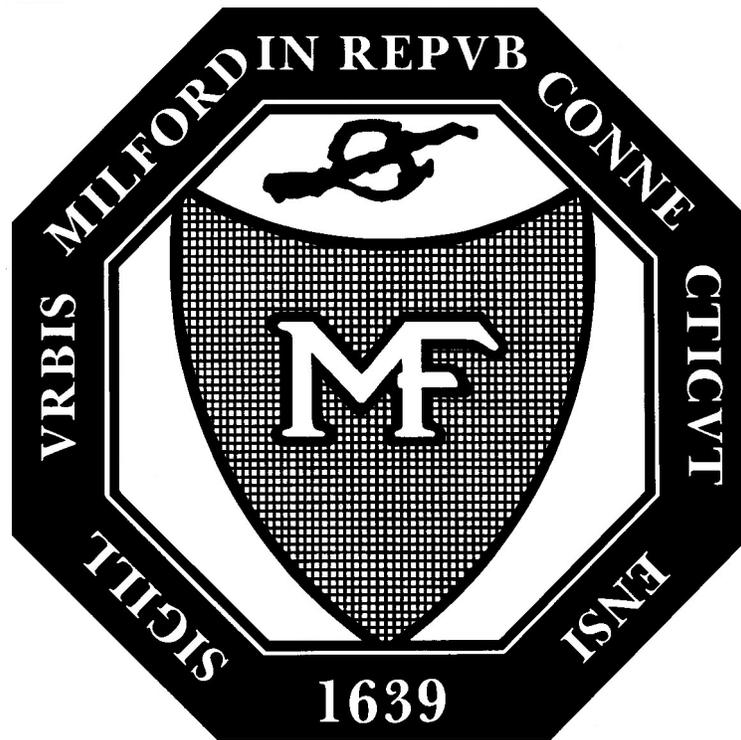


City of Milford Connecticut



Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021

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City of Milford, Connecticut Connecticut

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021

Prepared by:
City of Milford Finance Department

**PETER A. ERODICI, JR.
DIRECTOR OF FINANCE**

**ARIANE P. SWIFT
CITY ACCOUNTANT**

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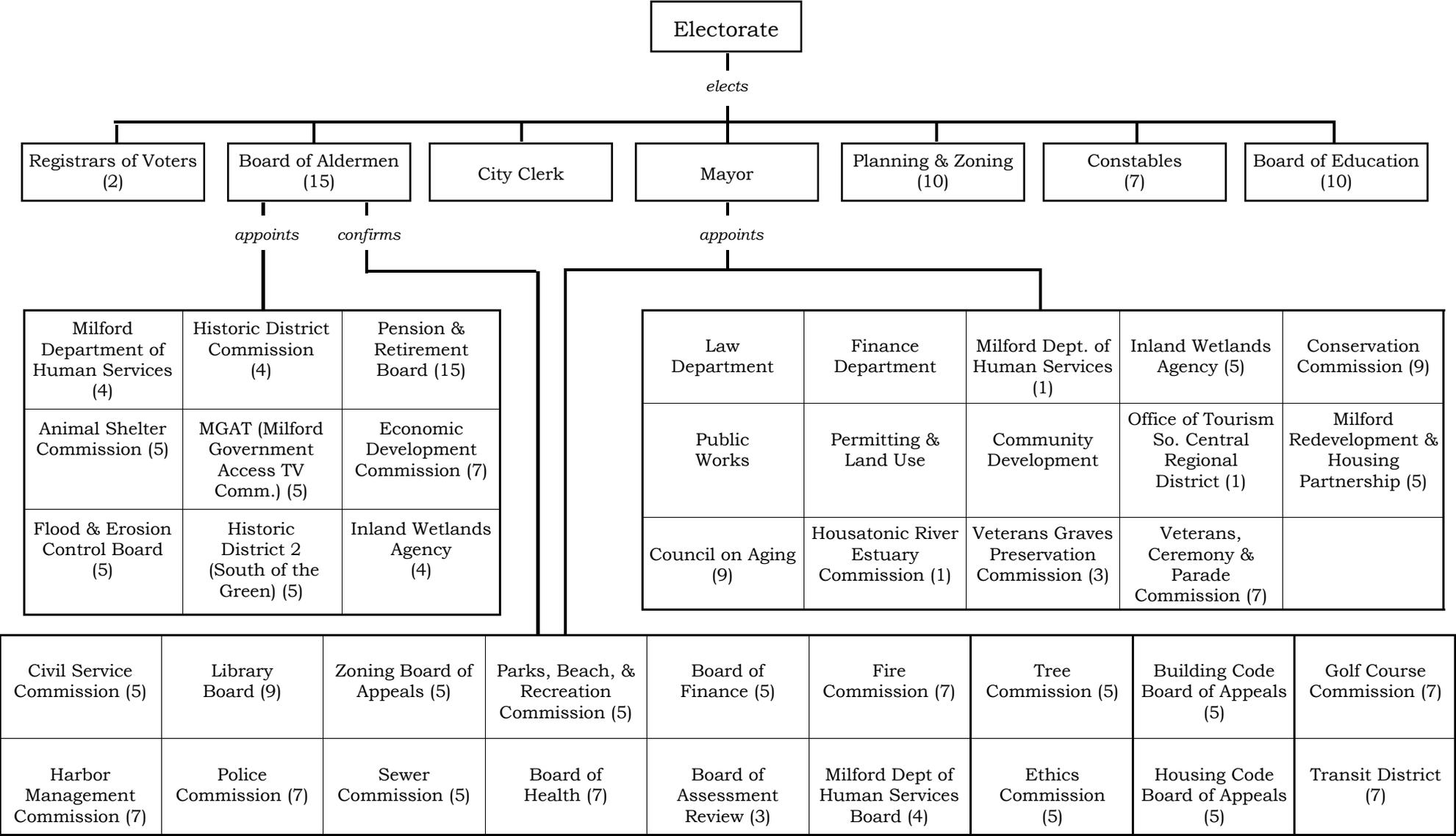
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Introductory Section

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City of Milford Organizational Chart



PRINCIPAL OFFICIALS

Mayor

Benjamin G. Blake

Board of Aldermen

Philip J. Vetro, Chair
Matthew Arciuolo, II
Anthony Giannattasio
Michelle Parente
Scott F. Marlow
Robert Pacelli, Jr.
Ward Willis
Brett Broesder
Michael S. Casey
Martin B. Hardiman
Daniel J. German
John Moffitt
Gregory F. Harla
Ellen Russell Beatty
Raymond G. Vitali

Board of Education

Susan Glennon, Chair
Andy Fowler
Betsy Ratner
Meghan Doyle
Holly E. Mulrenan
Una Petroske
Rita Hennessey
Cindy Wolfe Boynton
Adam DeYoung
Emily McDonough Souza

Appointed Officials

Dr. Anna Cutaia, Superintendent of Schools
Jonathan D. Berchem, City Attorney



City of Milford, Connecticut

- Founded 1639 -

70 West River Street - Milford, CT 06460-3317
Tel 203-783-3220 FAX 203-783-3294

Office of the
Director of Finance

December 29, 2021

Citizens of the City of Milford, Connecticut
Honorable Mayor
Members of the Board of Aldermen
Members of the Board of Finance

The Comprehensive Annual Financial Report of the City of Milford for the fiscal year ended June 30, 2021 is hereby submitted. This report was prepared by the City's Department of Finance in conformance with generally accepted accounting principles (GAAP) for governmental units as promulgated by various authoritative bodies through their publications, statements of position, and other pronouncements. These bodies include the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants, and the State of Connecticut Office of Policy and Management. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, are accurate in all material respects and are presented in a manner that presents fairly the financial position and results of the operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City of Milford is required to undergo an annual federal single audit in compliance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this federal single audit, including the Schedule of Expenditures of Federal Awards and the independent auditors' reports on compliance and internal controls are included in a separately issued federal single audit report.

The City of Milford is also required to undergo an annual state single audit in conformity with the provisions of the State of Connecticut's Single Audit Act (C.G.S. Sections 4-230 to 4-236). Information related to this state single audit, including the schedule of state financial assistance, findings and recommendations, and auditors' reports on the internal control structure and compliance with applicable laws and regulations, is included in a separately issued state single audit report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Milford's MD&A can be found immediately following the independent auditors' report.

The financial reporting entity (the government) includes all the funds of the City of Milford. The government provides the full range of municipal services as directed by State statute and the Charter of the City of Milford. These include police and fire protection, parks and recreation activities, street construction and maintenance, wastewater treatment, planning and zoning, health and social services, education, and general administrative services.

PROFILE OF THE GOVERNMENT

The City of Milford was founded in 1639 and covers a 23.5 square mile area on Long Island Sound at the mouth of the Housatonic River. The City lies almost equidistant between the cities of New Haven and Bridgeport. Contiguous to the towns of Stratford, Shelton, Orange, and West Haven, Milford is the fifth largest community in population in New Haven County and eighteenth in population size of the State of Connecticut's one hundred and sixty-nine cities and towns. Primarily a residential community, Milford's population is 54,328 (2015-2019 Census Survey). Milford is served by many transportation facilities. Interstate 95 has seven Milford entrances/exits and Connecticut 15 (Merritt/Wilbur Cross Parkway) has two entrances/exits. U.S. 1 plus Connecticut Routes 121, 162, and numerous local roads and streets also serve the City. Inter-city passenger bus service is provided by Connecticut Transit and interstate service is provided by Greyhound. The New Haven Line, Amtrak and Metro North (Conrail) provide four east/west passenger/freight rails and two north/south freight rails. Passenger trains stop daily going to and coming from New York's Grand Central Station. Two airports serve Milford; Sikorsky Memorial Airport and Tweed-New Haven Airport.

Milford has a Mayor-Board of Aldermen form of government. The Mayor and fifteen Aldermen are elected each odd-numbered year. The City's Charter guarantees representation by more than one political party, with no more than ten (10) aldermen from the same party. The legislative function is performed by the Board of Aldermen. The budgetary process involves sequential recommendations by Department Heads and Boards and Commissions, the Mayor, and the five (5) members Board of Finance, with the final budget set by the Board of Aldermen. The Director of Finance, who is included under Civil Service, administers fiscal matters.

The City provides a full range of services including schools; police and fire protection; maintenance of highways, streets and other infrastructure; recreational activities and cultural events; sanitation and health services; human services; and General Government, Administrative, and Community Development Services.

ECONOMY AND FACTORS AFFECTING FINANCIAL CONDITION

Milford is in a region with a diverse economic base. Residents' income is derived from education and health services organizations, manufacturing, professional and administrative services and retail industries. The 2019 American Community Survey shows that Milford's median family income was \$115,557, compared to the State's \$100,418, and the median age of a Milford resident was 45.4 years.

The City's unemployment rate was 5.7% through August 2021 as compared to the State of Connecticut at 6.1%. The decrease in the unemployment rate from 5.8% to 5.7% over the past year is reflective of the current economy.

The City's tax base is stable with moderate growth. The net taxable grand list of October 1, 2020 was \$6.8 billion which represents an increase of \$93 million over the grand list of October 1, 2019. This was primarily due to residential and commercial new construction. The top ten taxpayers have been relatively stable over the past two years and represent 7.2% of the grand list.

