\$ 12,635,785</u>	<u>\$ 6,060,262</u>	<u>\$ 602,335</u>
Other Investments:				
Mutual Funds	13,919,053			
Total Investments	<u>\$ 33,217,435</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
AAAm	\$ 12,551,826	\$ 1,377,386	\$ -
Not Rated	-	-	5,369,170
Total	<u>\$ 12,551,826</u>	<u>\$ 1,377,386</u>	<u>\$ 5,369,170</u>

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, 2024:

	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Mutual Funds	\$ 13,919,053	\$ 13,919,053	\$ -	\$ -
U.S. Government Securities	12,551,826	12,551,826	-	-
U.S. Government Agencies	1,377,386	-	1,377,386	-
Total	<u>\$ 27,848,265</u>	<u>\$ 26,470,879</u>	<u>\$ 1,377,386</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.

**TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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

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, 2024, 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, 2024

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	\$ 761,225	\$ -	\$ 106,309	\$ 867,534
Property Taxes	935,169	-	-	935,169
Interest	381,913	-	-	381,913
Accounts	79,157	1,213,735	129,912	1,422,804
Intergovernmental	42,606	-	188,384	230,990
Assessment Charges	18,171	-	-	18,171
Gross Receivables	2,218,241	1,213,735	424,605	3,856,581
Less: Allowance for Uncollectibles	(87,090)	-	-	(87,090)
Total Receivables, Net	<u>\$ 2,131,151</u>	<u>\$ 1,213,735</u>	<u>\$ 424,605</u>	<u>\$ 3,769,491</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 2064 if all renewal options are exercised. During the year ended June 30, 2024, the Town recognized \$90,529 and \$13,174 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:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 66,534	\$ 12,211
2026	68,672	11,217
2027	57,291	10,233
2028	31,994	9,659
2029	33,727	9,176
2030-2034	147,167	38,198
2035-2039	36,749	32,635
3040-2044	51,014	29,422
2045-2049	68,192	25,055
2050-2054	88,795	19,303
2055-2059	113,423	11,892
2060-2064	103,976	2,879
Total	<u>\$ 867,534</u>	<u>\$ 211,880</u>

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 8,993,096	\$ 217,393	\$ -	\$ -	\$ 9,210,489
Permanent Easements	20,000	-	-	-	20,000
Construction in Progress	225,362	3,011,042	-	-	3,236,404
Total Capital Assets Not Being Depreciated and Amortized	9,238,458	3,228,435	-	-	12,466,893
Capital Assets Being Depreciated and Amortized:					
Land Improvements	3,911,485	-	(9,510)	-	3,901,975
Buildings and Improvements	253,386,705	157,422	-	-	253,544,127
Vehicles	16,433,307	501,394	(81,018)	(115,800)	16,737,883
Machinery and Equipment	16,321,234	379,709	(484,642)	-	16,216,301
Right-to-Use Lease Machinery and Equipment	290,157	55,681	-	-	345,838
Infrastructure	105,085,110	1,020,771	(1,649,466)	-	104,456,415
Software	551,872	193,250	(245,081)	-	500,041
Total Capital Assets Being Depreciated and Amortized	395,979,870	2,308,227	(2,469,717)	(115,800)	395,702,580
Less Accumulated Depreciation for:					
Land Improvements	(2,116,269)	(134,896)	9,510	-	(2,241,655)
Buildings and Improvements	(96,506,579)	(5,767,456)	-	-	(102,274,035)
Vehicles	(11,744,063)	(647,666)	59,897	115,800	(12,216,032)
Machinery and Equipment	(13,631,523)	(496,546)	450,808	-	(13,677,261)
Right-to-Use Lease Machinery and Equipment	(133,574)	(74,985)	-	-	(208,559)
Infrastructure	(52,527,671)	(1,755,770)	881,815	-	(53,401,626)
Software	(489,579)	(6,776)	215,468	-	(280,887)
Total Accumulated Amortization and Depreciation	(177,149,258)	(8,884,095)	1,617,498	115,800	(184,300,055)
Total Capital Assets Being Depreciated and Amortized, Net	218,830,612	(6,575,868)	(852,219)	-	211,402,525
Governmental Activities Capital Assets, Net	<u>\$ 228,069,070</u>	<u>\$ (3,347,433)</u>	<u>\$ (852,219)</u>	<u>\$ -</u>	<u>\$ 223,869,418</u>
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 127,970	\$ -	\$ -	\$ -	\$ 127,970
Construction in Progress	-	249,626	-	-	249,626
Total Capital Assets Not Being Depreciated	127,970	249,626	-	-	377,596
Capital Assets Being Depreciated:					
Buildings and Improvements	1,383,627	-	-	-	1,383,627
Vehicles	839,641	98,634	-	115,800	1,054,075
Machinery and Equipment	1,225,290	5,979	(8,155)	-	1,223,114
Infrastructure	96,547,599	-	-	-	96,547,599
Software	19,000	-	-	-	19,000
Total Capital Assets Being Depreciated	100,015,157	104,613	(8,155)	115,800	100,227,415
Less Accumulated Depreciation for:					
Buildings and Improvements	(508,772)	(34,591)	-	-	(543,363)
Vehicles	(636,558)	(24,406)	-	(115,800)	(776,764)
Machinery and Equipment	(680,658)	(78,810)	8,155	-	(751,313)
Infrastructure	(55,359,474)	(1,516,621)	-	-	(56,876,095)
Software	(54)	(1,266)	-	-	(1,320)
Total Accumulated Depreciation	(57,185,516)	(1,655,694)	8,155	(115,800)	(58,948,855)
Total Capital Assets Being Depreciated, Net	42,829,641	(1,551,081)	-	-	41,278,560
Business-Type Activities Capital Assets, Net	<u>\$ 42,957,611</u>	<u>\$ (1,301,455)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,656,156</u>

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General Government	\$ 226,428
Public Safety	648,292
Public Works	2,457,955
Social Services	115,148
Library	21,670
Recreation	346,048
Education	<u>5,068,554</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 8,884,095</u></u>
Business-Type Activities:	
Utility Commission	<u><u>\$ 1,655,694</u></u>

Construction Commitments

The Town has active construction projects as of June 30, 2024. At year-end, the Town's commitments are as follows:

Project	Spent-to-Date	Remaining Commitment
Department of Public Works	\$ 4,088,422	\$ 4,050,437
Public Safety	27,925	2,488
Recreation	3,175,057	812,081
General Government	21,136	151,186
Board of Education	115,914	1,618,941
Total	<u><u>\$ 7,428,454</u></u>	<u><u>\$ 6,635,133</u></u>

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

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2024, is as follows:

Receivable Entity	Payable Entity	Amount
General Fund	Capital and Nonrecurring Expenditures Fund	\$ 221,438
General Fund	Waterford High School Building Project	2,942,807
General Fund	Nonmajor Governmental Funds	855,228
General Fund	Utility Commission	262,859
American Rescue Fund	General Fund	2,995,657
Nonmajor Governmental Funds	General Fund	2,327,199
Internal Service Fund	General Fund	78,932
Total		<u>\$ 9,684,120</u>

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

Interfund transfers for the year ended June 30, 2024, are as follows:

	Transfers In			
	General Fund	Capital and Nonrecurring Expenditures Fund	Nonmajor Governmental Funds	Total Transfers Out
Transfers:				
General Fund	\$ -	\$ 3,405,140	\$ 2,792,370	\$ 6,197,510
Non Majors	158,176		-	158,176
Total Transfers In	<u>\$ 158,176</u>	<u>\$ 3,405,140</u>	<u>\$ 2,792,370</u>	<u>\$ 6,355,686</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 \$158,176 into the General fund for unused appropriations.

Capital asset contributions totaling \$249,626 were made from governmental funds to business type funds during the year ended June 30, 2024. This activity is included in transfer in the government-wide activity in Exhibit II of the accompanying financial statements.

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 61,665,000	\$ -	\$ 6,450,000	\$ 55,215,000	\$ 6,595,000
Premium on Bonds	3,021,399	-	667,903	2,353,496	-
Total Bonds Payable	64,686,399	-	7,117,903	57,568,496	6,595,000
Leases Payable	140,887	59,050	78,354	121,583	70,409
Other Liabilities:					
Net OPEB Liability	19,564,899	-	2,714,504	16,850,395	-
Stipulated Tax Judgement	-	966,737	-	966,737	193,347
Landfill Postclosure Monitoring	199,000	-	23,000	176,000	21,000
Compensated Absences	6,872,353	24,787	-	6,897,140	1,087,824
Net Pension Liability	37,159,387	1,085,194	-	38,244,581	-
Total Other Liabilities	63,795,639	2,076,718	2,737,504	63,134,853	1,302,171
Total Governmental Activities Long-Term Liabilities	<u>\$ 128,622,925</u>	<u>\$ 2,135,768</u>	<u>\$ 9,933,761</u>	<u>\$ 120,824,932</u>	<u>\$ 7,967,580</u>
Business-Type Activities:					
Compensated Absences	<u>\$ 363,508</u>	<u>\$ -</u>	<u>\$ 15,428</u>	<u>\$ 348,080</u>	<u>\$ 45,191</u>

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, 2024
Governmental Activities:						
Schools:						
Clark Lane School	\$800,000 - \$850,000	\$ 9,440,000	12/29/2014	8/15/2026	3.0% - 5.0%	\$ 2,520,000
Great Neck Elementary	\$655,000 - \$960,000	9,085,000	12/18/2019	8/1/2030	4.0% - 5.0%	6,340,000
School Issue of 2017	\$185,000 - \$2,830,000	14,585,000	6/21/2017	6/30/2031	2.0% - 5.0%	10,240,000
Municipal Complex	\$680,000 - \$685,000	13,655,000	7/23/2020	9/15/2040	2.0% - 5.0%	11,600,000
School Refunding	\$905,000 - \$3,195,000	28,890,000	12/30/2020	8/15/2033	0.3% - 2.0%	24,515,000
Total						<u>\$ 55,215,000</u>

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 LONG-TERM DEBT (CONTINUED)

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

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	6,595,000	1,514,746
2026	6,645,000	1,319,500
2027	6,395,000	1,083,426
2028	5,545,000	829,375
2029	5,770,000	632,761
2030-2034	19,505,000	1,347,711
2035-2039	3,400,000	321,300
2040-2044	1,360,000	28,900
Total	<u>\$ 55,215,000</u>	<u>\$ 7,077,719</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 2030.

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>
2025	\$ 70,409	\$ 2,824
2026	23,095	1,625
2027	13,313	907
2028	8,894	457
2029	5,508	112
2030	364	-
Total	<u>\$ 121,583</u>	<u>\$ 5,925</u>

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 \$176,000.

Stipulated Tax Judgement

In 2024, the Town agreed to a stipulation for judgement totaling \$966,737, following a challenge by taxpayers regarding the valuation and assessment of certain real property and personal property relating to the 2022 Grand List. The judgement will be repaid in equal installments of \$193,347.40 over a five-year period.

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 LONG-TERM DEBT (CONTINUED)

Authorized But Unissued

The total of authorized but unissued bonds at June 30, 2024, 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):

Category	Debt Limit	Indebtedness	Balance
General Purpose	\$ 219,951	\$ 12,945	\$ 207,006
Schools	439,902	50,862	389,040
Sewers	366,585	-	366,585
Urban Renewal	317,707	-	317,707
Pension Deficit	293,268	-	293,268
Total	<u>\$ 1,637,413</u>	<u>\$ 63,807</u>	<u>\$ 1,573,606</u>

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$684,277,258.

NOTE 9 FUND BALANCE

The components of fund balance for the governmental funds as of June 30, 2024, are as follows:

	General Fund	Capital and Nonrecurring Expenditures Fund	Waterford High School Building Project	American Rescue Fund	Nonmajor Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 26,260	\$ 26,260
Prepaid Expenditures	10,503	-	-	-	659	11,162
Nonspendable Trust	-	-	-	-	116,969	116,969
Restricted for:						
General Government	-	-	-	-	34,111	34,111
Public Safety	-	-	-	-	35,369	35,369
Public Works	-	-	-	-	790,623	790,623
Recreation	-	-	-	-	131,203	131,203
Social Services	-	-	-	-	288,160	288,160
Education	-	-	-	-	750,265	750,265
Committed to:						
Public Works	-	-	-	-	570,671	570,671
Other Capital Projects	-	10,806,860	-	-	6,875,771	17,682,631
Education	-	-	-	-	452,070	452,070
Assigned to:						
General Government	37,733	-	-	-	-	37,733
Public Safety	4,111	-	-	-	-	4,111
Public Works	22,548	-	-	-	-	22,548
Education	205,803	-	-	-	-	205,803
Use of Fund Balance	1,000,000	-	-	-	-	1,000,000
Unassigned	23,684,472	-	(2,941,509)	-	(58,196)	20,684,767
Total Fund Balances	<u>\$ 24,965,170</u>	<u>\$ 10,806,860</u>	<u>\$ (2,941,509)</u>	<u>\$ -</u>	<u>\$ 10,013,935</u>	<u>\$ 42,844,456</u>

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 FUND BALANCE (CONTINUED)

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, 2024, the amount of General Fund encumbrances expected to be honored upon performance by the vendor in the next year totaled \$133,882.