Milford continues to see signs of growth and progress. Shoreline homes continue to be rebuilt, new multi-family residences are being constructed, and new businesses are being added which should help to increase the grand list going forward. Out of 169 municipalities, Milford ranked ninth in the State of Connecticut and first in New Haven County. Grand list growth has allowed Milford to reduce taxes for six consecutive years furthering small to mid-size business growth.

The ongoing impact of COVID-19 has materially affected local, state, national, and global activity and increased public health emergency costs. Milford has been working closely with the State of Connecticut to mitigate the impact of COVID-19. While a potential risk, the outbreak did not have a materially adverse effect on the City in fiscal year 2021, nor does the City anticipate the outbreak to have a materially adverse financial effect on the City for fiscal year 2022.

On March 16, 2020, the City declared a local state of emergency. This step allows the Mayor to exercise emergency powers as needed to help the community and better positioned the City to access emergency federal aid. Effective March 17, 2020 the Mayor closed City buildings to the public except by appointment only while allowing operations to continue with staff performing essential services and some working remotely. On June 1, 2020, the City returned to full, in-person staffing in its offices and continued to perform most services.

As a result of Governor Lamont's Executive Order 7S and 7W in April 2020, the City elected to implement a short-term tax relief program which allowed taxpayers who demonstrated need due to COVID-19 to defer their July 1, 2020 tax payment by three months. Financial institutions and mortgage servicers that hold property taxes in escrow were required to continue to remit property taxes to the City according to the regular timetable, so long as the borrower remained current on his or her mortgage or is in a forbearance or deferment program. Applications for the "Deferment Program" were due by July 1, 2020. In total, 36 taxpayers were approved for a total of \$160,430 in property taxes that were deferred from a due date of July 1, 2020 to October 1, 2020. This is only 0.1% of the total budgeted current year taxes for the fiscal year and it did not have a material adverse effect on the City.

After the Governor issued Executive Order 9R in December 2020 which renewed the short-term tax relief program for tax payments due on January 1, 2021, the City elected to implement the deferral program. This allowed taxpayers who demonstrated need due to COVID-19 to defer their January 1, 2021 tax payment by three months. Financial institutions and mortgage servicers that hold property taxes in escrow were required to continue to remit property taxes to the City according to the regular timetable, so long as the borrower remained current on his or her mortgage or is in a forbearance or deferment program. In total, 22 applications were approved for a total of \$2.1 million. This was only 1.1% of the total budgeted current year taxes for the fiscal year and it did not have a material adverse effect on the City.

In FY21, the City received \$955,051 in federal aid through the Coronavirus Aid, Relief, and Economic Stabilization Act (the "CARES Act") which was passed through the State under the Connecticut Municipal Coronavirus Relief Fund Program ("CRF"). The City also received \$14.6 million in federal grant funding from the American Rescue Plan Act of 2021 ("ARPA"). In FY22, the City expects to receive an additional \$14.6 million from the ARPA program. The City has been developing a plan for the use of the ARPA funds that comply with the program eligibility criteria.

Milford maintained strong business growth in 2020 with the highest recorded registration of businesses in over a decade with a modest increase in business starts. Top industry employment consists of retail, manufacturing, and health care. Building permits remained stable with a total value of \$49 million for FY21.

Over the last year, Milford's downtown saw a number of new businesses open. Static Era Records, record label and album retail, opened at 43 River Street. On the historic Milford Green, Milford saw the opening of Flipside Bar & Burger at 1 Schooner Lane along with, My Bar & Grille at 12 Broad Street and Founder's House Pub & Patio at 117 Broad Street adding additional eateries to our vibrant downtown. Other new ventures include the re-opening of Café Atlantique at 33 Broad Street under new ownership, Watership Down Enterprises, publishing house, at 266 Broad Street, & Trugo Group, healthcare recruiters at 167 Cherry Street. The City continues to offer events and to work on marketing with the downtown business community and owners. Harbor Walk continues to attract a wide variety of shoppers to the boutique strip enhancing that area as a shopping destination. The City has several micro apartments under construction

on River Street as demand grows for transit-oriented living and a new mixed-use development planned for the former Smith Funeral Home property at 135 Broad Street.

Walnut Beach continues to enhance and attract new business and tourists. Beach Shore Village, condominiums, and office/retail space, continue to match streetscape improvements on Naugatuck Avenue and there has been construction of several new units as well as over 3,000 sq. ft of new commercial space. Several new businesses have opened in the recent years infusing life to this vibrant arts and beach community. Bee's Knees, a beachside café, opened at 17 Broadway Street next to the popular destination, Walnut Beach Creamery. Seaside Fit, a sister business to the popular Seaside Nutrition, opened at 50 Naugatuck Ave, and Lavender Nails opened at 51 Naugatuck Ave. The tourism dollars usually felt in Walnut Beach, however, were drastically reduced as many homes were not seasonally rented.

The Devon section of the city saw growth with new restaurants, retail and a waterfront brewery. Dockside Brewery is the third brewery to join Milford and is also landing a spot on the CT Brew Trail. Hair of the Dog, a restaurant, opened at 128 Bridgeport Avenue. Thrifty Q's Antiques & More, opened at 219 Bridgeport Ave along with Buck GMC of Milford at 750 Bridgeport Avenue.

On Boston Post Road ("BPR"), the Connecticut Post Mall welcomed Soko Toys and Gordon's Jewelers. Also joining BPR are Crabtree Family Realty 470 BPR, Real Estate Capital 415 BPR, and the Success Corner at 415 BPR. Tropical Smoothie opened at 1590 BPR, the former Smashburger, filling an empty space at a very busy intersection. Wren Kitchens, a UK kitchen retailer, opened at 1522 Boston Post Rd taking over the Babies R Us building with a 31,000 sq ft kitchen showroom.

Our office sectors continue to lag behind in growth due to a shift in space needs but the City welcomed a number of new businesses. A Stamford-based real estate investment firm, Stone Harbour Capital, has acquired the former Merritt Crossing office complex at 440 Wheelers Farms Road and plans a major investment for the space. The group plans to add both fitness centers and restaurants open to employees and the public. Plans to recruit regional organizations to Milford office space are underway.

The industrial sector of Milford continues to be well occupied. On Old Gate Lane we saw CT Eats, subsidiary of GoNation, and Maryland Interiors make their home. On Pepe's Farm Rd, Second Love, boutique, and Huelsman Homes join a very busy industrial area. Kraft Green, created by a husband-and-wife team & owners of The Corner Restaurant, in Milford CT, has thrived. Many restaurants had trouble getting quality supplies. They made the decision to acquire large inventory from partners and machinery to make the takeout boxes in Milford. Eventually, they will expand to more sizes and products. Who's Your Doggie Too, boarding and dog training, opened at 65 Woodmont Rd. USA Sports Marketing leased over 11,000 sq ft of property to distribute sports products and memorabilia.

In 2019 Milford Hospital was acquired by Yale New Haven Health, the location is now referred to as Bridgeport Hospital Milford Campus. Through the integration, Yale New Haven Health has developed the Milford campus into a center for gerontologic healthcare for the aging population. YNHHS has made and continues to make major investments in Milford Hospital infrastructure, including capital improvements and expansion of clinical service lines. In other medical news, Center Rehabilitation and Sports Therapy underwent a 2,000+ sq ft commercial expansion. Additional 2020 new business include: Beachside Smoothie & Energy Bar, 232 Melba Street, Life by the Board, 22 Oljay Terrace, New Beginnings Hair Studio, 125 Gulf Street, Natural Flow Medical Acupuncture, 204 Cherry Street, Nora Realty, 185 Plains Road, Bayview Catering, 252 Melba Street, and Dogtopia, 40 Quirk Road.

Workforce development remains imperative, and Milford continues to support small business by offering workshops from the Small Business Association and the Small Business Development Center as well as coordinating visits with representatives from the State Department of Economic and Community Development. The Small Business Development Council offers office hours the second and fourth

Tuesday of the month at Community Development. Small business owners and entrepreneurs can meet with professional business advisors to learn more about everything from startup planning and marketing, to assisting with access to capital, global growth, market research, disaster preparedness and more.

The Economic and Community Development department coordinates the efforts of the Economic Development Commission, administers CDBG, and organizes special events and promotional projects. The department collaborates with and/or serves on the Milford Chamber of Commerce Board of Directors, Milford Progress Inc, Downtown Milford Business Association, REX, Connecticut Economic Development Association, Connecticut Main Street, CEDAS, CT Convention and Sports Bureau, SCRCOG, and the Connecticut Conference of Municipalities. In addition, it works with realtors, owners, and developers to fill existing vacant commercial and industrial space or to develop new projects.

Internal Controls

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Single Audits. As a recipient of federal and state financial assistance, the City of Milford is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As a part of the City's single audits described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audits for the fiscal year ended June 30, 2021, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

THE OPERATING BUDGET

Guidelines

Budgetary Control

In addition to internal accounting controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budgets for the General Fund as approved by the Board of Aldermen and as may be amended by the Board during the fiscal year. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the department. The City also maintains project budgets for all capital project funds and special revenue funds.

To aid in budgetary control, the City maintains an encumbrance accounting system to record obligations by line item for the General Fund, all capital project funds and all special revenue funds. Certification of funds availability is required prior to issuance of purchase orders, which are recorded as encumbrances in the budgetary accounting system. Encumbrances for goods and services that have not been received by June 30 of each year are reported as reservations of fund balance. Invoices will be paid in the next fiscal year against these encumbrances. The Mayor can authorize budget transfers within a classification (Personal Services, Operating Expenses, Capital Outlay, etc.) of a department. All transfers between classifications in a department or between departments and all transfers into an account not approved at the budget vote must be justified to and approved by the Board of Finance and the Board of Aldermen.

Debt

The City's long-standing administrative policy is that debt service shall not exceed 10% of the respective year budget. On February 6, 2017, the Board of Aldermen formally adopted this policy. For FY21, debt service represents approximately 8.3% of the budget.

Use of Fund Balance

The City has a long-standing administrative policy of maintaining a minimum of 5% of the current year budget in unassigned fund balance. On February 6, 2017, the Board of Aldermen formally adopted this policy along with a debt management policy and pension funding policy.

Budgetary and Long-Term Financial Planning

The City officials are very mindful of the current economic circumstances, the level of taxes, and the need to balance them with the needs and expectations of the community. Historically, the City has completed bond refundings which have lowered debt service costs. The administration negotiated with its Police, Fire, and other unions and worked with them to implement healthcare plan design changes to their union contracts--making a high deductible, health savings account plan the sole, core plan for new hires. Further, the City and BOE offered retirees the option to convert to a Medicare Advantage Plan. This should help to lower healthcare costs over the long term.

The City tries to conservatively budget revenues, particularly building permit fees, investment income, and conveyance fees. These revenues are highly dependent on the economy and market conditions. The City has also recognized the impacts of the economy on the State budget and is conservative in planning for State grants. For FY20 and FY21, the City planned for adjustments in certain grants and others with level funding. In FY21, state grants were budgeted at \$11.9 million and funded 5.5% of the City's budget. In FY20, state grants were budgeted at \$12.2million, which was 5.6% of the budget. The Education Cost Sharing Grant, which is a major grant for the City, decreased from \$9.9 million budgeted in FY20 to \$9.7 million budgeted in FY21.

The City aims to keep expenses to the lowest amount possible and still provide adequate services. The City negotiated a wage increase of 2.5% for FY20 for the Police, Fire, and Nurses unions. The Milford Supervisors Association (MSA) and non-represented employees who follow MSA were set at 2.0%. Contracts expired in either FY19 or FY20 are being negotiated with MSA and Fire settling in FY22 and expiring in FY23 with an average wage increase of 2.3% . In FY20 and FY21, the Education Operations (EO) budget increased 1.89% and 2.58% and the City's budget increased 3.9% and decreased 1.09% respectively. The key reason for the City's decrease was a reduction in projected healthcare costs. The City has implemented changes which will result in savings as well, including a microgrid at the Parsons Government Center complex in addition to a fuel cell at the Beaverbrook Wastewater Treatment Plant. Moreover, the City was able to save approximately \$4 million in stop-loss premium expense by increasing the health care claims retention from \$100,000 to \$200,000 for the FY21 budget.

The long-term plan for the City is to continue with a business-friendly environment to encourage development/redevelopment of properties. The City will only have minimal, if any, personnel increases. Labor contracts for seven of the nine City unions expired on June 30, 2020. The MSA and Fire contracts expire on June 30, 2023. Negotiations for new contracts are in progress. The existing contracts include a premium cost share on an increasing sliding scale for all employees who contribute to the cost of their health insurance. They also include a Health Savings Account as the sole plan for new hires. The City will have to balance fixed asset and infrastructure maintenance/improvements while keeping debt service at a manageable level. The City plans to continue funding of the pension plans and OPEB. The City will continue compiling a five-year capital plan and a five-year vehicle and equipment replacement schedule.

Secondary Market Disclosure

The City has agreed to provide or cause to be provided to the Municipal Securities Rulemaking Board (MSRB), through its Electronic Municipal Market Access (EMMA) website the City's annual financial information and operating data including the City's audited financial statements. The data to be provided shall include the following:

Amounts of the gross and net taxable grand list applicable to the fiscal year (See Statistical Table 7);

Listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon (See Statistical Table 8);

Percentage and amount of the annual property tax levy collected and uncollected as of the close of the fiscal year (See Statistical Table 9);

Schedule of the annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year (See Note 7);

Calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt) as of the close of the fiscal year (See Statistical Table 13);

Total direct debt, total net direct debt and total overall net debt of the City per capita (See Statistical Table 13);

Ratios of the total direct debt and total overall net debt of the City to the City's net taxable grand list (See Statistical Table 13);

Statement of statutory debt limitations and debt margins as of the close of the fiscal year (See Statistical Table 11); and

Funding status of the City's pension benefit obligations as of the close of the fiscal year (See Note 9 to the General Purpose Financial Statements).

Independent Audit

Connecticut State Statutes require that all municipalities have their accounts audited annually (C.G.S. Section 7-392) by an independent accountant. The City Charter requires an annual of all financial records of the City, its departments, bureaus, agencies, boards and offices. The firm of CliftonLarsonAllen LLP, was selected to be the City's independent auditors. In addition to meeting the State Statute and City Charter requirements, the audit was also designed to meet the requirements of Management and Budget's Circular A-133. In addition, State requirements for single audit were also met by the audit. The auditors' report on the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information (the basic financial statements) is included in the financial section of this report. The combining and individual nonmajor fund financial statements and schedules have been subject to the auditing procedures applied in the audit of the basic financial statements and have an auditor's opinion in relation to the basic financial statements taken as a whole. The auditors' report on internal controls and compliance with applicable laws and regulation for both federal and state single audits will be found in separately issued single audit reports.

Certificate of Achievement for Excellence in Financial Reporting

The government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in financial Reporting to the City of Milford for its comprehensive annual financial report for the fiscal year ended June 30,2020. This was the seventeenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report on a timely basis was made possible by the efficient and dedicated service of the Finance Department staff. I would like to express my particular appreciation to Ariane Swift and Vernelle Bethel for their assistance and contributions. In addition, the accounting firm of CliftonLarsonAllen LLP made substantial contributions by way of design, proofing and interpretation of recent guidelines.

Appreciation is also expressed to the Mayor, the Board of Aldermen, the Board of Finance and the Department Heads for their cooperation and assistance throughout the year in matters pertaining to the City of Milford's finances.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Peter A. Erodici, Jr.", written in a cursive style.

Peter A. Erodici, Jr., CPA, CGMA
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Milford
Connecticut**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

Financial Section

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Independent Auditors' Report

To the Board of Finance
City of Milford, Connecticut

Report on the Financial Statements

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 City of Milford, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Milford, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Milford, Connecticut, as of June 30, 2021 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.

Emphasis of a Matter

During fiscal year ended June 30, 2021, the City of Milford, Connecticut adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the City of Milford, Connecticut reported a restatement for the change in accounting principle (see Note 16). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

The City of Milford, Connecticut's basic financial statements as of and for the year ended June 30, 2020 (not presented herein) were audited by Blum, Shapiro & Company, P.C. (blumshapiro), whose partners and professional staff joined CliftonLarsonAllen LLP as of January 1, 2021 and has subsequently ceased operations. Blumshapiro's report thereon, dated December 8, 2020, contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2020 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2020 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended **June 30, 2020**.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021 on our consideration of the City of Milford, 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 City of Milford, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Milford, Connecticut's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 29, 2021

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**CITY OF MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

This discussion and analysis of the City of Milford, Connecticut's (the City) financial performance is provided by management to provide an overview of the City's financial activities for the fiscal year ended June 30, 2021. This is the nineteenth year of reporting in accordance with Statement No. 34 of the Governmental Accounting Standards Board. Please read this MD&A in conjunction with the transmittal letter and the City's financial statements, Exhibits I to IX.

Financial Highlights

- The City's net position increased \$48 million as a result of this year's operations. The operating net position increase was attributable to a combination of lower educational and general government expenses and an increase in operating grants and contributions related to education.
- During the year, the City generated revenues that were \$48 million more than the \$230 million in expenses for governmental programs.
- Total cost of all the City's programs was \$230 million with no new programs added this year.
- The General Fund reported a total fund balance this year of \$36 million and unassigned fund balance of \$21 million.
- The general fund ended the year with a budgetary surplus of approximately \$6.5 million. This was attributable to actual expenditures lower than the budgeted amount and higher than expected tax collections and other revenues.

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 City as a whole and present a long-term view of the City'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 City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the City as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the City as a whole and about its activities for the current period. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources 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 City's net position, along with the changes in net position. The City's net position, the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City'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 City's property tax base and the condition of the City's capital assets, to assess the overall health of the City.

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

- *Governmental activities* - Most of the City's basic services are reported here, including education, public safety, public services, health and welfare, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.
- *Business-type activities* - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's Golf Course and Harbor Management Fund are reported here.

Fund Financial Statements

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

- *Governmental funds (Exhibits III and IV)* - Most of the City'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 City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City'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, VI and VII)* - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, 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 City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities - such as the City's Health, Workers' Compensation, and Property and Casualty Internal Service Funds.

- *Fiduciary funds (Exhibits VIII and IX)* - The City is the trustee, or fiduciary, for its employees' pension and other postemployment benefit 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 City's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The City's combined net position increased from \$(259) million to \$(212) million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

Table 1
NET POSITION
(In Thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|--------------------------------|---------------------|---------------------------------|-----------------|---------------------|---------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Current and other assets | \$ 125,526 | \$ 113,491 | \$ 636 | \$ 557 | \$ 126,162 | \$ 114,048 |
| Capital assets | 370,312 | 361,779 | 2,584 | 2,226 | 372,896 | 364,005 |
| Total assets | <u>495,838</u> | <u>475,270</u> | <u>3,220</u> | <u>2,783</u> | <u>499,058</u> | <u>478,053</u> |
| Deferred outflows of resources | <u>52,708</u> | <u>70,924</u> | | | <u>52,708</u> | <u>70,924</u> |
| Long-term debt outstanding | 577,135 | 704,674 | | | 577,135 | 704,674 |
| Other liabilities | 67,115 | 48,630 | 25 | 22 | 67,140 | 48,652 |
| Total liabilities | <u>644,250</u> | <u>753,304</u> | <u>25</u> | <u>22</u> | <u>644,275</u> | <u>753,326</u> |
| Deferred inflows of resources | <u>118,996</u> | <u>55,143</u> | | | <u>118,996</u> | <u>55,143</u> |
| Net position: | | | | | | |
| Net investments in capital assets | 163,570 | 167,039 | 2,584 | 2,226 | 166,154 | 169,265 |
| Restricted | 7,941 | 5,402 | | | 7,941 | 5,402 |
| Unrestricted | <u>(386,211)</u> | <u>(434,694)</u> | <u>611</u> | <u>535</u> | <u>(385,600)</u> | <u>(434,159)</u> |
| Total Net Position | <u>\$ (214,700)</u> | <u>\$ (262,253)</u> | <u>\$ 3,195</u> | <u>\$ 2,761</u> | <u>\$ (211,505)</u> | <u>\$ (259,492)</u> |

Net position of the City's governmental activities increased 18% (\$262) million compared to \$(215) million). Unrestricted net position - the part of net position that can be used to finance daily operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased to a deficit of \$386 million at the end of this year. Key reasons for this change in net position were the reduction in the OPEB obligation for the City and Board of Education as well as pension obligations for the City.

There was a 16% increase (\$2.76 million compared to \$3.2 million in the net position of business-type activities from 2020 to 2021.