NOTE 10 TAX ABATEMENTS

As of June 30, 2024, the Town provides tax abatements through the following programs:

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, 2024, taxes abated through this agreement totaled \$22,226. 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.

The Twin Haven, Inc. (Twin Haven) 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, as allowed under Chapter 133 of the Connecticut General Statutes Section 8-215. Eligibility for the abatement is predicated on Twin Haven limiting occupancy in the premises to those meeting the criteria for low or moderate-income elderly individuals in addition to maintaining a contracted standard of housing for the property. The abatement term is over a five-year period that was extended to August 31, 2027, and is determined by the percentage of the annual Town levy that is expended for education. For the year ended June 30, 2024, taxes abated through this agreement totaled \$18,280. 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.

**TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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.

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;

**TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

C. Plan Administration (Continued)

- 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, 2023, the date of the latest actuarial valuation:

Retirees, Disabled Employees, and Beneficiaries	
Currently Receiving Benefits	6
Terminated Plan Members Entitled to Benefits But	
Not Yet Receiving Them	-
Active Members	-
Total	<u><u>6</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.

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, 2024, 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.

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

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, 2024, 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, 2024:

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	100.00 %	

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

F. Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2024, were as follows:

Total Pension Liability	\$ 674,405
Plan Fiduciary Net Position	506,792
Net Pension Liability	\$ 167,613

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.15 %
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TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

F. Net Pension Liability of the Town (Continued)

Actuarial Assumptions

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

Cost-of-Living Adjustments	2.40%
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.

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.

G. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances - July 1, 2023	\$ 717,948	\$ 509,459	\$ 208,489
Changes for the Year:			
Interest on Total Pension Liability	43,263	-	43,263
Employer Contributions	-	27,280	(27,280)
Net Investment Income	-	57,652	(57,652)
Benefit Payments, Including Refund to Employee Contributions	(86,806)	(86,806)	-
Administrative Expenses	-	(793)	793
Net Changes	(43,543)	(2,667)	(40,876)
Balances - June 30, 2024	<u>\$ 674,405</u>	<u>\$ 506,792</u>	<u>\$ 167,613</u>

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

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

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

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net Pension Liability	\$ 214,379	\$ 167,613	\$ 124,113

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

For the year ended June 30, 2024, the Town recognized pension expense of \$16,934. At June 30, 2024, 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	\$ 7,077

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
2025	\$ 2,775
2026	19,637
2027	(9,808)
2028	(5,527)
Total	\$ 7,077

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

J. Schedule of Plan Net Position

	<u>Pension Trust Fund</u>
Assets:	
Cash and Cash Equivalents	\$ 13,614
Investments:	
Mutual Funds	<u>494,241</u>
Total Assets	<u>507,855</u>
Liabilities:	
Accounts and Other Payables	<u>1,063</u>
Net Position:	
Restricted for Pension Benefits	<u><u>\$ 506,792</u></u>

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>57,652</u>
Total Additions	84,932
Deductions:	
Benefit Payments	86,806
Administration	<u>793</u>
Total Deductions	<u>87,599</u>
Change in Net Position	(2,667)
Net Position - Beginning of Year	<u>509,459</u>
Net Position - End of Year	<u><u>\$ 506,792</u></u>

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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.

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.

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Municipal Employees' Retirement System (Continued)

B. Benefit Provisions (Continued)

Disability Retirement – Service Connected

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

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 7% of compensation; for members covered by social security, 4.25% of compensation up to the social security taxable wage base plus 7% of compensation, 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. The Town's required contribution for the year ended June 30, 2024, was \$4,314,719.

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

At June 30, 2024, the Town reports a total liability of \$38,076,968 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023.

**TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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)

The actuarial assumptions used in the June 30, 2023, valuation were based on results of an actuarial experience study for the period July 1, 2017, through June 30, 2022. 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, 2024, the Town's proportion was 2.69%. The Town's proportion was 2.69% for the beginning of the period, which represents no change from the prior year.

For the year ended June 30, 2024, the Town recognized pension expense of \$3,290,740. At June 30, 2024, 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	\$ 3,196,116	\$ 422,529
Changes of Assumptions	4,003,218	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	3,057,122	-
Change in Employer Proportional Share	954,675	2,280,232
Contributions After the Measurement Date	4,200,150	-
Total	<u>\$ 15,411,281</u>	<u>\$ 2,702,761</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
2025	\$ 1,915,415
2026	1,550,658
2027	4,041,283
2028	737,197
2029	263,817
Total	<u>\$ 8,508,370</u>

**TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Municipal Employees' Retirement System (Continued)

E. Actuarial Assumptions

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

Inflation	2.50%
Salary Increase	3.00%-9.50%, Including Inflation
Investment Rate of Return	7.00%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Pub-2010 Mortality Tables set-forward one year (except active employees) and projected generationally with Scale MP-2021.

General Employees:

- Service Retirees: General, Healthy Retiree Mortality Table
- Disabled Retirees: General, Disabled Retiree Mortality Table
- Beneficiaries: General, Contingent Annuitant Mortality Table
- Active Employees: General, Employee Mortality Table

Policemen and Firemen:

- Service Retirees: Public Safety, Healthy Retiree Mortality Table
- Disabled Retirees: Public Safety, Disabled Retiree Mortality Table
- Beneficiaries: Public Safety, Contingent Annuitant Mortality Table
- Active Employees: Public Safety, Employee Mortality Table

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%.

A phase out the COLA floor from the existing 2.5% guaranteed minimum to zero over 5-years as follows:

- For those retiring between 7/1/2025 and 6/30/2026 – MERS COLA Minimum = 2.0%
- For those retiring between 7/1/2026 and 6/30/2027 – MERS COLA Minimum = 1.5%
- For those retiring between 7/1/2027 and 6/30/2028 – MERS COLA Minimum = 1.0%
- For those retiring between 7/1/2028 and 6/30/2029 – MERS COLA Minimum = 0.5%
- For those retiring on or after 7/1/2029 – MERS COLA Minimum = 0%

For years in which inflation (as measured by the CPI-W) increases by 2% or less, the MERS COLA will track inflation directly. For those years in which inflation increases by 2% or more, the COLA will be 60% of the annual increase in the CPI up to 6% plus 75% of the annual increase in the CPI above 6% and capped at a 7.5%

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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. and 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, 2024**

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	\$ 53,387,681	\$ 38,076,968	\$ 25,313,484

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, 2024

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, 2024, the amount of "on-behalf" contributions made by the state was \$8,314,455 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, 2024**

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, 2024, 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	89,609,056
Total	<u><u>\$ 89,609,056</u></u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. At June 30, 2024, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2024, the Town recognized pension expense and revenue of \$8,579,548 in Exhibit II.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, 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, 2024**

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, 2023, 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:

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

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, 2024

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
Global Equity	37.00 %	6.80 %
Public Credit	2.00	2.90
Core Fixed Income	13.00	0.40
Liquidity Fund	1.00	(0.40)
Risk Mitigation	5.00	0.10
Private Equity	15.00	11.20
Private Credit	10.00	6.10
Real Estate	10.00	6.20
Infrastructure and Natural Resources	7.00	7.70
Total	100.00 %	

F. Discount Rate

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

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

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

**TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

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, 2024:

	Town Pension	MERS	State Teachers	Total
Deferred Outflows of Resources				
Related to Pensions	\$ 7,077	\$ 15,411,281	\$ -	\$ 15,418,358
Net Pension Liability	167,613	38,076,968	-	38,244,581
Deferred Inflows of Resources				
Related to Pensions	-	2,702,761	-	2,702,761
Pension Expense	16,934	3,290,740	8,579,548	11,887,222
Total	<u>\$ 191,624</u>	<u>\$ 59,481,750</u>	<u>\$ 8,579,548</u>	<u>\$ 68,252,922</u>

NOTE 12 OTHER POSTEMPLOYMENT 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.

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.

**TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Town Post-Retirement Healthcare Plan (Continued)

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 \$2,023,664. There are no employee contributions.

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

Active Employees	368
Retired Employees	118
Total	<u>486</u>

C. Investments

Investment Policy

The OPEB Plan’s policy regarding 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, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 10.96%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net OPEB Liability of the Town

The components of the net OPEB liability of the Town at June 30, 2024, were as follows:

Total OPEB Liability	\$ 30,161,924
Plan Fiduciary Net Position	13,311,529
Net OPEB Liability	<u>\$ 16,850,395</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.13%
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TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Town Post-Retirement Healthcare Plan (Continued)

E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, rolled forward to June 30, 2024, 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.

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 include in the OPEB Plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset as of June 30, 2024, 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	100.00 %	

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Town Post-Retirement Healthcare Plan (Continued)

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	\$ 19,837,420	\$ 16,850,395	\$ 14,250,362

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	\$ 14,041,474	\$ 16,850,395	\$ 20,116,927

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Town Post-Retirement Healthcare Plan (Continued)

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, 2023	\$ 30,109,553	\$ 10,544,654	\$ 19,564,899
Changes for the Year:			
Service Cost	273,763	-	273,763
Interest on Total OPEB Liability	1,955,531	-	1,955,531
Differences Between Expected and Actual Experience	(1,611,564)	-	(1,611,564)
Changes in Assumptions	-	-	-
Employer Contributions	-	2,023,664	(2,023,664)
Net Investment Income	-	1,302,961	(1,302,961)
Benefit Payments, Including Refund to Employee Contributions	(565,359)	(565,359)	-
Administrative Expenses	-	5,609	(5,609)
Net Changes	<u>52,371</u>	<u>2,766,875</u>	<u>(2,714,504)</u>
Balances - June 30, 2024	<u>\$ 30,161,924</u>	<u>\$ 13,311,529</u>	<u>\$ 16,850,395</u>

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

For the year ended June 30, 2024, the Town recognized OPEB expense of \$1,101,868. At June 30, 2024, 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	\$ 1,711,070	\$ 3,057,406
Changes of Assumptions	860,626	403,126
Net Difference Between Projected and Actual Earning on OPEB Plan Investments	-	181,114
Total	<u>\$ 2,571,696</u>	<u>\$ 3,641,646</u>

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Town Post-Retirement Healthcare Plan (Continued)

**J. OPEB Expense and Deferred Outflow/Inflows of Resources Related to OPEB
(Continued)**

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2025	\$ (276,323)
2026	6,044
2027	(384,568)
2028	(309,887)
2028	(137,938)
Thereafter	32,722
Total	<u>\$ (1,069,950)</u>

K. Schedule of Plan Net Position

	<u>OPEB Trust Fund</u>
Assets:	
Cash and Cash Equivalents	\$ 23,616
Investments:	
Mutual Funds	<u>13,307,900</u>
Total Assets	13,331,516
Liabilities:	
Accounts and Other Payables	<u>19,987</u>
Total Liabilities	<u>19,987</u>
Net Position:	
Restricted for OPEB Benefits	<u>\$ 13,311,529</u>
Total Net Position	<u>\$ 13,311,529</u>

**TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Town Post-Retirement Healthcare Plan (Continued)

L. Schedule of Changes in Plan Net Position

	<u>OPEB Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 2,023,664
Investment Income:	
Net Depreciation in Fair Value of Investments	<u>1,302,961</u>
Total Additions	3,326,625
Deductions:	
Benefit Payments	565,359
Administration	<u>(5,609)</u>
Total Deductions	<u>559,750</u>
Change in Net Position	2,766,875
Net Position - Beginning of Year	<u>10,544,654</u>
Net Position - End of Year	<u><u>\$ 13,311,529</u></u>

Other Postemployment 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.

TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefits – Connecticut State Teachers’ Retirement Plan
(Continued)**

B. Benefit Provisions (Continued)

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.

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.

**TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefits – Connecticut State Teachers’ Retirement Plan
(Continued)**

C. Eligibility (Continued)

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.

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, 2024, the amount of “on-behalf” contributions made by the state was \$113,143 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefits – Connecticut State Teachers’ Retirement Plan
(Continued)**

D. Contributions (Continued)

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, 2024, 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	8,395,138
Total	<u>\$ 8,395,138</u>

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, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. At June 30, 2024, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2024, the Town recognized OPEB expense and revenue of \$989,002 in Exhibit II.

**TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefits – Connecticut State Teachers' Retirement Plan
(Continued)**

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, 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	3.00%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position Will be Depleted	2028

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, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

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

- Discount rate changed from 3.53% to 3.64%

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

- There were no changes in benefits that affected the measurement of the OPEB plan since the prior measurement date.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.77%).

**TOWN OF WATERFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefits - Connecticut State Teachers' Retirement Plan
(Continued)**

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.64%. 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, 2023.

In addition to the actuarial methods and assumptions of the June 30, 2023, 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 2028 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, 2024

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, 2024.

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, 2024, of \$864,000.

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, 2024 and 2023, is presented below:

	2024	2023
Unpaid Claims, July 1	\$ 727,000	\$ 1,085,000
Incurred Claims (Including IBNR)	10,791,859	9,308,605
Claim Payments	(10,654,859)	(9,666,605)
Unpaid Claims, June 30	<u>\$ 864,000</u>	<u>\$ 727,000</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, 2024**

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, 2024, 34.7% 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, 2024
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary	Over
			Basis	(Under)
Property Taxes:				
Revenues from Current Year	\$ 95,263,203	\$ 95,263,203	\$ 95,596,370	\$ 333,167
Prior Year Taxes	476,546	476,546	411,350	(65,196)
Interest and Lien Fees	291,306	291,306	292,668	1,362
Total Property Taxes	96,031,055	96,031,055	96,300,388	269,333
Intergovernmental:				
State of Connecticut:				
Equalized Cost Sharing	326,444	326,444	322,130	(4,314)
Health and Welfare	6,359	6,359	6,810	451
General Government:				
Tax Relief:				
Tiered Pilot	315,978	315,978	347,575	31,597
Disabled	1,200	1,200	1,486	286
Veterans	5,000	5,000	3,671	(1,329)
Court Fines	-	-	19,272	19,272
Civil Preparedness	20,000	20,000	38,988	18,988
Telecommunication	58,071	58,071	89,710	31,639
Town Aid Road	321,120	321,120	321,360	240
SDE State Grant	14,000	14,000	-	(14,000)
LOCIP	116,994	116,994	-	(116,994)
Enhancement 911	22,981	22,981	22,583	(398)
Municipal Revenue Sharing	379,498	379,498	493,810	114,312
Grants for Municipal Projects	68,510	68,510	34,255	(34,255)
Total State of Connecticut	1,656,155	1,656,155	1,701,650	45,495
Total Intergovernmental	1,656,155	1,656,155	1,701,650	45,495
Licenses and Permits:				
Recreation and Parks Commission	165,000	165,000	281,878	116,878
Building Inspector	400,000	400,000	580,773	180,773
License, Fees, Permits, and Fines	135,309	135,309	17,670	(117,639)
Conveyance Tax	200,000	200,000	308,828	108,828
Planning and Zoning	54,183	54,183	52,565	(1,618)
Liens - Utility Commission	-	-	8,220	8,220
Town Clerk Fees	175,000	175,000	145,720	(29,281)
Total Licenses and Permits	1,129,492	1,129,492	1,395,654	266,162

**TOWN OF WATERFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary	Over
			Basis	(Under)
Fines, Penalties, and Charges for Services:				
Tuition	\$ 60,000	\$ 60,000	\$ 86,287	\$ 26,287
Library	-	-	1,525	1,525
Fire Services Inspections and Plan Fees	-	-	9,500	9,500
Bulky Waste Fees	110,000	110,000	118,795	8,795
Recycling	55,000	55,000	48,609	(6,391)
Miscellaneous	27,582	27,582	162,267	134,685
EMS - Reg. Comm Ctr Fees	6,000	6,000	6,000	-
Tipping Fees	275,000	275,000	175,595	(99,405)
Senior Services	10,196	10,196	21,068	10,872
Total Fines, Penalties, and Charges for Services	543,778	543,778	629,647	85,869
Other Sources:				
Rent and Miscellaneous	1,500	1,500	4,980	3,480
Rental of Buildings	50,000	50,000	83,721	33,721
Sale of Equipment	1,000	1,000	12,635	11,635
NI Radio Comm. Network Use Fee	72,000	72,000	85,148	13,148
SCRRRA Rebate	-	-	1,532	1,532
Eugene O'Neill Lease	10,000	10,000	22,474	12,474
YSB BOE Clerical Stipend	5,000	5,000	-	(5,000)
BOE Custodial Stipend	73,218	73,218	73,218	-
Total Other Sources	212,718	212,718	283,707	70,989
Interest and Dividends:				
Interest on Investments	2,500,000	2,500,000	3,091,635	591,635
Total Revenues	102,073,198	102,073,198	103,402,681	1,329,483
Other Financing Sources:				
Transfers In	-	-	158,176	158,176
Cancellation of Prior Year Encumbrances	-	-	36,629	36,629
Total Other Financing Sources	-	-	194,805	194,805
Total Revenues and Other Financing Sources	<u>\$ 102,073,198</u>	<u>\$ 102,073,198</u>	103,597,486	<u>\$ 1,524,288</u>
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.			8,314,455	
State of Connecticut State Teachers' Retirement System on-behalf OPEB contributions for Town teachers is not budgeted.			113,143	
Encumbrances for purchases and commitments which were subsequently cancelled in the next fiscal year			(36,629)	
Excess cost - student based grant			646,379	
GASB 87 not budgeted - issuance of capital lease			55,681	
GASB 54 activity of certain special revenue funds now consolidated into the General Fund			42,363	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds			<u>\$ 112,732,878</u>	

**TOWN OF WATERFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary	(Over) Under
General Government:				
Selectman:				
Personnel Costs	\$ 201,395	\$ 201,125	\$ 188,367	\$ 12,758
Services	5,060	2,784	2,581	203
Materials and Supplies	1,150	3,696	3,695	1
Total Selectman	207,605	207,605	194,643	12,962
Registrar of Voters:				
Personnel Costs	63,721	83,528	80,950	2,578
Services	6,382	7,266	6,594	672
Materials and Supplies	9,384	12,450	11,650	800
Equipment	1	1	-	1
Total Registrar of Voters	79,488	103,245	99,194	4,051
Board of Finance:				
Personnel Costs	3,114	2,739	1,511	1,228
Services	67,000	81,544	80,939	605
Materials and Supplies	45	45	-	45
Total Board of Finance	70,159	84,328	82,450	1,878
Assessor:				
Personnel Costs	278,748	288,018	285,336	2,682
Services	11,391	12,631	12,227	404
Materials and Supplies	2,009	769	138	631
Total Assessor	292,148	301,418	297,701	3,717
Board of Assessment Appeals:				
Personnel Costs	1,052	1,052	769	283
Services	550	550	399	151
Total Board of Assessment Appeals	1,602	1,602	1,168	434
Tax Collector:				
Personnel Costs	185,903	194,302	194,245	57
Services	31,912	40,277	40,067	210
Materials and Supplies	50	399	399	-
Equipment	-	2,340	2,329	11
Total Tax Collector	217,865	237,318	237,040	278
Finance:				
Personnel Costs	590,417	590,424	585,820	4,604
Services	137,189	151,950	147,829	4,121
Materials and Supplies	20,000	21,779	21,779	-
Equipment	115	2,330	2,329	1
Total Finance	747,721	766,483	757,757	8,726
Legal Department:				
Services	295,000	432,973	432,852	121

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**TOWN OF WATERFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary	(Over) Under
General Government (Continued):				
Town Clerk:				
Personnel Costs	\$ 219,625	\$ 224,116	\$ 223,090	\$ 1,026
Services	29,750	29,750	26,805	2,945
Materials and Supplies	2,850	2,850	2,476	374
Total Town Clerk	252,225	256,716	252,371	4,345
Planning and Zoning Commission:				
Personnel Costs	611,808	600,608	599,927	681
Services	44,402	58,542	55,317	3,225
Materials and Supplies	3,560	1,788	1,771	17
Equipment	1,440	272	272	-
Total Planning and Zoning Commission	661,210	661,210	657,287	3,923
Insurance:				
Services	5,105,857	4,814,044	4,755,071	58,973
Economic Development Commission:				
Services	27,447	27,447	26,321	1,126
Conservation Commission:				
Services	17,750	17,750	9,280	8,470
Materials and Supplies	500	500	191	309
Total Conservation Commission	18,250	18,250	9,471	8,779
Zoning Board of Appeals:				
Services	4,260	4,260	1,610	2,650
Materials and Supplies	50	50	-	50
Total Zoning Board of Appeals	4,310	4,310	1,610	2,700
Retirement Commission:				
Personnel Costs	7,049,737	6,939,104	6,378,194	560,910
Representative Town Meeting:				
Personnel Costs	1	1	-	1
Services	18,902	18,902	16,247	2,655
Total Representative Town Meeting	18,903	18,903	16,247	2,656

(Continued on next page)

**TOWN OF WATERFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual Budgetary Basis	Variance (Over) Under
	Original	Final		
General Government (Continued):				
Building Department:				
Personnel Costs	\$ 263,291	\$ 263,291	\$ 260,124	\$ 3,167
Services	30,260	29,260	14,722	14,538
Materials and Supplies	3,258	4,258	2,250	2,008
Equipment	800	800	778	22
Total Building Department	297,609	297,609	277,874	19,735
Social Service Grants:				
Services	67,682	67,682	66,681	1,001
Contracts Out to Agencies	20,500	20,500	20,500	-
Total Social Service Grants	88,182	88,182	87,181	1,001
Contingency:				
Miscellaneous	265,000	2,390	-	2,390
Flood and Erosion Control Board:				
Personnel Costs	818	818	571	247
Services	1,295	1,295	4	1,291
Materials and Supplies	25	25	-	25
Total Flood and Erosion Control Board	2,138	2,138	575	1,563
Ethics Commission:				
Personnel Costs	650	650	348	302
Services	200	200	100	100
Materials and Supplies	50	50	-	50
Total Ethics Commission	900	900	448	452
Human Resources:				
Personnel Costs	167,729	188,047	188,046	1
Services	91,107	75,544	64,410	11,134
Materials and Supplies	1,000	15,040	15,038	2
Total Human Resources	259,836	278,631	267,494	11,137
Information Technology:				
Personnel Costs	243,017	250,017	249,893	124
Services	877,381	870,381	853,307	17,074
Equipment	44,783	44,783	43,056	1,727
Total Information Technology	1,165,181	1,165,181	1,146,256	18,925
Total General Government	17,128,373	16,709,987	15,979,205	730,782

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**TOWN OF WATERFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary	(Over) Under
Public Safety:				
Emergency Management:				
Personnel Costs	\$ 996,491	\$ 996,491	\$ 943,822	\$ 52,669
Services	94,762	94,762	56,673	38,089
Materials and Supplies	3,310	3,310	1,834	1,476
Total Emergency Management	1,094,563	1,094,563	1,002,329	92,234
Fire Services:				
Personnel Costs	2,324,763	2,294,346	2,276,127	18,219
Services	929,055	911,259	905,533	5,726
Materials and Supplies	231,300	290,316	281,420	8,896
Equipment	46,500	35,697	34,330	1,367
Total Fire Services	3,531,618	3,531,618	3,497,410	34,208
Police Department:				
Personnel Costs	6,231,066	6,293,760	6,073,995	219,765
Services	260,582	277,082	255,584	21,498
Materials and Supplies	231,815	250,315	235,308	15,007
Equipment	7,139	7,139	7,111	28
Total Police Department	6,730,602	6,828,296	6,571,998	256,298
Total Public Safety	11,356,783	11,454,477	11,071,737	382,740
Public Works:				
Building Maintenance:				
Personnel Costs	79,422	57,849	57,848	1
Services	809,348	1,111,842	1,103,189	8,653
Materials and Supplies	6,000	6,725	6,704	21
Capital Improvements	5,000	5,000	4,982	18
Total Building Maintenance	899,770	1,181,416	1,172,723	8,693
Public Works:				
Personnel Costs	2,625,008	2,583,754	2,391,808	191,946
Services	1,245,500	1,216,633	1,115,250	101,383
Materials and Supplies	776,415	803,861	729,097	74,764
Equipment	26,755	67,687	47,065	20,622
Capital Improvements	321,120	286,446	249,490	36,956
Total Public Works	4,994,798	4,958,381	4,532,710	425,671
Total Public Works	5,894,568	6,139,797	5,705,433	434,364

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**TOWN OF WATERFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual Budgetary Basis	Variance (Over) Under
	Original	Final		
Social Services:				
Youth Service Bureau:				
Personnel Costs	\$ 195,869	\$ 217,577	\$ 215,036	\$ 2,541
Services	43,958	43,958	42,167	1,791
Total Social Services	239,827	261,535	257,203	4,332
Conservation of Health:				
Services	148,407	148,408	148,407	1
Waterford Public Health Nursing Service:				
Contracts Out to Agencies	25,911	25,911	15,653	10,258
Senior Citizen Commission:				
Personnel Costs	445,949	456,368	456,365	3
Services	20,229	18,656	17,474	1,182
Materials and Supplies	17,196	13,610	13,582	28
Equipment	1,257	1,257	1,141	116
Total Senior Citizen Commission	484,631	489,891	488,562	1,329
Total Social Services	898,776	925,745	909,825	15,920
Library:				
Personnel Costs	952,641	1,012,452	1,009,879	2,573
Services	1,196	1,196	1,170	26
Materials and Supplies	8,000	8,000	7,844	156
Equipment	45,000	45,000	44,999	1
Total Library	1,006,837	1,066,648	1,063,892	2,756
Recreation and Parks:				
Personnel Costs	1,123,277	1,176,806	1,176,803	3
Services	200,897	160,133	158,617	1,516
Materials and Supplies	94,599	91,666	81,159	10,507
Total Recreation and Parks	1,418,773	1,428,605	1,416,579	12,026
Debt Service:				
Principal	6,450,000	6,450,000	6,450,000	-
Interest	1,698,250	1,698,250	1,698,250	-
Total Debt Service	8,148,250	8,148,250	8,148,250	-
Board of Education	54,193,983	54,446,027	54,418,893	27,134
Total Expenditures	100,046,343	100,319,536	98,713,814	1,605,722

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**TOWN OF WATERFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary	(Over) Under
Other Financing Uses:				
Transfers Out	\$ 2,026,855	\$ 6,301,644	\$ 6,301,644	\$ -
Total Expenditures and Other Financing Uses	<u>\$ 102,073,198</u>	<u>\$ 106,621,180</u>	105,015,458	<u>\$ 1,605,722</u>
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.			8,314,455	
State of Connecticut State Teachers' Retirement System on-behalf OPEB contributions for Town teachers is not budgeted.			113,143	
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.			63,904	
Excess cost - student based grant			646,379	
GASB 54 Activity of Certain Special Revenue Funds now consolidated into the General Fund			131,452	
GASB 87 not budgeted - capital outlay			55,681	
Transfers to Certain Special Revenue Funds consolidated with the General Fund are eliminated for GAAP reporting purposes upon consolidation.			<u>(104,134)</u>	
Total Expenditures and Other Financing Sources as Reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds			<u>\$ 114,236,338</u>	

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Interest	\$ 43,263	\$ 43,846	\$ 55,573	\$ 57,640	\$ 59,937	\$ 63,102	\$ 61,919	\$ 66,103	\$ 82,588	\$ 87,820
Differences Between Expected and Actual Experience	-	18,735	(116,458)	-	6,607	-	(23,064)	-	(83,403)	-
Changes of Assumptions	-	-	(38,223)	-	-	-	101,230	-	65,285	-
Benefit Payments	(86,806)	(90,966)	(86,141)	(95,139)	(111,229)	(116,167)	(126,029)	(139,838)	(151,557)	(168,133)
Net Change in Total Pension Liability	(43,543)	(28,385)	(185,249)	(37,499)	(44,685)	(53,065)	14,056	(73,735)	(87,087)	(80,313)
Total Pension Liability - Beginning	717,948	746,333	931,582	969,081	1,013,766	1,066,831	1,052,775	1,126,510	1,213,597	1,293,910
Total Pension Liability - Ending	674,405	717,948	746,333	931,582	969,081	1,013,766	1,066,831	1,052,775	1,126,510	1,213,597
Plan Fiduciary Net Position:										
Contributions - Employer	27,280	27,280	83,000	82,000	89,953	82,000	81,493	84,000	83,367	83,367
Net Investment Income	57,652	52,142	(107,502)	117,497	32,400	29,150	28,406	54,202	11,137	19,200
Benefit Payments	(86,806)	(90,966)	(86,141)	(95,139)	(111,229)	(116,167)	(126,029)	(139,838)	(151,557)	(168,133)
Administrative Expense	(793)	(1,833)	(5,571)	(5,755)	(5,958)	(3,271)	(4,821)	(9,314)	(6,948)	(8,511)
Net Change in Plan Fiduciary Net Position	(2,667)	(13,377)	(116,214)	98,603	5,166	(8,288)	(20,951)	(10,950)	(64,001)	(74,077)
Plan Fiduciary Net Position - Beginning	509,459	522,836	639,050	540,447	535,281	543,569	564,520	575,470	639,471	713,548
Plan Fiduciary Net Position - Ending	506,792	509,459	522,836	639,050	540,447	535,281	543,569	564,520	575,470	639,471
Net Pension Liability - Ending	<u>\$ 167,613</u>	<u>\$ 208,489</u>	<u>\$ 223,497</u>	<u>\$ 292,532</u>	<u>\$ 428,634</u>	<u>\$ 478,485</u>	<u>\$ 523,262</u>	<u>\$ 488,255</u>	<u>\$ 551,040</u>	<u>\$ 574,126</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.15%	70.96%	70.05%	68.60%	55.77%	52.80%	50.95%	53.62%	51.08%	52.69%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

N/A - Not applicable. Plan members are retired.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 27,280	\$ 27,280	\$ 59,870	\$ 59,870	\$ 81,131	\$ 81,131	\$ 81,493	\$ 81,493	\$ 83,367	\$ 83,367
Contributions in Relation to the Actuarially Determined Contribution	27,280	27,280	83,000	82,000	89,953	82,000	81,493	84,000	83,367	83,367
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,130)</u>	<u>\$ (22,130)</u>	<u>\$ (8,822)</u>	<u>\$ (869)</u>	<u>\$ -</u>	<u>\$ (2,507)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation Date: July 1, 2023

Measurement Date: June 30, 2024

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

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method

Entry Age Normal

Amortization Method

Level Percentage of Salary, Closed

Remaining Amortization Period

As of the July 1, 2023 Valuation Ten 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%

Cost-of-Living Increases

2.40%

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.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.62%	10.28%	-15.96%	20.68%	5.97%	5.55%	5.12%	9.89%	1.75%	2.57%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	2.69%	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	\$ 38,076,968	\$ 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	\$ 22,269,793	\$ 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	170.98%	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	69.54%	68.71%	82.59%	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

***Notes:**

- 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**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 4,200,150	\$ 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
Contributions in Relation to the Actuarially Determined Contribution	4,200,150	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
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 23,291,998	\$ 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
Contributions as a Percentage of Covered Payroll	18.03%	19.70%	18.16%	16.70%	15.55%	13.26%	13.21%	14.01%	13.51%	14.02%

Notes to Schedule:

Valuation Date: June 30, 2023

Measurement Date: June 30, 2024

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

Blended 24.3 to 24.4 years depending on Tier

Asset Valuation Method

Market Value on the measurement date. Plan's fiduciary net position also includes the present value of receivable initial liability payments

Inflation

2.50%

Salary Increases

3.00% - 9.50%, Including Inflation

Investment Rate of Return

7.00%, Net of Investment-Related Expense

Change in Assumptions

In 2023, the latest experience study for the System updated most of the actuarial assumptions utilized in the June 30, 2023 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement and salary merit 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, 2022.

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

	2024	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%	0.00%
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated With the Town	89,609,056	98,976,445	83,564,236	105,509,269	97,008,042	74,798,836	75,284,376	79,425,593	60,790,928	56,189,042
Total	\$ 89,609,056	\$ 98,976,445	\$ 83,564,236	\$ 105,509,269	\$ 97,008,042	\$ 74,798,836	\$ 75,284,376	\$ 79,425,593	\$ 60,790,928	\$ 56,189,042
Town's Covered Payroll	\$ 25,140,741	\$ 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%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.69%	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
Amortization Method
Remaining Amortization Period
Asset Valuation Method
Inflation
Salary Increase
Investment Rate of Return

Entry Age
Level Percent of Pay, Closed, Grading to a Level Dollar Amortization Method for the June 30, 2024 Valuation
27.8 Years
4-Year Smoothed Market
2.50%
3.00%-6.50%, Including Inflation
6.90%, Net of Investment-Related Expense

Note:

- 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 EIGHT FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service Cost	\$ 273,763	\$ 308,850	\$ 295,833	\$ 276,630	\$ 265,479	\$ 281,505	\$ 264,365	\$ 257,290
Interest	1,955,531	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	(1,611,564)	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	(565,359)	(475,505)	(996,497)	(345,778)	(855,957)	(712,252)	(746,707)	(1,497,102)
Net Change in Total OPEB Liability	52,371	4,061,520	292,255	2,354,872	(157,635)	(798,298)	361,012	305,872
Total OPEB Liability - Beginning	30,109,553	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	30,161,924	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	2,023,664	1,618,816	1,746,497	1,445,778	1,614,570	1,871,345	1,906,707	3,811,946
Net Investment Income	1,302,961	959,995	(1,340,230)	1,860,477	300,988	268,186	133,054	40,292
Benefit Payments, Including Refunds of Member Contributions	(565,359)	(475,505)	(996,497)	(345,778)	(855,957)	(712,252)	(746,707)	(1,497,102)
Administrative Expense	5,609	(10,769)	(19,670)	(7,791)	(7,242)	(6,729)	(11,768)	-
Net Change in Plan Fiduciary Net Position	2,766,875	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	10,544,654	8,452,117	9,062,017	6,109,331	5,056,972	3,636,422	2,355,136	-
Plan Fiduciary Net Position - Ending	13,311,529	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	<u>\$ 16,850,395</u>	<u>\$ 19,564,899</u>	<u>\$ 17,595,916</u>	<u>\$ 16,693,761</u>	<u>\$ 17,291,575</u>	<u>\$ 18,501,569</u>	<u>\$ 20,720,417</u>	<u>\$ 21,640,691</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.13%	35.02%	32.45%	35.18%	26.11%	21.47%	14.93%	9.81%
Covered Payroll	\$ 30,439,665	\$ 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	55.36%	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**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 2,505,310	\$ 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
Contributions in Relation to the Actuarially Determined Contribution	1,901,704	1,508,151	1,677,660	1,388,794	1,556,483	1,802,704	1,829,904	3,698,337	798,000	584,100
Contribution Deficiency (Excess)	<u>\$ 603,606</u>	<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>
Covered Payroll	\$ 30,439,665	\$ 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
Contributions as a Percentage of Covered Payroll	6.25%	5.07%	5.14%	4.36%	5.01%	5.95%	6.01%	12.49%	2.74%	2.01%

Notes to Schedule:

Valuation Date: July 1, 2022
Measurement Date: June 30, 2024
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, 2022 Valuation, 14 Years Remain.
Asset Valuation Method	Market Value
Inflation	2.40%
Healthcare Cost Trend Rates	6.50% Decreasing to 4.40%
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-2021.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	10.96%	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 SEVEN FISCAL YEARS*

	2024	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%	0.00%
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated With the Town	8,395,138	8,668,066	9,104,170	15,736,711	15,128,952	14,952,787	19,377,337
Total	<u>\$ 8,395,138</u>	<u>\$ 8,668,066</u>	<u>\$ 9,104,170</u>	<u>\$ 15,736,711</u>	<u>\$ 15,128,952</u>	<u>\$ 14,952,787</u>	<u>\$ 19,377,337</u>
Town's Covered Payroll	\$ 25,140,741	\$ 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%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule:

Changes in Benefit Terms
Changes of Assumptions

None

Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2023 was updated to equal the SEIR of 3.64% as of June 30, 2023.