Table 2
CHANGES IN NET POSITION
(In Thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|----------------------------|---------------------|-----------------------------|-----------------|---------------------|---------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 10,709 | \$ 10,763 | \$ 397 | \$ 322 | \$ 11,106 | \$ 11,085 |
| Operating grants and contributions | 53,939 | 39,781 | | | 53,939 | 39,781 |
| Capital grants and contributions | 9,640 | 5,893 | 420 | | 10,060 | 5,893 |
| General revenues: | | | | | | |
| Property taxes | 193,055 | 188,145 | | | 193,055 | 188,145 |
| Grants and contributions not restricted to specific purposes | 2,198 | 2,220 | | | 2,198 | 2,220 |
| Unrestricted investment earnings | 115 | 1,626 | - | 4 | 115 | 1,630 |
| Other general revenues | 8,061 | 8,480 | | | 8,061 | 8,480 |
| Total revenues | <u>277,717</u> | <u>256,908</u> | <u>817</u> | <u>326</u> | <u>278,534</u> | <u>257,234</u> |
| Expenses: | | | | | | |
| General government | 8,776 | 25,812 | | | 8,776 | 25,812 |
| Administration | 3,608 | 3,619 | | | 3,608 | 3,619 |
| Public safety | 31,462 | 39,632 | | | 31,462 | 39,632 |
| Public services | 26,699 | 18,467 | | | 26,699 | 18,467 |
| Education | 144,696 | 176,024 | | | 144,696 | 176,024 |
| Health and welfare | 4,265 | 3,431 | | | 4,265 | 3,431 |
| Sewer | 8,528 | 6,315 | | | 8,528 | 6,315 |
| Interest on long-term debt | 2,160 | 5,241 | | | 2,160 | 5,241 |
| Milford Golf Course | | | 56 | 72 | 56 | 72 |
| Harbor management | | | 297 | 231 | 297 | 231 |
| Total program expenses | <u>230,194</u> | <u>278,541</u> | <u>353</u> | <u>303</u> | <u>230,547</u> | <u>278,844</u> |
| Change in net position before transfers | 47,523 | (21,633) | 464 | 23 | 47,987 | (21,610) |
| Transfers in (out) | 30 | 50 | (30) | (50) | - | - |
| Change in Net Position | 47,553 | (21,583) | 434 | (27) | 47,987 | (21,610) |
| Beginning Net Position, As Restated | <u>(262,253)</u> | <u>(241,421)</u> | <u>2,761</u> | <u>2,788</u> | <u>(259,492)</u> | <u>(238,633)</u> |
| Restatement | | 751 | | | | 751 |
| Ending Net Position | <u>\$ (214,700)</u> | <u>\$ (262,253)</u> | <u>\$ 3,195</u> | <u>\$ 2,761</u> | <u>\$ (211,505)</u> | <u>\$ (259,492)</u> |

The City's total revenues were \$278 million. The total cost of all programs and services was \$230 million. Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

The City's revenues increased by \$21 million from 2020. Most of the increase is attributable to higher operating grants and contributions and increased tax revenue. In particular, the City collected \$5 million more in property taxes compared to last year.

Table 3 presents the cost of each of the City's three largest programs - public safety, public services, and education - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Table 3
GOVERNMENTAL ACTIVITIES
(In Thousands)

| | Total Cost of Services | | Net Cost of Services | |
|-----------------|-------------------------------|-------------------|-----------------------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Public safety | \$ 31,462 | \$ 39,632 | \$ 23,896 | \$ 33,791 |
| Public services | 26,699 | 18,467 | 23,045 | 15,168 |
| Education | 144,696 | 176,024 | 89,931 | 134,699 |
| All others | <u>27,337</u> | <u>44,418</u> | <u>19,034</u> | <u>38,446</u> |
| Totals | <u>\$ 230,194</u> | <u>\$ 278,541</u> | <u>\$ 155,906</u> | <u>\$ 222,104</u> |

Business-Type Activities

Revenues of the City's business-type activities (see Table 2) increased by \$491,000 of which \$420,000 was related to capital contributions for golf course and marina improvements. Operating revenue for the Golf Course and Marina increased by \$75,000 or 23%.

City Funds Financial Analysis

Governmental Funds

As the City completed the year, its major governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$19 million, which is a decrease of \$3 million compared to last year's major fund balance of \$22 million. The general fund's fund balance decreased by \$1 million compared to the prior year since the City used \$9 million of fund balance, offset by a budgetary surplus of \$6.5 million, to maintain a stable and slightly lower mill rate. The City kept expenses at a moderate level which led to savings; and building inspection fee, conveyance fee, and EMS fee revenue continued to grow reflecting the City's growing economy and grand list. Further, the City issued \$12.8 million more in bonds in FY21 compared to FY20 as progress on capital projects continued. As a result, expenses were \$6 million more in the capital nonrecurring fund. The nonmajor governmental funds ended the year with a total fund balance of \$15 million as the City continues to earn sufficient special revenues primarily in the form of grants and program revenues to cover expenditures in those funds.

Proprietary Funds

The Internal Service Funds' net position decreased by \$4.4 million primarily due to higher health insurance costs and lower employer contributions. The Enterprise Funds' net position increased from last year by \$434,000 mainly due to capital contributions of \$403,000 to the Marina for improvements along with \$17,000 for a roof replacement at the Golf Course.

General Fund Budgetary Highlights

- General Property Taxes and Assessments - property tax and assessment revenue was greater than budgeted by \$2.5 million due to a higher collection rate than was used in the budget and collection of delinquent taxes.
- State aid revenue exceeded the budget by \$378,000. This was mainly due to Special Education grant revenue coming in more than budgeted. Investment income - revenues from the investment of idle funds were less than budgeted by \$759,000 due to lower interest rates.
- Other Revenue was \$182,000 greater than budget due to an increase in miscellaneous other revenues.
- Licenses, Permits and Other Charges were \$597,000 above budget mainly due to recording, conveyance, and building inspection fees. These income categories are directly related to the economy and population and can fluctuate.
- Department Expenditures - Expenditure controls were put into place throughout the fiscal year, including continued monitoring of new hiring, overtime, and purchase requisitions, which resulted in an overall budget surplus of \$4.2 million on the expenditure side.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2021 the City's governmental activities had \$370 million invested in a broad range of capital assets, including land, buildings, park and recreation facilities, vehicles and equipment, roads, and water and sewer lines - Table 4. This amount represents a net increase (including additions and deductions) of \$8.5 million over last year.

Table 4
CAPITAL ASSETS AT YEAR-END (Net of Depreciation)
(In Millions)

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------|--------------------------------|-----------------|---------------------------------|---------------|-----------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Land | \$ 48.4 | \$ 47.7 | \$ 1.7 | \$ 1.7 | \$ 50.1 | \$ 49.4 |
| Construction in progress | 31.2 | 49.3 | | | 31.2 | 49.3 |
| Buildings and improvements | 203.6 | 187.4 | 0.9 | 0.5 | 204.5 | 187.9 |
| Machinery and equipment | 14.0 | 11.3 | | | 14.0 | 11.3 |
| Infrastructure | 73.1 | 66.1 | | | 73.1 | 66.1 |
| Totals | <u>\$ 370.3</u> | <u>\$ 361.8</u> | <u>\$ 2.6</u> | <u>\$ 2.2</u> | <u>\$ 372.9</u> | <u>\$ 364.0</u> |

This year's major additions included (in thousands):

| | |
|---|------------------|
| Police Department Equipment and Vehicles | \$ 657 |
| Fire Department Equipment and Vehicles | 2,036 |
| Public Works Department Equipment and Vehicles | 2,112 |
| Citywide Computer Replacement & Virtualization Project | 419 |
| St Gabriel Property Purchase (0 Tudor Road) | 3,197 |
| Flax Mill Lane Bridge Reconstruction Project - CIP | 1,516 |
| Bayview Beach Flooding Drainage Project - CIP | 1,390 |
| Microgrid Project - CIP | 923 |
| Kelly Martin Tighe Athletic Field (French Drive) - CIP | 3,156 |
| Jonathan Law High School Synthetic Turf Field - CIP | 3,121 |
| Jonathan Law High School Roof Replacement - CIP | 720 |
| Jonathan Law High School Athletic Facilities Improvements - CIP | 747 |
| Live Oaks School Traffic Safety Improvements | 718 |
| Various School Security Upgrades - CIP | <u>2,395</u> |
| | <u>\$ 23,107</u> |

The City's fiscal-year 2021-2022 capital plan has \$55 million of capital projects planned. School building renovations are estimated at \$13 million, and public service projects at \$36 million and Sewer projects at \$6 million. However, an estimated \$30 million new police station is still in the planning stages and will not be completed in FY22. Of the total estimated \$55 million, it is expected to finance \$46 million with bonds and \$5 million with grants. It is likely that not all projects will be implemented - resulting in a lower level of cost. More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2021, the City had \$197 million in bonds and notes outstanding versus \$193 million last year - an increase of 2% - as shown in Table 5. Additional detail on the City's long-term debt can be found in Note 7.

Table 5
OUTSTANDING DEBT
(In Thousands)

| | <u>Governmental Activities</u> | |
|---|--------------------------------|-------------------|
| | <u>2021</u> | <u>2020</u> |
| General obligation bonds (backed by the City) | \$ 170,255 | \$ 145,760 |
| Bond anticipation notes (backed by the City) | 25,525 | 23,635 |
| Long-term notes payable | | 22,213 |
| Capital lease payable | <u>1,484</u> | <u>1,563</u> |
| Totals | <u>\$ 197,264</u> | <u>\$ 193,171</u> |

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2021 budget tax rates and fees that will be charged for the business-type activities. One of those factors is the

economy. The City's unemployment rate has decreased from 5.8% to 5.7%. In comparison, the figures for the State of Connecticut have increased from 5.8% to 6.1%.

These indicators were considered when adopting the General Fund budget for 2021-2022. The adopted budget for FY2022 is \$221.9 million, an increase of 1.9% over the final 2021 budget of \$217.7 million. No new programs or initiatives were added to the 2021 budget. State grants were assumed to fund 5% of the 2022 budget compared to 5% of the 2021 budget.

If estimates are realized, the City's June 30, 2022 budgetary General Fund balance is expected to be \$11 million lower than the June 30, 2021 budgetary General Fund balance because of the use of that amount to balance the budget. An expected budgetary surplus will offset this decrease. As for the City's business-type activities, we expect that the 2021-2022 results will improve due to increased usage of the golf course and marina.

Contacting the City's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, City of Milford, 70 West River Street, Milford, Connecticut 06460.

Basic Financial Statements

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CITY OF MILFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2021

(In Thousands)

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|---------------------|
| Assets: | | | |
| Cash and cash equivalents | \$ 115,620 | \$ 616 | \$ 116,236 |
| Investments | 31 | | 31 |
| Receivables, net | 9,817 | 20 | 9,837 |
| Inventory | 37 | | 37 |
| Prepaid items | 21 | | 21 |
| Capital assets: | | | |
| Capital assets not being depreciated | 79,617 | 1,681 | 81,298 |
| Capital assets being depreciated, net | 290,695 | 903 | 291,598 |
| Total assets | <u>495,838</u> | <u>3,220</u> | <u>499,058</u> |
| Deferred Outflows of Resources: | | | |
| Deferred outflows on refunding | 2,750 | | 2,750 |
| Deferred outflows related to pensions | 3,241 | | 3,241 |
| Deferred outflows related to OPEB | 46,717 | | 46,717 |
| Total deferred outflows of resources | <u>52,708</u> | <u>-</u> | <u>52,708</u> |
| Liabilities: | | | |
| Accounts and other payables | 21,888 | 25 | 21,913 |
| Unearned revenue | 18,581 | | 18,581 |
| Due to other governments | 1,121 | | 1,121 |
| Bond anticipation notes payable | 25,525 | | 25,525 |
| Noncurrent liabilities: | | | |
| Due within one year | 19,506 | | 19,506 |
| Due in more than one year | 557,629 | | 557,629 |
| Total liabilities | <u>644,250</u> | <u>25</u> | <u>644,275</u> |
| Deferred Inflows of Resources: | | | |
| Advance property tax collection | 2,685 | | 2,685 |
| Advance sewer collections | 84 | | 84 |
| Deferred inflows related to pensions | 59,562 | | 59,562 |
| Deferred inflows related to OPEB | 56,095 | | 56,095 |
| Deferred inflows on refunding | 570 | | 570 |
| Total deferred inflows of resources | <u>118,996</u> | <u>-</u> | <u>118,996</u> |
| Net Position: | | | |
| Net investments in capital assets | 163,570 | 2,584 | 166,154 |
| Restricted: | | | |
| Capital Projects | 5,721 | | 5,721 |
| Grants | 1,570 | | 1,570 |
| Student activities | 650 | | 650 |
| Unrestricted | <u>(386,211)</u> | <u>611</u> | <u>(385,600)</u> |
| Total Net Position | <u>\$ (214,700)</u> | <u>\$ 3,195</u> | <u>\$ (211,505)</u> |