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

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

Notes:

- This schedule is intended to show information for 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, 2024

	Final Appropriation	Expenditures and Encumbrances	Unexpended Balance
Salaries - Certified	\$ 24,737,956	\$ 24,604,569	\$ 133,386
Salaries - Support	6,713,494	6,536,316	177,177
Salaries - Other	73,805	65,294	8,512
Temporary Pay - Certified	1,081,269	1,412,026	(330,757)
Temporary Pay - Support	171,500	292,417	(120,917)
Overtime - Support	130,170	129,779	391
Health and Dental Insurance	7,484,151	7,467,257	16,894
Life and Major Medical Insurance	70,000	74,698	(4,698)
Long-Term Disability	3,467	4,055	(588)
Social Security Contribution	1,004,825	1,008,970	(4,145)
Reimbursements	110,800	56,208	54,592
Unemployment Compensation	50,000	11,238	38,762
Workers' Compensation	350,000	326,107	23,893
Sick Pay	163,107	60,040	103,067
Retirement Incentive	18,000	3,000	15,000
Instructional Services	105,398	95,630	9,768
Staff and Curriculum Development	101,050	140,023	(38,973)
Other Professional and Technical Services	1,813,223	1,600,737	212,486
Legal Services	143,749	134,161	9,588
Public Utilities	89,062	91,230	(2,168)
Maintenance and Repairs	402,497	371,922	30,575
Rentals	3,500	2,150	1,350
Pupil Transportation	2,536,680	2,907,314	(370,634)
Insurance - Property	94,515	122,028	(27,513)
Insurance - Liability	135,121	159,115	(23,994)
Other Insurance	25,487	18,046	7,441
Communications	71,720	70,058	1,662
Postage	23,000	14,271	8,729
Advertising	5,000	778	4,222
Tuition	2,582,788	2,683,770	(100,982)
Travel and Conference	158,887	163,656	(4,769)
Other Purchased Services	126,718	138,953	(12,234)
Instructional Supplies	408,961	328,722	80,239
Software	612,464	622,957	(10,493)
Maintenance and Custodial	312,400	446,291	(133,891)
Heat and Energy	1,396,654	1,321,814	74,840
Transportation Supplies	279,300	211,450	67,850
Textbooks	430,544	379,196	51,348
Library and Professional Books	32,660	25,555	7,105
Other Supplies	188,541	179,640	8,901
Equipment	172,839	107,426	65,413
Membership Dues and Fees	30,727	30,025	702
Total	<u>\$ 54,446,027</u>	<u>\$ 54,418,893</u>	<u>\$ 27,134</u>

**TOWN OF WATERFORD, CONNECTICUT
REPORT OF PROPERTY TAX COLLECTIONS
GENERAL FUND
YEAR ENDED JUNE 30, 2024**

Grand List	Uncollected Taxes	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes
	July 1, 2023		Additions	Deductions			Taxes	Interest	Lien Fees	Total	June 30, 2024
2022	\$ -	\$ 96,495,507	\$ 32,815	\$ 499,342	\$ 52,656	\$ 95,976,324	\$ 95,484,281	\$ 121,456	\$ 456	\$ 95,606,193	\$ 492,043
2021	514,393	-	39,028	9,030	39,680	504,711	313,659	69,051	1,433	384,143	191,052
2020	148,944	-	10,537	2,798	26,185	130,498	71,430	24,424	360	96,214	59,067
2019	66,700	-	413	-	3,419	63,694	29,246	11,291	288	40,825	34,448
2018	41,365	-	-	-	1,086	40,279	12,195	8,781	96	21,072	28,085
2017	32,803	-	688	-	1,064	32,427	12,764	10,770	96	23,630	19,663
2016	29,550	-	-	-	860	28,690	11,317	12,224	96	23,637	17,374
2015	24,547	-	-	-	565	23,982	6,930	6,774	48	13,752	17,052
2014	17,587	-	-	-	545	17,042	1,022	4,438	-	5,460	16,020
2013	16,270	-	-	-	476	15,794	2,572	4,245	24	6,841	13,222
2012	13,283	-	-	-	462	12,821	-	-	-	-	12,821
2011	15,213	-	-	-	351	14,862	-	55	-	55	14,862
2010	11,490	-	-	-	333	11,157	-	-	-	-	11,157
2009	8,631	-	-	-	327	8,304	-	1,430	-	1,430	8,304
2008	827	-	-	827	-	0	-	(182)	-	(182)	0
Total	<u>\$ 941,603</u>	<u>\$ 96,495,507</u>	<u>\$ 83,481</u>	<u>\$ 511,997</u>	<u>\$ 128,009</u>	<u>\$ 96,880,585</u>	95,945,416	274,757	2,897	96,223,070	<u>\$ 935,169</u>
Suspense Collections							16,630	15,014	-	31,644	
Total Collections							<u>\$ 95,962,046</u>	<u>\$ 289,771</u>	<u>\$ 2,897</u>	96,254,714	
Property Taxes Receivable - Considered Available:											
June 30, 2023										(111,865)	
June 30, 2024										157,539	
Total										<u>\$ 96,300,388</u>	

**TOWN OF WATERFORD, CONNECTICUT
SCHEDULE OF SEWER ASSESSMENTS RECEIVABLE
GENERAL FUND
YEAR ENDED JUNE 30, 2024**

Contract Number	Principal Uncollected July 1, 2023	Interest and Liens Uncollected July 1, 2023	New Contracts	Interest and Liens Billed	Lawful Corrections				Collections				Principal Balance Uncollected June 30, 2024	Interest and Liens Uncollected June 30, 2024	Balance Uncollected June 30, 2024
					Principal Additions	Principal Deductions	Interest and Lien Additions	Interest and Lien Deductions	Assessments	Lien Fees	Interest and Transferred to Town Clerk	Total			
76	\$ 7,417	\$ 9,431	\$ -	\$ 1,323	\$ -	\$ 78	\$ 78	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,339	\$ 10,832	\$ 18,171
Sewer Assessment Receivable - Considered Available:															
June 30, 2023													-		
June 30, 2024													-		
Total													\$ -		

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
Youth Services Mini Grant	State grant passed through NECASA	Community Coalition to address the Opioid Crisis
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 of CT Election Grant	State grant	To alleviate costs for absentee ballots for the November 2022 election
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 40 and 41 funds passed through the United Way of Southeastern Connecticut	Resources to aid in providing emergency assistance for utilities
Highway Rural Roads Speed Enforcement Grant	Federal Highway Safety funds passed through the CT department of Transportation	Increased speed enforcement on rural roads to reduce traffic fatalities and injuries
Historic Properties	Donations	Donations to the Historic Properties Commission
CT Food Share Grant 2024 Impact Grant	Connecticut Foodshare grant funds	To purchase equipment for the Waterford Community Food Bank
Harbor Management	Docking and mooring fees	Harbor management
Emergency Management Performance Grant Subgrant	Connecticut Department of Emergency Services and Public Protection grant	For activities and purchases directly related to COVID-19

NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS (CONTINUED)

Fund	Funding Source	Function
Youth Services Enhancement Grant	State grant	To promote youth developmental activities
Early Voting Grant	CT Secretary of State grant	To assist with the costs associated with early voting
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 III	Federal funding passed through Senior Resources Agency on Aging	Senior Services foot care services to local senior citizens
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
LOCIP Grant Fund	State LOCIP funds	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, 2024**

	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	\$ 493,688	\$ 616,569	\$ 363,259	\$ -	\$ -	\$ -	\$ -
Investments	-	-	24,986	-	-	-	-
Receivables, Net	646	116,358	-	-	-	-	106,309
Interfund Receivables	-	13,661	-	85,638	15,218	331,307	596,443
Supplies	-	26,260	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Total Assets	<u>\$ 494,334</u>	<u>\$ 772,848</u>	<u>\$ 388,245</u>	<u>\$ 85,638</u>	<u>\$ 15,218</u>	<u>\$ 331,307</u>	<u>\$ 702,752</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts and Other Payable	\$ 87,493	\$ 1,360	\$ -	\$ 1,291	\$ -	\$ 19,581	\$ 26,788
Accrued Liabilities	14,032	-	-	-	-	30,350	537
Interfund Payables	151,399	-	-	-	-	-	-
Unearned Revenue	236,374	-	-	16,927	-	174,952	-
Total Liabilities	<u>489,298</u>	<u>1,360</u>	<u>-</u>	<u>18,218</u>	<u>-</u>	<u>224,883</u>	<u>27,325</u>
DEFERRED INFLOWS OF RESOURCES							
Related to Leases	-	-	-	-	-	-	104,756
Unavailable Revenue - Other	-	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,756</u>
FUND BALANCES							
Nonspendable	-	26,260	-	-	-	-	-
Restricted	5,036	745,228	-	67,420	15,218	106,424	-
Committed	-	-	388,245	-	-	-	570,671
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>5,036</u>	<u>771,488</u>	<u>388,245</u>	<u>67,420</u>	<u>15,218</u>	<u>106,424</u>	<u>570,671</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 494,334</u>	<u>\$ 772,848</u>	<u>\$ 388,245</u>	<u>\$ 85,638</u>	<u>\$ 15,218</u>	<u>\$ 331,307</u>	<u>\$ 702,752</u>

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**TOWN OF WATERFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2024**

	Special Revenue Funds						
	Contributed Gifts	Senior Services	Youth Services Local Prevention Council Grant	Youth Services Mini Grant	Dock Removal Grant	Nuclear Safety Emergency Preparedness	DRE Support Grant
ASSETS							
Cash and Cash Equivalents							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, Net	-	-	-	-	-	-	-
Interfund Receivables	-	-	-	-	-	38,777	1,285
Supplies	91,229	37,937	1,114	2,151	40,376	-	-
Prepaid Items	-	-	-	-	-	-	-
	-	-	-	-	-	-	659
Total Assets							
	<u>\$ 91,229</u>	<u>\$ 37,937</u>	<u>\$ 1,114</u>	<u>\$ 2,151</u>	<u>\$ 40,376</u>	<u>\$ 38,777</u>	<u>\$ 1,944</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts and Other Payable							
Accrued Liabilities	\$ 174	\$ 9,252	\$ 543	\$ -	\$ -	\$ -	\$ -
Interfund Payables	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	38,777	1,944
Total Liabilities	-	11,875	571	-	40,376	-	-
	174	21,127	1,114	-	40,376	38,777	1,944
DEFERRED INFLOWS OF RESOURCES							
Related to Leases							
Unavailable Revenue - Other	-	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable							
Total Deferred Inflows of Resources	-	-	-	-	-	38,566	-
	-	-	-	-	-	38,566	-
FUND BALANCES							
Nonspendable							
Restricted	-	-	-	-	-	-	659
Committed	91,055	16,810	-	2,151	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	(38,566)	(659)
	91,055	16,810	-	2,151	-	(38,566)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 91,229</u>	<u>\$ 37,937</u>	<u>\$ 1,114</u>	<u>\$ 2,151</u>	<u>\$ 40,376</u>	<u>\$ 38,777</u>	<u>\$ 1,944</u>

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**TOWN OF WATERFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2024**

	Special Revenue Funds					
	State of CT Election Grant	Community Foundation Grant	Comprehensive DUI Enforcement Program	EFSP Grant	Highway Rural Roads Speed Enforcement Grant	Historic Properties
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables, Net	-	-	3,482	-	23,034	-
Interfund Receivables	1,971	-	-	876	-	3,235
Supplies	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Total Assets	<u>\$ 1,971</u>	<u>\$ -</u>	<u>\$ 3,482</u>	<u>\$ 876</u>	<u>\$ 23,034</u>	<u>\$ 3,235</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts and Other Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-	-
Interfund Payables	-	-	3,482	-	23,034	-
Unearned Revenue	1,971	-	-	876	-	-
Total Liabilities	<u>1,971</u>	<u>-</u>	<u>3,482</u>	<u>876</u>	<u>23,034</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Related to Leases	-	-	-	-	-	-
Unavailable Revenue - Other	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	3,235
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,235</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,971</u>	<u>\$ -</u>	<u>\$ 3,482</u>	<u>\$ 876</u>	<u>\$ 23,034</u>	<u>\$ 3,235</u>

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**TOWN OF WATERFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2024**