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|-------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | \$ 8,776 | \$ 2,706 | \$ | \$ 4,480 | \$ (1,590) | \$ | \$ (1,590) |
| Administration | 3,608 | | | | (3,608) | | (3,608) |
| Public safety | 31,462 | 5,503 | 63 | 2,000 | (23,896) | | (23,896) |
| Public services | 26,699 | 494 | | 3,160 | (23,045) | | (23,045) |
| Education | 144,696 | 1,351 | 53,414 | | (89,931) | | (89,931) |
| Health and welfare | 4,265 | 527 | 393 | | (3,345) | | (3,345) |
| Sewer | 8,528 | 128 | 69 | | (8,331) | | (8,331) |
| Interest on long-term debt | 2,160 | | | | (2,160) | | (2,160) |
| Total governmental activities | <u>230,194</u> | <u>10,709</u> | <u>53,939</u> | <u>9,640</u> | <u>(155,906)</u> | <u>-</u> | <u>(155,906)</u> |
| Business-type activities: | | | | | | | |
| Nonmajor Enterprise Funds: | | | | | | | |
| Milford Golf Course | 56 | 64 | | 17 | | 25 | 25 |
| Harbor Management | 297 | 333 | | 403 | | 439 | 439 |
| Total business-type activities | <u>353</u> | <u>397</u> | <u>-</u> | <u>420</u> | <u>-</u> | <u>464</u> | <u>464</u> |
| Total | <u>\$ 230,547</u> | <u>\$ 11,106</u> | <u>\$ 53,939</u> | <u>\$ 10,060</u> | <u>(155,906)</u> | <u>464</u> | <u>(155,442)</u> |
| General revenues: | | | | | | | |
| Property taxes | | | | | 193,055 | | 193,055 |
| Grants and contributions not restricted to specific programs | | | | | 2,198 | | 2,198 |
| Unrestricted investment earnings | | | | | 115 | | 115 |
| Other general revenues | | | | | 8,061 | | 8,061 |
| Transfers | | | | | 30 | (30) | - |
| Total general revenues and transfers | | | | | <u>203,459</u> | <u>(30)</u> | <u>203,429</u> |
| Change in Net Position | | | | | 47,553 | 434 | 47,987 |
| Net Position at Beginning of Year, As Restated | | | | | <u>(262,253)</u> | <u>2,761</u> | <u>(259,492)</u> |
| Net Position at End of Year | | | | | <u>\$ (214,700)</u> | <u>\$ 3,195</u> | <u>\$ (211,505)</u> |

The accompanying notes are an integral part of the financial statements

**CITY OF MILFORD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

(In Thousands)

| | <u>General</u> | <u>Capital Nonrecurring Fund</u> | <u>School Facilities Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|------------------|--|---------------------------------------|--|---|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 52,426 | \$ 24,377 | \$ 2,223 | \$ 21,517 | \$ 100,543 |
| Investments | | | | 31 | 31 |
| Receivables, net | 6,624 | 1,731 | | 832 | 9,187 |
| Inventories | | | | 37 | 37 |
| Prepaid items | 21 | | | | 21 |
| Total Assets | <u>\$ 59,071</u> | <u>\$ 26,108</u> | <u>\$ 2,223</u> | <u>\$ 22,417</u> | <u>\$ 109,819</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts and other payables | \$ 13,020 | \$ 3,068 | \$ 365 | \$ 3,122 | \$ 19,575 |
| Other liabilities | | 312 | 621 | 41 | 974 |
| Due to other governments | 1,103 | 18 | | | 1,121 |
| Unearned revenue | 50 | 18,393 | | 138 | 18,581 |
| Bond anticipation notes payable | | 7,805 | 13,639 | 4,081 | 25,525 |
| Total liabilities | <u>14,173</u> | <u>29,596</u> | <u>14,625</u> | <u>7,382</u> | <u>65,776</u> |
| Deferred inflows of resources: | | | | | |
| Unavailable revenue - property taxes | 3,515 | | | | 3,515 |
| Unavailable revenue - property taxes interest | 2,632 | | | | 2,632 |
| Unavailable revenue - special assessments | 17 | | | 134 | 151 |
| Unavailable revenue - grant receivables | | 1,272 | | | 1,272 |
| Advance sewer collections | | | | 84 | 84 |
| Advance property tax collections | 2,685 | | | | 2,685 |
| Total deferred inflows of resources | <u>8,849</u> | <u>1,272</u> | <u>-</u> | <u>218</u> | <u>10,339</u> |
| Fund balances: | | | | | |
| Nonspendable | 21 | | | 37 | 58 |
| Restricted | | 3,182 | 1,038 | 2,449 | 6,669 |
| Committed | 1,487 | 3,891 | 93 | 17,238 | 22,709 |
| Assigned | 13,882 | | | | 13,882 |
| Unassigned | 20,659 | (11,833) | (13,533) | (4,907) | (9,614) |
| Total fund balances | <u>36,049</u> | <u>(4,760)</u> | <u>(12,402)</u> | <u>14,817</u> | <u>33,704</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 59,071</u> | <u>\$ 26,108</u> | <u>\$ 2,223</u> | <u>\$ 22,417</u> | <u>\$ 109,819</u> |

(Continued on next page)

CITY OF MILFORD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021
(In Thousands)

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position:

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

| | |
|--|-----------|
| Fund balances - total governmental funds | \$ 33,704 |
|--|-----------|

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

| | | |
|-------------------------------|------------------|---------|
| Governmental capital assets | \$ 604,678 | |
| Less accumulated depreciation | <u>(234,366)</u> | |
| Net capital assets | | 370,312 |

Other long-term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:

| | |
|---|--------|
| Property tax receivables greater than 60 days | 3,515 |
| Interest receivable on property taxes | 2,632 |
| Grant receivables greater than 120 days | 1,272 |
| Assessments receivable | 151 |
| Interest receivable on assessments | 122 |
| Deferred outflows related to pensions | 3,241 |
| Deferred outflows related to OPEB | 46,717 |
| Deferred outflows - refunding | 2,750 |

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

8,778

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

| | |
|--------------------------------------|--------------|
| Bonds and notes payable | (170,255) |
| Capital lease | (1,484) |
| Accrued interest payable | (1,233) |
| Compensated absences | (17,079) |
| Bond premium | (14,104) |
| Net pension liability | (12,781) |
| Total/Net OPEB liability | (354,731) |
| Deferred inflows related to pensions | (59,562) |
| Deferred inflows related to OPEB | (56,095) |
| Deferred inflows - refunding | <u>(570)</u> |

| | |
|---|---------------------|
| Net Position of Governmental Activities (Exhibit I) | <u>\$ (214,700)</u> |
|---|---------------------|

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(In Thousands)

| | <u>General</u> | <u>Capital Nonrecurring Fund</u> | <u>School Facilities Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|------------------|--|---------------------------------------|--|---|
| Revenues: | | | | | |
| Property taxes and assessments | \$ 184,444 | \$ | \$ | \$ 7,729 | \$ 192,173 |
| Fines, forfeitures, penalties and interest | 1,324 | | | 50 | 1,374 |
| Intergovernmental | 27,756 | 7,638 | | 9,314 | 44,708 |
| Charges for services | 5,308 | 178 | | 5,184 | 10,670 |
| Investment income | 91 | 12 | | 12 | 115 |
| Other | 7,282 | | | 844 | 8,126 |
| Total revenues | <u>226,205</u> | <u>7,828</u> | | <u>23,133</u> | <u>257,166</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 4,107 | | | 136 | 4,243 |
| Administration | 3,118 | | | | 3,118 |
| Public safety | 27,336 | | | 2,600 | 29,936 |
| Public services | 11,735 | | | 476 | 12,211 |
| Education | 133,160 | | | 10,290 | 143,450 |
| Health and welfare | 1,613 | | | 1,312 | 2,925 |
| Sewer | | | | 6,955 | 6,955 |
| General charges | 27,797 | | | | 27,797 |
| Grants to agencies | 2,675 | | | | 2,675 |
| Capital outlay | | 20,945 | 9,252 | 3,997 | 34,194 |
| Debt service | 16,868 | | | 2,078 | 18,946 |
| Total expenditures | <u>228,409</u> | <u>20,945</u> | <u>9,252</u> | <u>27,844</u> | <u>286,450</u> |
| Deficiency of revenues over expenditures | <u>(2,204)</u> | <u>(13,117)</u> | <u>(9,252)</u> | <u>(4,711)</u> | <u>(29,284)</u> |
| Other financing sources (uses): | | | | | |
| Issuance of bonds | | 9,625 | 9,055 | 3,880 | 22,560 |
| Premium on bond issuance | 8,547 | | | | 8,547 |
| Refunding bond issuance | 34,020 | | | | 34,020 |
| Payment to refunded bond escrow agent | (40,403) | | | | (40,403) |
| Transfers in | | 1,499 | | 449 | 1,948 |
| Transfers out | (1,118) | | | (800) | (1,918) |
| Total other financing sources (uses) | <u>1,046</u> | <u>11,124</u> | <u>9,055</u> | <u>3,529</u> | <u>24,754</u> |
| Net Change in Fund Balances | (1,158) | (1,993) | (197) | (1,182) | (4,530) |
| Fund Balances at Beginning of Year, As Restated | <u>37,207</u> | <u>(2,767)</u> | <u>(12,205)</u> | <u>15,999</u> | <u>38,234</u> |
| Fund Balances at End of Year | <u>\$ 36,049</u> | <u>\$ (4,760)</u> | <u>\$ (12,402)</u> | <u>\$ 14,817</u> | <u>\$ 33,704</u> |

(Continued on next page)

CITY OF MILFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(In Thousands)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

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

| | |
|---|------------|
| Net change in fund balances - total governmental funds (Exhibit IV) | \$ (4,530) |
|---|------------|

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

| | |
|----------------------|----------|
| Capital outlay | 24,939 |
| Depreciation expense | (12,543) |

| | |
|---|---------|
| The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets. | (3,863) |
|---|---------|

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 | (257) |
| Property tax interest and lien revenue - accrual basis change | (236) |
| Grant receivables - accrual basis change | 1,272 |
| Sewer assessment receivable and interest - accrual basis change | (17) |
| Sewer assessment interest receivable - accrual change | 7 |
| Deferred outflows related to pension | (9,103) |
| Deferred outflows related to OPEB | (8,626) |
| Deferred outflows on refunding | (364) |

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 and note principal payments | 13,954 |
| Premium on bonds issued | (8,547) |
| Payments to bond refunding agent | 40,403 |
| Issuance of bonds and notes | (56,580) |
| Capital lease principal payment | 79 |