	Special Revenue Funds					
	Community Impact Grant	Harbor Management	Emergency Management Performance Grant	Youth Services Enhancement Grant	Early Voting Grant	Historic Documents Preservation Grant
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,583
Investments	-	-	-	-	-	-
Receivables, Net	-	-	-	-	-	-
Interfund Receivables	7,000	23,466	-	-	6,980	192
Supplies	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Total Assets	<u>\$ 7,000</u>	<u>\$ 23,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,980</u>	<u>\$ 162,775</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts and Other Payable	\$ -	\$ 123	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	1,117	-	-	-	-
Interfund Payables	-	-	927	-	-	-
Unearned Revenue	7,000	-	-	-	6,980	-
Total Liabilities	<u>7,000</u>	<u>1,240</u>	<u>927</u>	<u>-</u>	<u>6,980</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Related to Leases	-	-	-	-	-	-
Unavailable Revenue - Other	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	22,226	-	-	-	162,775
Committed	-	-	-	-	-	-
Unassigned	-	-	(927)	-	-	-
Total Fund Balances	<u>-</u>	<u>22,226</u>	<u>(927)</u>	<u>-</u>	<u>-</u>	<u>162,775</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,000</u>	<u>\$ 23,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,980</u>	<u>\$ 162,775</u>

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**TOWN OF WATERFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2024**

	Special Revenue Funds					
	Reeve Foundation Grant	Senior Services Title IIIB	Student Athletics	ARPA Auto Theft & Violence Grant	FEMA Grant Fund	ARPA Rural Roads Fund
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ 63,825	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables, Net	-	1,468	-	-	-	3,334
Interfund Receivables	1,530	-	-	226	-	-
Supplies	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Total Assets	<u>\$ 1,530</u>	<u>\$ 1,468</u>	<u>\$ 63,825</u>	<u>\$ 226</u>	<u>\$ -</u>	<u>\$ 3,334</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts and Other Payable	\$ -	\$ 741	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-	1
Interfund Payables	-	910	-	-	16,645	1,215
Unearned Revenue	-	-	-	226	-	-
Total Liabilities	-	1,651	-	226	16,645	1,216
DEFERRED INFLOWS OF RESOURCES						
Related to Leases	-	-	-	-	-	-
Unavailable Revenue - Other	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	-	-	-	-	-	3,334
Total Deferred Inflows of Resources	-	-	-	-	-	3,334
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	1,530	-	-	-	-	-
Committed	-	-	63,825	-	-	-
Unassigned	-	(183)	-	-	(16,645)	(1,216)
Total Fund Balances	<u>1,530</u>	<u>(183)</u>	<u>63,825</u>	<u>-</u>	<u>(16,645)</u>	<u>(1,216)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,530</u>	<u>\$ 1,468</u>	<u>\$ 63,825</u>	<u>\$ 226</u>	<u>\$ -</u>	<u>\$ 3,334</u>

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**TOWN OF WATERFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2024**

	Special Revenue Funds	Capital Projects Funds					Permanent Fund	Total Nonmajor Governmental Funds
	FEMA Fire Prevention & Safety Fund	Fleet Management	Sewer Maintenance & Development	Capital Improvements Fund	LOCIP Fund	Early Childhood Learning Center	Hammond Memorial Trust	
ASSETS								
Cash and Cash Equivalents	\$ -	\$ 4,272,224	\$ 776,980	\$ 3,338,687	\$ -	\$ -	\$ 58	\$ 10,087,873
Investments	-	-	-	-	-	-	116,911	141,897
Receivables, Net	-	6,013	425	-	122,000	-	-	423,131
Interfund Receivables	-	-	13,712	503,153	-	549,784	-	2,327,199
Supplies	-	-	-	-	-	-	-	26,260
Prepaid Items	-	-	-	-	-	-	-	659
Total Assets	<u>\$ -</u>	<u>\$ 4,278,237</u>	<u>\$ 791,117</u>	<u>\$ 3,841,840</u>	<u>\$ 122,000</u>	<u>\$ 549,784</u>	<u>\$ 116,969</u>	<u>\$ 13,007,019</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts and Other Payable	\$ -	\$ 159,401	\$ -	\$ 278,645	\$ -	\$ -	\$ -	\$ 585,392
Accrued Liabilities	-	-	-	-	-	-	-	46,037
Interfund Payables	-	616,895	-	-	-	-	-	855,228
Unearned Revenue	-	-	480	739,149	-	-	-	1,237,757
Total Liabilities	-	776,296	480	1,017,794	-	-	-	2,724,414
DEFERRED INFLOWS OF RESOURCES								
Related to Leases	-	-	-	-	-	-	-	104,756
Unavailable Revenue - Other	-	-	14	-	-	-	-	14
Unavailable Revenue - Grants Receivable	-	-	-	-	122,000	-	-	163,900
Total Deferred Inflows of Resources	-	-	14	-	122,000	-	-	268,670
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	116,969	143,888
Restricted	-	-	790,623	-	-	-	-	2,029,731
Committed	-	3,501,941	-	2,824,046	-	549,784	-	7,898,512
Unassigned	-	-	-	-	-	-	-	(58,196)
Total Fund Balances	-	3,501,941	790,623	2,824,046	-	549,784	116,969	10,013,935
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 4,278,237</u>	<u>\$ 791,117</u>	<u>\$ 3,841,840</u>	<u>\$ 122,000</u>	<u>\$ 549,784</u>	<u>\$ 116,969</u>	<u>\$ 13,007,019</u>

**TOWN OF WATERFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds						
	Special Education Grants	School Cafeteria	School Activity	Waterford Special Activity Fund	Drug Enforcement Grant	Youth Services	Water
REVENUES							
Intergovernmental	\$ 1,932,683	\$ 836,747	\$ -	\$ -	\$ 16,328	\$ -	\$ -
Fines, Penalties, and Charges for Services	-	520,883	371,028	69,348	-	260,454	40,179
Investment Earnings (Loss)	-	784	-	-	-	-	-
Other	-	-	-	14,650	-	60,696	-
Total Revenues	1,932,683	1,358,414	371,028	83,998	16,328	321,150	40,179
EXPENDITURES							
Current:							
General Government	-	-	-	11,894	-	-	-
Public Safety	-	-	-	-	14,709	-	-
Public Works	-	-	-	-	-	-	131,081
Recreation	-	-	-	61,195	-	-	-
Social Services	-	-	-	-	-	286,175	-
Education	1,932,683	1,465,570	349,493	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	1,932,683	1,465,570	349,493	73,089	14,709	286,175	131,081
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(107,156)	21,535	10,909	1,619	34,975	(90,902)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	4,750	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	4,750	-	-	-
NET CHANGE IN FUND BALANCES	-	(107,156)	21,535	15,659	1,619	34,975	(90,902)
Fund Balances - Beginning of Year	5,036	878,644	366,710	51,761	13,599	71,449	661,573
FUND BALANCES - END OF YEAR	<u>\$ 5,036</u>	<u>\$ 771,488</u>	<u>\$ 388,245</u>	<u>\$ 67,420</u>	<u>\$ 15,218</u>	<u>\$ 106,424</u>	<u>\$ 570,671</u>

(Continued on Next Page)

**TOWN OF WATERFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds						
	Contributed Gifts	Senior Services	Youth Services Local Prevention Council Grant	Youth Services Mini Grant	Dock Removal Grant	Nuclear Safety Emergency Preparedness	DRE Support Grant
REVENUES							
Intergovernmental	\$ -	\$ 500	\$ 3,581	\$ -	\$ -	\$ 80,776	\$ 30,524
Fines, Penalties, and Charges for Services	-	69,251	-	-	-	-	-
Investment Earnings (Loss)	-	-	-	-	-	-	-
Other	20,532	3,950	-	-	-	-	-
Total Revenues	20,532	73,701	3,581	-	-	80,776	30,524
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	28,045	-	-	-	-	38,748	30,524
Public Works	-	-	-	-	-	-	-
Recreation	7,116	-	-	-	-	-	-
Social Services	-	70,591	3,581	225	-	-	-
Education	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	35,161	70,591	3,581	225	-	38,748	30,524
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(14,629)	3,110	-	(225)	-	42,028	-
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(14,629)	3,110	-	(225)	-	42,028	-
Fund Balances - Beginning of Year	105,684	13,700	-	2,376	-	(80,594)	-
FUND BALANCES - END OF YEAR	<u>\$ 91,055</u>	<u>\$ 16,810</u>	<u>\$ -</u>	<u>\$ 2,151</u>	<u>\$ -</u>	<u>\$ (38,566)</u>	<u>\$ -</u>

(Continued on Next Page)

**TOWN OF WATERFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds					
	State of CT Election Grant	Community Foundation Grant	Comprehensive DUI Enforcement Program	EFSP Grant	Highway Rural Roads Speed Enforcement Grant	Historic Properties
REVENUES						
Intergovernmental	\$ 228	\$ -	\$ 10,017	\$ 2,374	\$ 32,519	\$ -
Fines, Penalties, and Charges for Services	-	-	-	-	-	-
Investment Earnings (Loss)	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Revenues	228	-	10,017	2,374	32,519	-
EXPENDITURES						
Current:						
General Government	228	2,200	-	-	-	9,394
Public Safety	-	-	10,017	-	32,519	-
Public Works	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Social Services	-	-	-	2,374	-	-
Education	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	228	2,200	10,017	2,374	32,519	9,394
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(2,200)	-	-	-	(9,394)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(2,200)	-	-	-	(9,394)
Fund Balances - Beginning of Year	-	2,200	-	-	-	12,629
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,235</u>

(Continued on Next Page)

**TOWN OF WATERFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds						
	Community Impact Grant	Harbor Management	Emergency Management Performance Grant	Youth Services Enhancement Grant	Early Voting Grant	Small Cities Grant II	Historic Documents Preservation Grant
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ 16,657	\$ 3,520	\$ -	\$ 6,000
Fines, Penalties, and Charges for Services	-	11,475	-	-	-	-	-
Investment Earnings (Loss)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Revenues	-	11,475	-	16,657	3,520	-	6,000
EXPENDITURES							
Current:							
General Government	-	17,063	-	-	3,520	-	6,000
Public Safety	-	-	927	-	-	-	-
Public Works	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Social Services	-	-	-	16,657	-	-	-
Education	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	-	17,063	927	16,657	3,520	-	6,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(5,588)	(927)	-	-	-	-
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(5,588)	(927)	-	-	-	-
Fund Balances - Beginning of Year	-	27,814	-	-	-	162,775	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 22,226</u>	<u>\$ (927)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,775</u>	<u>\$ -</u>

(Continued on Next Page)

**TOWN OF WATERFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds						
	Reeve Foundation Grant	Senior Services Title IIIB	Distracted Driving HVE Grant	Student Athletics	ARPA Auto Theft & Violence Grant	FEMA Grant Fund	ARPA Rural Roads Fund
REVENUES							
Intergovernmental	\$ -	\$ 3,574	\$ 6,400	\$ -	\$ 34,774	\$ -	\$ 48,060
Fines, Penalties, and Charges for Services	-	-	-	104,963	-	-	-
Investment Earnings (Loss)	-	-	-	-	-	-	-
Other	-	1,292	-	-	-	-	-
Total Revenues	-	4,866	6,400	104,963	34,774	-	48,060
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	6,400	-	34,774	18,583	31,568
Public Works	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Social Services	-	5,049	-	-	-	-	-
Education	-	-	-	85,611	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	-	5,049	6,400	85,611	34,774	18,583	31,568
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(183)	-	19,352	-	(18,583)	16,492
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(183)	-	19,352	-	(18,583)	16,492
Fund Balances - Beginning of Year	1,530	-	-	44,473	-	1,938	(17,708)
FUND BALANCES - END OF YEAR	<u>\$ 1,530</u>	<u>\$ (183)</u>	<u>\$ -</u>	<u>\$ 63,825</u>	<u>\$ -</u>	<u>\$ (16,645)</u>	<u>\$ (1,216)</u>

(Continued on Next Page)

**TOWN OF WATERFORD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds	Capital Projects Funds					Permanent Fund		Total Nonmajor Governmental Funds
	FEMA Fire Prevention & Safety Fund	Fleet Management	Sewer Maintenance & Development	Capital Improvements Fund	LOCIP Fund	Early Childhood Learning Center	Hammond Memorial Trust	Interfund Eliminations	
REVENUES									
Intergovernmental	\$ 22,571	\$ -	\$ -	\$ 273,700	\$ 177,241	\$ -	\$ -	\$ -	\$ 3,538,774
Fines, Penalties, and Charges for Services	-	46,513	58,794	-	-	-	-	-	1,552,888
Investment Earnings (Loss)	-	231,580	41,636	-	-	-	12,723	-	286,723
Other	-	60,299	-	812,717	-	-	-	-	974,136
Total Revenues	22,571	338,392	100,430	1,086,417	177,241	-	12,723	-	6,352,521
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	15,001	-	65,300
Public Safety	22,571	-	-	-	-	-	-	-	269,385
Public Works	-	-	-	-	-	-	-	-	131,081
Recreation	-	-	-	-	-	-	-	-	68,311
Social Services	-	-	-	-	-	-	-	-	384,652
Education	-	-	-	-	-	-	-	-	3,833,357
Capital Outlay	-	1,346,200	86,596	3,481,477	177,241	-	-	-	5,091,514
Total Expenditures	22,571	1,346,200	86,596	3,481,477	177,241	-	15,001	-	9,843,600
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(1,007,808)	13,834	(2,395,060)	-	-	(2,278)	-	(3,491,079)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	1,000,000	-	2,787,620	-	-	-	(1,000,000)	2,792,370
Transfers Out	-	-	-	(1,158,176)	-	-	-	1,000,000	(158,176)
Total Other Financing Sources (Uses)	-	1,000,000	-	1,629,444	-	-	-	-	2,634,194
NET CHANGE IN FUND BALANCES	-	(7,808)	13,834	(765,616)	-	-	(2,278)	-	(856,885)
Fund Balances - Beginning of Year	-	3,509,749	776,789	3,589,662	-	549,784	119,247	-	10,870,820
FUND BALANCES - END OF YEAR	\$ -	\$ 3,501,941	\$ 790,623	\$ 2,824,046	\$ -	\$ 549,784	\$ 116,969	\$ -	\$ 10,013,935

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 postemployment benefits for certain Town employees.

TOWN OF WATERFORD, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE TRUST FUNDS
JUNE 30, 2024

	Pension Trust Fund	OPEB Trust Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 13,614	\$ 23,616	\$ 37,230
Investments:			
Mutual Funds	494,241	13,307,900	13,802,141
Total Assets	<u>507,855</u>	<u>13,331,516</u>	<u>13,839,371</u>
LIABILITIES			
Accounts and Other Payables	<u>1,063</u>	<u>19,987</u>	<u>21,050</u>
NET POSITION			
Restricted for OPEB Benefits	-	13,311,529	13,311,529
Restricted for Pension Benefits	<u>506,792</u>	<u>-</u>	<u>506,792</u>
Total Net Position	<u><u>\$ 506,792</u></u>	<u><u>\$ 13,311,529</u></u>	<u><u>\$ 13,818,321</u></u>

TOWN OF WATERFORD, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE TRUST FUNDS
YEAR ENDED JUNE 30, 2024

	Pension Trust Fund	OPEB Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 27,280	\$ 2,023,664	\$ 2,050,944
Investment Income:			
Net Change in Fair Value of Investments	<u>57,652</u>	<u>1,302,961</u>	<u>1,360,613</u>
Total Additions	84,932	3,326,625	3,411,557
DEDUCTIONS			
Benefit Payments	86,806	565,359	652,165
Administration	793	(5,609)	(4,816)
Total Deductions	<u>87,599</u>	<u>559,750</u>	<u>647,349</u>
CHANGE IN NET POSITION	(2,667)	2,766,875	2,764,208
Net Position - Beginning of Year	<u>509,459</u>	<u>10,544,654</u>	<u>11,054,113</u>
NET POSITION - END OF YEAR	<u><u>\$ 506,792</u></u>	<u><u>\$ 13,311,529</u></u>	<u><u>\$ 13,818,321</u></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)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities:										
Net Investment in Capital Assets	\$ 167,448	\$ 164,702	\$ 166,836	\$ 165,530	\$ 172,217	\$ 172,063	\$ 172,024	\$ 174,397	\$ 174,913	\$ 173,491
Restricted	2,311	2,301	1,612	1,440	135	137	145	130	216	178
Unrestricted	(5,748)	(3,756)	(5,480)	(9,002)	(13,040)	(11,532)	(5,839)	(10,913)	(5,725)	5,299
Total Governmental Activities										
Net Position	164,010	163,248	162,968	157,968	159,312	160,668	166,330	163,614	169,404	178,968
Business-Type Activities:										
Net Investment in Capital Assets	41,656	42,958	44,690	45,670	49,212	50,975	52,848	54,164	54,835	55,840
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	6,218	5,814	5,053	4,767	4,361	3,842	3,822	3,299	2,765	2,194
Total Business-Type Activities										
Net Position	47,874	48,771	49,743	50,437	53,573	54,817	56,670	57,463	57,600	58,034
Primary Government:										
Net Investment In Capital Assets	209,104	207,660	211,526	211,200	221,430	223,038	224,872	228,561	229,748	229,331
Restricted	2,311	2,301	1,612	1,440	135	137	145	130	216	178
Unrestricted	469	2,058	(427)	(4,235)	(8,679)	(7,690)	(2,017)	(7,614)	(2,960)	7,493
Total Primary Government										
Net Position	<u>\$ 211,884</u>	<u>\$ 212,019</u>	<u>\$ 212,711</u>	<u>\$ 208,405</u>	<u>\$ 212,885</u>	<u>\$ 215,485</u>	<u>\$ 223,000</u>	<u>\$ 221,077</u>	<u>\$ 227,004</u>	<u>\$ 237,002</u>

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
EXPENSES										
Governmental Activities:										
General Government	\$ 17,265	\$ 16,339	\$ 14,481	\$ 15,705	\$ 15,856	\$ 15,429	\$ 14,892	\$ 13,745	\$ 14,176	\$ 13,676
Public Safety	13,087	14,438	11,579	13,999	13,150	13,198	12,098	11,508	13,356	10,640
Public Works	10,725	12,102	8,803	8,780	8,086	8,432	7,180	8,558	8,569	7,384
Recreation	3,304	1,967	1,836	1,763	1,941	1,773	1,020	1,763	1,897	1,822
Library	1,047	1,158	1,002	1,156	1,159	1,154	1,065	917	1,598	1,383
Social Services	1,380	1,374	1,303	1,285	1,427	1,370	1,299	1,321	3,238	3,254
Education	71,966	72,529	65,498	74,351	68,539	60,142	64,680	61,805	56,442	55,882
Interest on Long-Term Debt	1,152	1,247	1,363	1,393	2,057	2,285	2,400	2,604	2,795	3,096
Total Governmental Activities Expenses	119,927	121,154	105,865	118,432	112,215	103,783	104,634	102,221	102,071	97,137
Business-Type Activities:										
Utilities Commission	5,335	5,236	5,120	5,480	5,399	5,217	5,740	4,945	5,172	5,178
Total Primary Government Expenses	125,262	126,390	110,985	123,912	117,614	109,000	110,374	107,166	107,243	102,315
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	1,354	1,446	1,346	1,762	1,068	1,119	1,032	1,289	1,135	1,168
Public Safety	187	93	268	293	502	561	500	265	254	201
Public Works	474	785	623	872	612	735	635	846	829	528
Recreation	351	257	208	89	180	232	228	217	218	213
Library	2	1	-	-	10	16	17	18	19	19
Social Services	352	296	308	11	185	294	236	261	243	189
Education	1,119	826	479	319	533	657	611	582	592	721
Operating Grants And Contributions	11,930	15,754	11,664	19,990	13,901	6,171	12,205	11,261	9,056	8,874
Capital Grants And Contributions	3,654	1,143	1,858	578	658	839	2,450	3,106	1,004	6,163
Total Governmental Activities Program Revenues	19,423	20,600	16,754	23,914	17,649	10,624	17,914	17,845	13,350	18,076
Business-Type Activities:										
Charges for Services	3,861	3,820	3,798	3,841	3,710	3,765	3,654	3,727	3,728	3,797
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	2
Capital Grants and Contributions	-	-	-	16	-	-	-	417	1,307	945
Total Business-Type Activities Program Revenues	3,861	3,820	3,798	3,857	3,710	3,765	3,654	4,144	5,035	4,744
Total Primary Government Program Revenues	23,284	24,420	20,552	27,771	21,359	14,389	21,568	21,989	18,385	22,820
NET REVENUE (EXPENSE)										
Governmental Activities	(100,504)	(100,554)	(89,111)	(94,518)	(94,566)	(93,159)	(86,720)	(84,376)	(88,721)	(79,061)
Business-Type Activities	(1,474)	(1,415)	(1,322)	(1,623)	(1,689)	(1,452)	(2,086)	(801)	(137)	(434)
Total Primary Government Net Expense	\$ (101,978)	\$ (101,970)	\$ (90,433)	\$ (96,141)	\$ (96,255)	\$ (94,611)	\$ (88,806)	\$ (85,177)	\$ (88,858)	\$ (79,495)

(Continued on Next Page)

**TABLE 2
(CONTINUED)**

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes	\$ 96,206	\$ 97,440	\$ 94,070	\$ 93,198	\$ 92,136	\$ 90,251	\$ 87,927	\$ 85,884	\$ 81,996	\$ 79,071
Grants and Contributions Not Restricted to Specific Programs	936	755	376	356	351	353	294	771	695	830
Unrestricted Investment Earnings	4,301	2,853	226	133	1,083	1,297	686	315	185	158
Miscellaneous	73	46	55	175	197	39	145	123	54	7
Transfers	(250)	(260)	(615)	(31)	(95)	(138)	(196)	-	-	-
Total Governmental Activities	101,266	100,834	94,112	93,831	93,672	91,802	88,856	87,093	82,930	80,066
Business-Type Activities:										
Investment Earnings	327	184	12	3	47	70	37	8	-	-
Transfers	250	260	615	31	95	138	196	-	-	-
Total Business-Type Activities	577	444	627	34	142	208	233	8	-	-
Total Primary Government	101,843	101,278	94,739	93,865	93,814	92,010	89,089	87,101	82,930	80,066
CHANGES IN NET POSITION										
Governmental Activities	763	279	5,001	(687)	(894)	(1,357)	2,136	2,717	(5,791)	1,005
Business-Type Activities	(897)	(971)	(695)	(1,589)	(1,547)	(1,244)	(1,853)	(793)	(137)	(434)
Total Primary Government	\$ (135)	\$ (692)	\$ 4,306	\$ (2,276)	\$ (2,441)	\$ (2,601)	\$ 283	\$ 1,924	\$ (5,928)	\$ 571

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund:										
Nonspendable	\$ 11	\$ 17	\$ 356	\$ 22	\$ 215	\$ 191	\$ 158	\$ 45	\$ 461	\$ 67
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,270	365	486	779	935	287	651	366	513	369
Unassigned	23,684	26,086	23,004	22,981	18,963	16,781	13,980	13,183	10,948	10,138
Total General Fund	<u>\$ 24,965</u>	<u>\$ 26,469</u>	<u>\$ 23,846</u>	<u>\$ 23,782</u>	<u>\$ 20,113</u>	<u>\$ 17,259</u>	<u>\$ 14,789</u>	<u>\$ 13,594</u>	<u>\$ 11,922</u>	<u>\$ 10,574</u>
All Other Governmental Funds:										
Nonspendable	\$ 144	\$ 138	\$ 127	\$ 154	\$ 131	\$ 140	\$ 142	\$ 145	\$ 130	\$ 150
Restricted	2,030	2,084	1,491	961	910	877	1,040	1,033	887	1,112
Committed	18,705	19,000	16,309	13,755	11,434	7,206	8,061	9,437	10,250	14,367
Assigned	-	-	-	-	1,606	1,189	900	620	364	186
Unassigned	(3,000)	(3,040)	(2,942)	(3,033)	(2,946)	(2,942)	(2,980)	(3,699)	(5,924)	(6,021)
Total All Other Governmental Funds	<u>\$ 17,879</u>	<u>\$ 18,182</u>	<u>\$ 14,985</u>	<u>\$ 11,837</u>	<u>\$ 11,135</u>	<u>\$ 6,470</u>	<u>\$ 7,163</u>	<u>\$ 7,536</u>	<u>\$ 5,707</u>	<u>\$ 9,794</u>