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 | 532 |
| Accrued interest | (293) |
| Amortization of bond premium | 3,434 |
| Total/Net OPEB liability | 55,052 |
| Net pension liability | 78,856 |
| Deferred inflows related to pension | (56,327) |
| Deferred inflows related to OPEB | (5,258) |
| Deferred inflows on refunding | (25) |

| | |
|---|----------------|
| 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. | <u>(4,406)</u> |
|---|----------------|

| | |
|--|------------------|
| Change in Net Position of Governmental Activities (Exhibit II) | <u>\$ 47,553</u> |
|--|------------------|

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2021
(In Thousands)

| | <u>Business-Type Activities</u> | <u>Governmental Activities</u> |
|--|--|------------------------------------|
| | <u>Nonmajor Enterprise Funds</u> | <u>Internal Service</u> |
| Assets: | | |
| Current: | | |
| Cash and cash equivalents | \$ 616 | \$ 15,077 |
| Receivables, net | 20 | 508 |
| Total current assets | <u>636</u> | <u>15,585</u> |
| Noncurrent assets: | | |
| Capital assets: | | |
| Not being depreciated | 1,681 | |
| Being depreciated, net | 903 | |
| Total noncurrent assets | <u>2,584</u> | <u>-</u> |
| Total assets | <u>3,220</u> | <u>15,585</u> |
| Liabilities: | | |
| Current: | | |
| Accounts payable and accrued liabilities | 25 | 106 |
| Risk management claims | | 402 |
| Total current liabilities | <u>25</u> | <u>508</u> |
| Noncurrent: | | |
| Risk management claims | | <u>6,299</u> |
| Total liabilities | <u>25</u> | <u>6,807</u> |
| Net Position: | | |
| Investment in capital assets | 2,584 | |
| Unrestricted | <u>611</u> | <u>8,778</u> |
| Total Net Position | <u>\$ 3,195</u> | <u>\$ 8,778</u> |

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(In Thousands)

| | <u>Business-Type Activities</u> | <u>Governmental Activities</u> |
|--|--|------------------------------------|
| | <u>Nonmajor Enterprise Funds</u> | <u>Internal Service</u> |
| Operating revenues: | | |
| Employer contributions | \$ | \$ 30,051 |
| Charges for services | 397 | 5,955 |
| Other | | 2,472 |
| Total operating revenues | <u>397</u> | <u>38,478</u> |
| Operating expenses: | | |
| Salaries | 121 | |
| Operations and supplies | 82 | |
| Insurance | 87 | |
| Depreciation | 63 | |
| Insurance premiums and claims expense | | 42,884 |
| Total operating expenses | <u>353</u> | <u>42,884</u> |
| Operating income (loss) | 44 | (4,406) |
| Income (loss) before capital contributions and transfers | <u>44</u> | <u>(4,406)</u> |
| Capital contributions and transfers: | | |
| Capital contributions | 420 | |
| Transfers out | (30) | |
| Total capital contributions and transfers | <u>390</u> | |
| Change in Net Position | 434 | (4,406) |
| Total Net Position at Beginning of Year | <u>2,761</u> | <u>13,184</u> |
| Total Net Position at End of Year | <u>\$ 3,195</u> | <u>\$ 8,778</u> |

The accompanying notes are an integral part of the financial statements

**CITY OF MILFORD, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

(In Thousands)

| | <u>Business-Type Activities</u> | <u>Governmental Activities</u> |
|--|--|------------------------------------|
| | <u>Nonmajor Enterprise Funds</u> | <u>Internal Service</u> |
| Cash flows from operating activities: | | |
| Cash received from contributions and charges for services | \$ 405 | \$ 38,141 |
| Cash paid to employees | (121) | |
| Cash paid to vendors | (167) | |
| Cash payments for claims paid | | (42,514) |
| Net cash provided by (used in) operating activities | <u>117</u> | <u>(4,373)</u> |
| Cash flows to/from noncapital financing activities: | | |
| Transfers to/from other funds | <u>(30)</u> | |
| Net increase (decrease) in cash and cash equivalents | 87 | (4,373) |
| Cash and Cash Equivalents at Beginning of Year | <u>529</u> | <u>19,450</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 616</u> | <u>\$ 15,077</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | |
| Operating income (loss) | \$ 44 | \$ (4,406) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | |
| Depreciation expense | 63 | |
| (Increase) decrease in accounts receivable | 7 | (337) |
| Increase (decrease) in accounts payable and accrued liabilities | <u>3</u> | <u>370</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 117</u> | <u>\$ (4,373)</u> |

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2021
(In Thousands)

| | Pension and Other Employee Benefit Trust Funds |
|---------------------------------|---|
| Assets: | |
| Cash and cash equivalents | \$ <u>8,420</u> |
| Investments: | |
| Corporate bonds | 8,217 |
| U.S. government securities | 3,300 |
| U.S. government agencies | 3,902 |
| Marketable equity securities | 175,643 |
| Alternative investments | 165,675 |
| Mutual funds | 81,473 |
| Total investments | <u>438,210</u> |
| Total assets | <u>446,630</u> |
| Liabilities: | |
| Accounts and other payables | <u>181</u> |
| Net Position: | |
| Restricted for Pension benefits | 435,272 |
| Restricted for OPEB benefits | <u>11,177</u> |
| Total net position | \$ <u><u>446,449</u></u> |

The accompanying notes are an integral part of the financial statements

**CITY OF MILFORD, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

(In Thousands)

| | Pension and Other Employee Benefit Trust Funds |
|---|---|
| Additions: | |
| Contributions: | |
| Plan members | \$ 2,888 |
| Employer | 16,082 |
| Total contributions | <u>18,970</u> |
| Investment income: | |
| Net change in fair value of investments | 85,420 |
| Interest and dividends | 24,318 |
| Total investment income | <u>109,738</u> |
| Less investment expense | 2,317 |
| Net investment income | <u>107,421</u> |
| Total additions | <u>126,391</u> |
| Deductions: | |
| Benefit payments and withdrawals | 34,790 |
| Administration | 85 |
| Total deductions | <u>34,875</u> |
| Change in Net Position | 91,516 |
| Net Position at Beginning of Year | <u>354,933</u> |
| Net Position at End of Year | <u>\$ 446,449</u> |

The accompanying notes are an integral part of the financial statements

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**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The government is a municipal corporation governed by an elected mayor and 15-member Board of Aldermen. A 10-member Board of Education oversees all education activities. As required by GAAP, these financial statements present all of the governmental functions for which it is financially accountable.

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 Unit

The City has established a single-employer Pension Trust Fund and City OPEB Trust Fund to provide retirement benefits to employees and their beneficiaries. The Pension and Retirement Board governs these plans and the City is required to make contributions to each.

The financial statements of the fiduciary component units are reported as the Pension and Other Employee Benefits Trust Funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those 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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

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 and major individual enterprise 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 funds 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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of grant revenues which are considered available if they are collected 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefit obligations, pension obligations and certain claims payable are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The City reports the following major governmental funds:

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

The Capital Nonrecurring Fund is used to account for those projects of the City, except for those of the school buildings or sewers, which are capital nonrecurring in nature. The major sources of revenue for this fund are intergovernmental revenues and bond proceeds.

The School Facilities Fund is used to account for construction of school buildings and additions. The major sources of revenue for this fund are State revenues and proceeds from the sale of bonds.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Additionally, the City reports the following fund types:

The Enterprise Funds account for the operations that are financed through user charges. The nonmajor Enterprise Funds include the Milford Golf Course and the Harbor Management.

The Internal Service Funds account for the City's and Board of Education's health insurance, the City's workers' compensation insurance and the City's and Board of Education's property and casualty insurance.

The Pension and Other Employee Benefit Trust Funds account for the fiduciary activities of the Milford Retirement System, which accumulates resources for pension benefit payments to qualified City employees, and account for and accumulate resources for other postemployment benefits due to City's retirees.

The pension and other employee benefit trust funds use the economic resources measurement focus and the accrual basis of accounting.

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

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

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

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

D. Deposits and Investments

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

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

Investments for the City are reported at fair value.

**CITY OF MILFORD, CONNECTICUT
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(In Thousands)

E. Receivables and Payables

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

Property taxes are levied each June on the assessed value listed on the prior October 1 grand list for all taxable property located in the City. Although taxes are levied in June, the legal right to attach the property does not exist until July 1, and, as such, taxes are due and payable in equal installments on July 1 and January 1 following the date of the grand list. Taxes become overdue one month after the installment date. Interest accrues at the rate of 1.5% per month. Additional property taxes are assessed for motor vehicles registered subsequent to the grand list date and are payable in one installment due January 1.

In accordance with State law, the oldest outstanding tax is collected first. Prior to June 30 of each year, liens are automatically placed on outstanding real estate tax accounts, with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

Real estate, motor vehicle and personal property accounts are no longer collectible 15 years after the due date in accordance with State Statutes. A total of \$750 has been established as an allowance for uncollectible taxes and interest.

F. Material, Supplies and Prepaid Items

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

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

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(In Thousands)

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings | 40 |
| Infrastructure | 15-50 |
| Motor vehicles | 5-15 |
| Office and other equipment | 5-10 |

H. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports advance property tax collections and sewer collections in the government-wide statement of net position and in the governmental funds balance sheet as deferred inflows of resources. Advance property tax and sewer collections represent tax and sewer fees inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. In addition, the City reports a deferred inflow of resources related to deferred change on refunding and deferred inflows related to pensions 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 inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs or the net difference between projected and actual earnings on pension and OPEB plan investments. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees) or in the case of the difference in projected and actual earnings on pension and OPEB plan investments, over a systematic and rational method over a closed five-year period. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, special assessments and grants. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

I. Compensated Absences

Under the terms of its various union contracts, City and Board of Education employees are granted vacation in varying amounts based on length of service. Certain employees may carry over a limited number of unused vacation days to subsequent years and, in the event of termination, these employees are reimbursed for accumulated vacation.

Under the terms of its various contracts, City and Board of Education employees are granted sick leave in varying amounts. Certain employees may carry over a limited number of unused sick days to subsequent years and, in the event of termination, these employees are reimbursed for accumulated sick time. Accumulated vacation and sick time are recognized as a liability of the City in the government-wide statement of net position.

J. 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 any significant applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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 also reported as other financing uses.

K. Net Pension Liability

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

L. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

M. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(In Thousands)

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.

N. Fund Equity

Equity in the government-wide financial statements, proprietary funds and fiduciary fund financial statements is defined as "net position" and is classified in the following categories:

Net Investments in Capital Assets

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

Restricted Net Position

Net position is restricted when there are externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This component of net position includes anything that does not meet the definition of "restricted" or "net investments in capital assets."

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The Board of Aldermen has the highest level of decision-making authority for the City of Milford. In order for the City to establish, modify or rescind a fund balance commitment, the Mayor must make a recommendation to the Board of Aldermen, which has final authority. The Board of Aldermen is required to vote upon and approve a resolution to establish, modify or rescind a fund balance commitment.

Assigned Fund Balance

This balance represents amounts constrained for the intent to be used for a specific purpose by a governing board (Board of Alderman) or a body or official (Director of Finance) that has been delegated authority to assign amounts by the City Charter.

Unassigned Fund Balance

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

O. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

P. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 29, 2021.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Prior to February 1, the Mayor and the Board of Education submit proposed budgets for their respective shares of the General Fund to the Board of Finance. Prior to April 1, the Board of Finance submits to the Board of Aldermen the proposed fiscal budget. The Board of Aldermen then holds hearings on the Board of Finance's proposed budget. The Board of Aldermen may reduce or delete any item contained in the Board of Finance's budget by a simple majority. The Board of Aldermen may increase or add to any item in the Board of Finance budget by a two-thirds vote. The Board of Aldermen adopts the budget for the following fiscal year and sets the mill rate. This budget, at the department level, becomes the legal level of control. For management purposes, the Mayor is authorized to transfer budgeted amounts between like categories of line items within individual budgeted departments. All other transfers, as well as additional appropriations, must first be approved by the Board of Finance and then by the Board of Aldermen. Additional appropriations of \$495 were approved during the fiscal year.

All unencumbered appropriations lapse at year end, except those for Capital Projects and Special Revenue Funds. Appropriations for these funds are continued until completion of applicable projects, which generally extend more than one fiscal year.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded as assigned or committed fund balance, in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all governmental fund types. For GAAP purposes, encumbrances outstanding at the year-end are reported as an assignment or commitment of fund balance since they do not constitute expenditures or liabilities.

The major difference between the budgetary and GAAP basis of accounting is:

- Encumbrances are recognized as a valid and proper charge against a budget appropriation 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 whereas they are shown as an assigned fund balance on a GAAP basis of accounting.
- The City reports on-behalf contributions made by the State of Connecticut to the Connecticut State Teachers' Retirement System and OPEB system as revenue and expenditures for GAAP purposes.

**CITY OF MILFORD, CONNECTICUT
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(In Thousands)

- At the end of each fiscal year, the Board of Education’s summer payroll is charged to the subsequent year’s budget. As these expenditures should be accrued, this adjustment is necessary to properly record expenditures on a GAAP basis.
- Nonbudgetary items and eliminations related to the Compensated Absences Fund.

B. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2021:

| | <u>Amount</u> |
|----------------------------|---------------|
| Major: | |
| Capital Nonrecurring Fund | \$ 4,760 |
| School Facilities Fund | 12,402 |
| Nonmajor: | |
| Community Development | 14 |
| Special Education Grants | 171 |
| School Renovations Fund | 1,856 |
| Sanitary Sewer Fund | 1,365 |
| Internal Service Funds: | |
| Workers' compensation Fund | 1,094 |

These deficits will be reduced or eliminated through the receipt of grant funds, permanent financing or future transfers from the General Fund.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open-end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds does 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.

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(In Thousands)

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

Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposit will not be returned. The City 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*, \$26,783 of the City’s bank balance of \$29,193 was exposed to custodial credit risk as follows:

| | |
|---|------------------|
| Uninsured and uncollateralized | \$ 24,029 |
| Uninsured and collateral held by the pledging bank’s trust department, not in the City’s name | <u>2,754</u> |
| Total Amount Subject to Custodial Credit Risk | <u>\$ 26,783</u> |

Cash Equivalents

At June 30, 2021, the City’s cash equivalents amounted to \$92,347. These cash equivalents are investment pools of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Credit Risk – Cash Equivalents

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

| | <u>Standard & Poor’s</u> |
|---|---|
| State Short-Term Investment Fund (STIF) | AAA/m |
| Money Market Mutual Funds | Not Rated |

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Investments

As of June 30, 2021, the City had the following investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Investment Maturities (Years)</u> | | |
|-------------------------------|-------------------|--------------------------------------|-----------------|---------------------|
| | | <u>Less Than 1</u> | <u>1 - 10</u> | <u>More Than 10</u> |
| Interest-bearing investments: | | | | |
| U.S. Government Agencies | \$ 3,902 | \$ | \$ 9 | \$ 3,893 |
| U.S. Government Securities | 3,300 | | 3,300 | |
| Corporate bonds | 8,217 | | 6,249 | 1,968 |
| Certificates of deposit * | <u>31</u> | <u>31</u> | | |
| Total | 15,450 | \$ <u>31</u> | \$ <u>9,558</u> | \$ <u>5,861</u> |
| Other investments: | | | | |
| Equities | 175,643 | | | |
| Alternative investments | 165,675 | | | |
| Mutual funds | <u>81,473</u> | | | |
| Total Investments | \$ <u>438,241</u> | | | |

*Subject to coverage by Federal Depository Insurance and collateralization.

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City limits their maximum final stated maturities to 15 years, unless specific authority is given to exceed. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities and towns. The City has no formal investment policy that would further limit its investment choices. Presented below is the average rating of investments in debt securities.

| <u>Average Rating</u> | <u>Corporate Bonds</u> | <u>U.S. Government Securities</u> | <u>U.S. Government Agencies</u> | <u>Certificate of Deposit</u> | <u>Mutual Funds</u> |
|-----------------------|------------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------|
| Aaa | \$ | \$ 3,300 | \$ | \$ | \$ |
| Aa3 | 401 | | | | |
| A1 | 192 | | | | |
| A2 | 916 | | | | |
| A3 | 923 | | 264 | | |
| Baa1 | 1,040 | | | | |
| Baa2 | 1,153 | | | | |
| Baa3 | 1,444 | | | | |
| Ba1 | 1,063 | | | | |
| Ba2 | 469 | | | | |
| Ba3 | 144 | | | | |
| B1 | 145 | | | | |
| B2 | 184 | | | | |
| B3 | 143 | | | | |
| Unrated | | | 3,638 | 31 | 81,473 |
| | \$ <u>8,217</u> | \$ <u>3,300</u> | \$ <u>3,902</u> | \$ <u>31</u> | \$ <u>81,473</u> |

Concentration of Credit Risk

The City has no policy limiting an investment in any one issuer that is in excess of 5% of the City's total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2021, the City did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(In Thousands)

Fair Value

The City 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 City has the following recurring fair value measurements as of June 30, 2021:

| | <u>June 30, 2021</u> | <u>Fair Value Measurement</u> | | |
|--|--------------------------|-------------------------------|------------------|----------------|
| | | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Investments by fair value level: | | | | |
| U.S. Government agencies | \$ 3,902 | \$ 3,902 | \$ | \$ |
| U.S. Government securities | 3,300 | 3,300 | | |
| Corporate bonds | 8,217 | 8,217 | | |
| Equity securities | 175,643 | 175,643 | | |
| Alternative investments | 63,887 | | 63,887 | |
| Mutual funds | 81,473 | 81,473 | | |
| Total investments by fair value level | 336,422 | \$ <u>272,535</u> | \$ <u>63,887</u> | \$ <u>-</u> |
| Investments measured at net asset value (NAV): | | | | |
| Alternative Investments | <u>101,788</u> | | | |
| Subtotal | <u>438,210</u> | | | |
| Certificates of deposit | <u>31</u> | | | |
| Total Investments | \$ <u>438,241</u> | | | |

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Alternative investments classified in Level 2 do not have prices quoted in active markets, however a fair value can be determined based on other data values or market prices. Alternative investments primarily represent investments in Limited Partnerships.

The following is a summary of the investment strategies, their liquidity and redemption notice periods and any restrictions on the liquidity provisions of the investments in Investment Funds held by the City as of June 30, 2021 and measured at fair value using the NAV per share practical expedient. Investment Funds with no current redemption restrictions may be subject to future gates, lock-up provisions, or other restrictions, in accordance with their offering documents which would be considered in fair value measurement and disclosure.

Equity Hedge Funds

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(In Thousands)

Multi-strategy Hedge Funds

This type invests in various hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The hedge funds' composite portfolio for this type includes a broad range of investments. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

Real Estate Funds

This type includes real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated.

4. RECEIVABLES

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

| | <u>General</u> | <u>Capital Nonrecurring Fund</u> | <u>Nonmajor and Aggregate Remaining Funds</u> | <u>Total</u> |
|------------------------------------|-----------------|--|---|-----------------|
| Receivables: | | | | |
| Taxes and interest | \$ 7,682 | \$ | \$ | \$ 7,682 |
| Accounts | 118 | | 957 | 1,075 |
| Special assessments | 20 | | | 20 |
| Intergovernmental | | 1,731 | 403 | 2,134 |
| Gross receivables | <u>7,820</u> | <u>1,731</u> | <u>1,360</u> | <u>10,911</u> |
| Less allowance for uncollectibles: | <u>(1,196)</u> | | | <u>(1,196)</u> |
| Net Total Receivables | <u>\$ 6,624</u> | <u>\$ 1,731</u> | <u>\$ 1,360</u> | <u>\$ 9,715</u> |

The above table does not include interest on sewer assessments of \$122.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>Ending Balance</u> |
|--|------------------------------|------------------|-------------------|------------------|---------------------------|
| Governmental activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 47,671 | \$ 706 | \$ | \$ | \$ 48,377 |
| Construction in progress | 49,303 | 16,717 | (3,798) | (30,982) | 31,240 |
| Total capital assets not being depreciated | <u>96,974</u> | <u>17,423</u> | <u>(3,798)</u> | <u>(30,982)</u> | <u>79,617</u> |
| Capital assets being depreciated: | | | | | |
| Buildings and improvements | 285,727 | 2,518 | | 20,839 | 309,084 |
| Improvements other than buildings | 15,615 | 238 | | 717 | 16,570 |
| Machinery and equipment | 48,927 | 5,181 | (5,267) | (7) | 48,834 |
| Infrastructure | 141,561 | | | 9,012 | 150,573 |
| Total capital assets being depreciated | <u>491,830</u> | <u>7,937</u> | <u>(5,267)</u> | <u>30,561</u> | <u>525,061</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and improvements | (107,193) | (7,130) | | | (114,323) |
| Improvements other than buildings | (6,784) | (955) | | | (7,739) |
| Machinery and equipment | (37,584) | (2,433) | 5,202 | | (34,815) |
| Infrastructure | (75,464) | (2,025) | | | (77,489) |
| Total accumulated depreciation | <u>(227,025)</u> | <u>(12,543)</u> | <u>5,202</u> | <u>-</u> | <u>(234,366)</u> |
| Total capital assets being depreciated, net | <u>264,805</u> | <u>(4,606)</u> | <u>(65)</u> | <u>30,561</u> | <u>290,695</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 361,779</u> | <u>\$ 12,817</u> | <u>\$ (3,863)</u> | <u>\$ (421)</u> | <u>\$ 370,312</u> |
| Business-type activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 1,681 | \$ | \$ | \$ | \$ 1,681 |
| Capital assets being depreciated: | | | | | |
| Buildings and system | 847 | | | 18 | 865 |
| Improvements other than buildings | 1,234 | | | 395 | 1,629 |
| Machinery and equipment | 688 | | (21) | 8 | 675 |
| Total capital assets being depreciated | <u>2,769</u> | <u>-</u> | <u>(21)</u> | <u>421</u> | <u>3,169</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and system | (328) | (19) | | | (347) |
| Improvements other than buildings | (1,208) | (44) | | | (1,252) |
| Machinery and equipment | (688) | | 21 | | (667) |
| Total accumulated depreciation | <u>(2,224)</u> | <u>(63)</u> | <u>21</u> | <u>-</u> | <u>(2,266)</u> |
| Total capital assets being depreciated, net | <u>545</u> | <u>(63)</u> | <u>-</u> | <u>421</u> | <u>903</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 2,226</u> | <u>\$ (63)</u> | <u>\$ -</u> | <u>\$ 421</u> | <u>\$ 2,584</u> |