TABLE 4

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES										
Property Taxes, Interest, and Liens	96,300	97,754	\$ 93,937	\$ 93,334	\$ 92,060	\$ 91,062	\$ 87,828	\$ 86,168	\$ 81,756	\$ 78,907
Intergovernmental	16,374	15,229	16,013	11,736	11,396	12,197	10,197	15,149	11,367	12,055
Assessments and Connections	59	204	140	131	123	53	70	33	95	1
Licenses and Permits	1,617	1,643	1,699	1,988	1,641	1,737	1,624	1,175	1,021	1,040
Fines, Penalties, and Charges for Services	2,160	1,828	1,770	1,151	1,382	1,771	1,591	1,806	1,524	1,511
Investment Earnings	3,990	2,622	206	128	1,020	1,254	659	304	181	156
Other	987	196	128	291	276	134	162	708	740	1,002
Total Revenues	121,487	119,477	113,893	108,759	107,898	108,208	102,131	105,343	96,684	94,672
EXPENDITURES										
General Government	16,004	15,180	14,603	14,620	14,164	13,454	13,480	13,493	13,180	12,290
Public Safety	11,499	11,690	10,924	11,188	10,615	10,737	10,248	10,053	10,022	9,690
Public Works	6,228	5,494	5,390	4,764	4,385	4,822	4,341	4,763	4,435	4,401
Recreation	3,022	1,570	1,530	1,323	1,465	1,412	1,382	1,728	1,634	1,670
Library	1,064	988	972	1,076	1,007	1,022	1,003	1,037	1,546	1,438
Social Services	1,310	1,191	1,352	1,033	1,113	1,199	1,242	1,244	2,990	3,187
Education	67,389	64,390	62,844	59,771	58,698	58,886	55,761	56,983	50,786	50,850
Capital Outlay	8,610	5,890	5,411	8,383	11,637	7,314	6,424	5,156	7,414	5,438
Debt Service:										
Principal	6,522	5,383	5,840	5,060	5,145	5,020	4,980	4,585	4,430	4,005
Interest	1,702	1,890	2,095	2,715	2,355	2,565	2,449	2,937	2,985	3,057
Total Expenditures	123,349	113,667	110,961	109,933	110,584	106,431	101,310	101,979	99,422	96,026
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,862)	5,810	2,932	(1,174)	(2,686)	1,777	821	3,364	(2,738)	(1,354)
OTHER FINANCING SOURCES (USES)										
Transfers In	6,356	7,557	6,978	3,801	5,975	4,978	4,834	5,274	3,509	6,646
Transfers Out	(6,356)	(7,557)	(6,978)	(3,801)	(5,975)	(4,978)	(4,834)	(5,274)	(3,509)	(6,646)
Issuance of Leases	56	10	281	-	-	-	-	-	-	-
Bonds and Notes Issued	-	-	-	32,545	19,085	-	-	14,585	-	-
Bond and Notes Premium	-	-	-	1,442	1,610	-	-	2,842	-	-
Payment to Refunding Bond Escrow Agent	-	-	-	(28,679)	(10,490)	-	-	(17,289)	-	-
Total Other Financing Sources (Uses)	56	10	281	5,308	10,205	-	-	138	-	-
NET CHANGE IN FUND BALANCES	(1,806)	5,819	3,213	4,134	7,519	1,777	821	3,502	(2,738)	(1,354)
Fund Balances - Beginning of Year	44,651	38,832	35,619	31,485	23,729	21,952	21,131	17,629	20,367	21,721
FUND BALANCES - END OF YEAR	42,845	44,651	\$ 38,832	\$ 35,619	\$ 31,248	\$ 23,729	\$ 21,952	\$ 21,131	\$ 17,629	\$ 20,367
Debt Service as a Percentage of Noncapital Expenditures	7.72%	7.24%	8.13%	8.29%	8.20%	8.29%	8.49%	8.42%	8.77%	8.45%

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						
2024	2022	\$ 2,023,227	\$ 1,205,708	\$ 424,435	\$ 1,076,415	\$ 229,629	\$ 425,330	\$ 4,534,084	21.20	\$ 6,477,262
2023	2021	1,512,637	837,802	339,293	957,974	217,651	352,928	3,512,429	27.56	5,017,756
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	3,329,957	27.87	4,757,081
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

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	2022 GL			2012 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	\$ 1,573,080	1	31.88%	\$ 1,108,715	1	29.97%
Eversource	Utility	102,121	2	2.15%	45,795	3	1.24%
Mass Municipal	Business Corp	41,666	3	0.40%			
Waterford Commons	Retail	33,045	4	0.69%	30,951	4	0.84%
Crystal Mall LLC	Retail	30,839	5	0.85%	88,427	2	2.39%
Yankee Gas Services Co.	Utility	19,575	6	0.29%			
CFC-HBAN Solar Trust	Utility	16,102	7	0.31%			
Waterford Woods, LLC	Real Estate	15,992	8				
Green Mountain Power Corp	Utility	15,017	9				
Chase Crossroads Waterford Square	Shopping Center	14,596	10	0.28%	30,655	5	0.83%
CT Waterford LLC (Oil Mill Solar)	Solar Utility			0.29%			
Sonalysts Inc.	Government Contractor			0.38%	13,165	7	0.36%
Wal Mart Stores	Retail				19,777	6	0.53%
Health Care REIT & Senior Living LLC	Senior Living				11,418	8	0.31%
Waterford Real Estate Holdings	Real Estate				10,945	9	0.30%
Dayton Hudson dba Target	Retail				10,567	10	0.29%
Total		<u>\$ 1,862,034</u>		<u>37.52%</u>	<u>\$ 1,370,415</u>		<u>37.06%</u>

Source: Town of Waterford, Office of Tax Assessor

**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)	Tax Levy Adjustment	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
2024	21.20	\$ 96,496	\$ (466)	\$ 96,030	\$ 96,077	99.89 %	\$ 365	\$ 96,442	99.94 %
2023	27.56	96,523	(217)	96,306	96,523	99.68	364	96,887	100.38
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

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
2024	\$ 55,215	\$ 55,215	0.08 %	1.22 %	\$ 2,824
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

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

TOWN OF WATERFORD, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
JUNE 30, 2024
(IN THOUSANDS)
(UNAUDITED)

Total Tax Collections for the Prior Year, June 30, 2023, Including Interest and Lien Fees \$ 97,754

Reimbursement for Revenue Loss on:

Property Tax Relief for Elderly, previous fiscal year 2

Base \$ 97,756

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	Total
Debt Limitation:						
2-1/4 Times Base	\$ 219,951	\$ -	\$ -	\$ -	\$ -	\$ 219,951
4-1/2 Times Base	-	439,902	-	-	-	439,902
3-3/4 Times Base	-	-	366,585	-	-	366,585
3-1/4 Times Base	-	-	-	317,707	-	317,707
3 Times Base	-	-	-	-	293,268	293,268
7 Times Base	-	-	-	-	-	-
Total Debt Limitation	<u>219,951</u>	<u>439,902</u>	<u>366,585</u>	<u>317,707</u>	<u>293,268</u>	<u>1,637,413</u>
Indebtedness:						
Bonds Payable	11,600	43,615	-	-	-	55,215
Authorized and Unissued	<u>1,345</u>	<u>7,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,592</u>
Total Indebtedness	<u>12,945</u>	<u>50,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,807</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 207,006</u>	<u>\$ 389,040</u>	<u>\$ 366,585</u>	<u>\$ 317,707</u>	<u>\$ 293,268</u>	<u>\$ 1,573,606</u>

Note 1: In no event shall total debt exceed seven times annual receipts from taxation. The maximum amount permitted would be \$684 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.

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt Limit	\$ 675,097	\$ 678,208	\$ 654,122	\$ 648,809	\$ 638,610	\$ 614,811	\$ 603,200	\$ 603,192	\$ 572,307	\$ 552,363
Total Net Debt Applicable to Limit	55,215	61,665	75,567	72,815	6	69,465	74,485	87,841	134,033	138,463
Legal Debt Margin	<u>\$ 619,882</u>	<u>\$ 616,543</u>	<u>\$ 578,555</u>	<u>\$ 575,994</u>	<u>\$ 638,604</u>	<u>\$ 545,346</u>	<u>\$ 528,715</u>	<u>\$ 515,351</u>	<u>\$ 438,274</u>	<u>\$ 413,900</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

**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)
2024	19,553	\$ 46,397	\$ -	45	2,341	2.5 %
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

(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	2024			2014		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Dominion Nuclear Connecticut	Nuclear Power	1,650	1	16.74%	1,650	1	16.55%
Town of Waterford	Municipality	595	2	7.02%	685	2	6.87%
Waterford Hotel Group	Hospitality	568	3	5.39%	531	3	5.33%
Wal Mart Stores, Inc	Retail	497	4	5.04%	497	4	4.99%
Sonalysts Inc.	Government Contractor	486	5	2.79%	275	5	2.76%
Home Depot	Hardware & Lumber	200	6	2.03%	185	8	1.86%
Bayview Healthcare Center	Healthcare Facility	200	7	2.01%	225	7	2.26%
Lowe's Home Improvement	Hardware & Lumber	119	8	1.62%	180	9	1.81%
BJ's Wholesale	Retail Store	112	9	1.18%			
Coca Cola Bottling	Distributor	120	10	1.14%			
Sears	Retail Store		N/A		260	6	2.61%
Target	Retail Store		N/A		180	10	1.81%
Total		<u>4,547</u>		<u>0.45 %</u>	<u>4,668</u>		<u>0.47 %</u>

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)

	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Government	66	66	66	73	94	92	92	92	92	92
Police	55	55	55	53	55	54	54	54	54	54
Fire	18	18	15	15	15	15	15	15	15	20
Refuse Collection	6	6	6	6	6	6	6	6	6	6
Other Public Works	28	28	28	28	27	24	24	24	24	24
Recreation and Parks	11	11	11	12	11	10	10	10	10	10
Library	11	11	11	16	21	24	24	24	24	24
Education	<u>457</u>	<u>434</u>	<u>433</u>	<u>463</u>	<u>463</u>	<u>463</u>	<u>461</u>	<u>456</u>	<u>455</u>	<u>455</u>
Total	<u>652</u>	<u>595</u>	<u>625</u>	<u>551</u>	<u>692</u>	<u>688</u>	<u>686</u>	<u>681</u>	<u>680</u>	<u>685</u>

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government:										
Building Permits Issued	2,018	1,867	21	13	30	28	31	24	15	15
Building Inspections Conducted	6,054	5,600	270	180	330	475	490	312	195	282
Police:										
Physical Arrests	820	977	1,006	708	818	1,062	1,170	1,128	1,914	1,955
Parking Violations	7	12	38	24	69	146	147	162	176	38
Traffic Violations	5,688	4,320	4,869	3,159	4,102	6,344	5,162	3,509	4,066	3,691
Fire:										
Emergency Responses	2,612	2,224	2,549	2,239	2,900	3,930	4,167	3,860	3,896	3,668
Fires Extinguished	58	37	70	69	81	47	60	62	82	60
Inspections	854	223	243	139	185	272	323	311	425	488
Refuse Collection:										
Refuse Collected (Tons Per Day)	28	30	26	31	29	28	28	25	48	27
Recyclables Collected (Tons Per Day)	12	11	10	7	8	15	17	17	17	13
Other Public Works:										
Street Resurfacing (Miles)	5	7	2	1	2	3	2	2	3	4
Potholes Repaired	326	500	678	211	267	453	534	372	510	989
Recreation and Parks:										
Athletic Field Permits Issued	811	770	1,748	1,494	1,026	2,091	2,003	2,076	2,060	2,832
Community Center Admissions (1)	15,431	8,719	3,513	493	19,524	61,784	61,000	61,218	62,240	61,689
Number of Program Registrations	1,516	1,742	1,124	27	3,229	6,146	7,247	6,973	7,531	5,812
Program Fees	241,608	73,880	38,853	815	63,933	212,071	203,612	201,084	201,885	190,780
Senior Services:										
Number of Program Participants	2,574	284	654	23,147	24,181	47,159	47,060	45,751	43,931	45,432
Program Revenue	59,168	12,406	31,463	22,719	26,771	34,138	32,040	29,135	31,074	27,988
Library:										
Volumes in Collection	80,259	79,767	80,327	78,436	78,250	81,782	84,904	80,254	83,023	81,283
Total Volumes Borrowed	179,575	148,863	147,476	136,477	151,739	193,542	200,769	209,508	218,010	232,796
Water:										
New Connections	54	21	36	36	25	25	28	22	7	7
Water Main Breaks	3	5	13	14	11	11	13	7	6	7
Average Daily Consumption (MGD)	6.3	6.3	5.7	2.4	2.7	2.7	2.7	2.7	2.7	2.7
Peak Daily Consumption (MGD)	6.9	7.0	6.3	4.2	4.7	4.7	4.6	4.6	4.6	4.6

Source: Department Directors

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

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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	28	26	26	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	15	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	111	110
Fire Hydrants	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	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	149.15	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