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Depreciation expense was charged to functions/programs as follows:

| | |
|---|-----------------------------|
| Governmental activities: | |
| General government | \$ 602 |
| Public safety | 1,445 |
| Public service | 5,147 |
| Education | 4,287 |
| Health and welfare | <u>1062</u> |
| Total Depreciation Expense - Governmental Activities | \$ <u><u>12,543</u></u> |
| Business-type activities: | |
| Milford Golf Course | \$ 22 |
| Harbor Management | <u>41</u> |
| Total Depreciation Expense - Business-Type Activities | \$ <u><u>63</u></u> |

Construction Commitments

The City has active construction projects as of June 30, 2021. At year end, the projects' unexpended authorization available to fund commitments with contractors is as follows:

| <u>Program</u> | <u>Project Authorization</u> | <u>Cumulative Expenditures</u> | <u>Encumbered</u> | <u>Balance June 30, 2021</u> |
|---|----------------------------------|------------------------------------|----------------------------|--------------------------------------|
| General Capital Improvement | \$ 150,686 | \$ 129,019 | \$ 3,891 | \$ 17,776 |
| Education Capital Improvement | 131,907 | 102,140 | 93 | 29,674 |
| Sanitary Sewers and Wastewater Facilities | <u>138,761</u> | <u>118,805</u> | <u>39</u> | <u>19,917</u> |
| Total | \$ <u><u>421,354</u></u> | \$ <u><u>349,964</u></u> | \$ <u><u>4,023</u></u> | \$ <u><u>67,367</u></u> |

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. Interfund receivables and payables generally represent temporary balances arising from reimbursement type transactions. There were no interfund receivables and payables as of June 30, 2021. Interfund transfers as of June 30, 2021 are as follows:

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

| | <u>Capital Nonrecurring</u> | <u>Nonmajor Governmental</u> | <u>Total Transfers Out</u> |
|-----------------------|---------------------------------|----------------------------------|--------------------------------|
| Transfers out: | | | |
| General Fund | \$ 669 | \$ 449 | \$ 1,118 |
| Nonmajor Governmental | 800 | | 800 |
| Nonmajor Enterprise | <u>30</u> | | <u>30</u> |
| Total | <u>\$ 1,499</u> | <u>\$ 449</u> | <u>\$ 1,948</u> |

General Fund transfers are made in accordance with budget appropriations and authorized allocation transfers. The General Fund transfers to other funds are primarily for the purpose of establishing local funding for capital projects to reduce bonding. Transfers are used to move unrestricted general fund revenues to fund various programs that must be accounted for separately in accordance with budgetary authorizations.

7. LONG-TERM DEBT

A summary of the long-term indebtedness transactions for the current fiscal year follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---|------------------------------|-------------------|-------------------|---------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 145,760 | \$ 56,580 | \$ 32,085 | \$ 170,255 | \$ 11,495 |
| Bond premium | <u>9,718</u> | <u>8,547</u> | <u>4,161</u> | <u>14,104</u> | |
| Total bonds payable | 155,478 | 65,127 | 36,246 | 184,359 | 11,495 |
| Clean water serial notes payable from direct borrowing | 22,132 | | 22,132 | - | |
| Capital lease | 1,563 | | 79 | 1,484 | 82 |
| Long-term note payable from direct borrowing | 81 | | 81 | - | |
| Claims and judgments | 6,389 | 42,884 | 42,572 | 6,701 | 402 |
| Compensated absences | 17,611 | 613 | 1,145 | 17,079 | 1,110 |
| Net pension liability | 91,637 | | 78,856 | 12,781 | |
| Net OPEB liability - City | 191,079 | | 8,030 | 183,049 | |
| Total OPEB liability - BOE | <u>218,704</u> | | <u>47,022</u> | <u>171,682</u> | <u>6,417</u> |
| Total Governmental Activities Long-Term Liabilities | <u>\$ 704,674</u> | <u>\$ 108,624</u> | <u>\$ 236,163</u> | <u>\$ 577,135</u> | <u>\$ 19,506</u> |

For the governmental activities, compensated absences, net pension liability, OPEB liabilities are generally liquidated by the General Fund.

General Obligation Bonds

Bonds payable at June 30, 2021 amounted to \$170,255 with interest rates ranging from 2.0% to 5.0% on bonds maturing at various dates through the year 2041. A schedule of government bonds outstanding at June 30, 2021 is presented below:

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

| Description | Date of Issue | Interest Rate (%) | Original Issue | Outstanding June 30, 2021 |
|--|---------------|-------------------|----------------|---------------------------|
| General purpose: | | | | |
| 2013 - Refunding - General Purpose | 11/12/13 | 3.00-4.00% | 1,940 \$ | 1,034,000 |
| 2014 - General Purpose | 11/10/14 | 2.13-5.00% | 3,740 | 2,600,000 |
| 2014 - Refunding - General Purpose | 12/17/14 | 4.00-5.00% | 3,416 | 2,360,000 |
| 2015 - General Purpose | 11/09/15 | 2.00-5.00% | 2,555 | 1,905,000 |
| 2016 - Refunding - General Purpose | 03/03/16 | 3.00-5.00% | 3,822 | 3,291,000 |
| 2016 - General Purpose | 11/07/16 | 2.00-5.00% | 6,497 | 5,200,000 |
| 2017 - General Purpose | 11/06/17 | 3.00-5.00% | 9,345 | 7,935,000 |
| 2017 - Refunding - General Purpose | 12/22/17 | 3.00-5.00% | 3,186 | 3,186,000 |
| 2018 - General Purpose | 11/05/18 | 3.00-5.00% | 13,065 | 11,755,000 |
| 2019 - General Purpose | 11/04/19 | 2.00-5.00% | 6,690 | 6,360,000 |
| 2020 - Refunding - General Purpose | 11/02/20 | 3.00-5.00% | 7,884 | 7,884,000 |
| 2020 - General Purpose | 11/03/20 | 2.00-5.00% | 9,755 | 9,755,000 |
| Total general purpose | | | | 63,265,000 |
| School: | | | | |
| 2013 - Refunding - Schools | 11/12/13 | 3.00-4.00% | 4,096 | 2,154,000 |
| 2014 - Schools | 11/10/14 | 2.13-5.00% | 6,475 | 4,540,000 |
| 2014 - Refunding - Schools | 12/17/14 | 4.00-5.00 | 6,083 | 4,074,000 |
| 2015 - Schools | 11/09/15 | 2.00-5.00% | 1,725 | 1,275,000 |
| 2016 - Refunding - Schools | 03/03/16 | 3.00-5.00% | 4,847 | 3,969,000 |
| 2016 - Schools | 11/07/16 | 2.00-5.00% | 6,788 | 5,430,000 |
| 2017 - Schools | 11/06/17 | 3.00-5.00% | 6,285 | 5,340,000 |
| 2017 - Refunding - Schools | 12/22/17 | 3.00-5.00% | 4,533 | 4,533,000 |
| 2018 - Schools | 11/05/18 | 3.00-5.00% | 4,600 | 4,140,000 |
| 2019 - Schools | 11/04/19 | 2.00-5.00% | 650 | 622,000 |
| 2020 - Refunding - Schools | 11/02/20 | 3.00-5.00% | 3,084 | 3,084,000 |
| 2020 - Schools | 11/03/20 | 2.00-5.00% | 9,690 | 9,690,000 |
| Total schools | | | | 48,851,000 |
| Sewer: | | | | |
| 2013 - Refunding - Sewer | 11/12/13 | 3.00-4.00% | 4,204 | 2,197,000 |
| 2014 - Sewer | 11/10/14 | 2.13-5.00% | 3,980 | 2,800,000 |
| 2014 - Refunding - Sewer | 12/17/14 | 4.00-5.00 | 5,436 | 3,546,000 |
| 2015 - Sewer | 11/09/15 | 2.00-5.00% | 4,070 | 3,070,000 |
| 2016 - Refunding - Sewer | 03/03/16 | 3.00-5.00% | 7,346 | 5,810,000 |
| 2016 - Sewer | 11/07/16 | 2.00-5.00% | 3,155 | 2,515,000 |
| 2017 - Sewer | 11/06/17 | 3.00-5.00% | 3,105 | 2,635,000 |
| 2017 - Refunding - Sewer | 12/22/17 | 3.00-5.00% | 5,411 | 5,411,000 |
| 2018 - Sewer | 11/05/18 | 3.00-5.00% | 3,380 | 3,050,000 |
| 2019 - Sewer | 11/04/19 | 2.00-5.00% | 2,340 | 2,223,000 |
| 2020 -Refunding - Sewer | 11/02/20 | 3.00-5.00% | 5,492 | 5,492,000 |
| 2020 - Sewer | 11/03/20 | 2.00-5.00% | 3,115 | 3,115,000 |
| 2020 - Refunding - Sewer - Single Purpos | 12/11/20 | 5.00% | 17,560 | 16,275,000 |
| Total sewer | | | | 58,139,000 |
| Total | | | \$ | 170,255,000 |

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Principal and interest payments for bonds payable are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|-------------------|------------------|-------------------|
| 2022 | \$ 11,495 | \$ 6,809 | \$ 18,304 |
| 2023 | 14,110 | 5,822 | 19,932 |
| 2024 | 13,930 | 5,150 | 19,080 |
| 2025 | 13,700 | 4,493 | 18,193 |
| 2026 | 13,535 | 3,882 | 17,417 |
| 2027-2031 | 57,515 | 11,808 | 69,323 |
| 2032-2036 | 32,540 | 4,095 | 36,635 |
| 2037-2041 | 13,430 | 675 | 14,105 |
| Total | \$ 170,255 | \$ 42,734 | \$ 212,989 |

General Obligation Refunding Bonds

On November 2, 2020, the City issued \$16,460,000 of general obligation refunding bonds with an interest rate of 3-5%. The bonds were issued to refund \$19,220,000 aggregate outstanding principal amounts of the 2010A, 2012 and 2012B issue of general obligation bonds and 2012 general obligation refunding bonds. The net proceeds of \$19,265,893 (after an original issue premium of \$2,941,300 and payment of \$135,407 in underwriter’s fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated November 2, 2020 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase a portfolio of the United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited by the City for payment of the refunded bonds. The City refunded the above bonds to reduce total debt service payments over the next 12 years by \$1,414,137 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,397,780. As of June 30, 2021, the bonds were called and there was no defeased debt related to this refunding.

On December 11, 2020, the City issued \$17,560,000 of general obligation refunding bonds with an interest rate of 5.00%. The bonds were issued to refund \$21,124,548 aggregate principal amount outstanding of certain of the City’s outstanding project loan obligations with the State of Connecticut. The net proceeds of \$21,137,457 (after an original issue premium of \$3,656,786 and payment of \$79,329 in underwriter’s fees and other issuance costs) were remitted to the State of Connecticut Clean Water Fund account for payment of the outstanding project loan obligations. The City refunded the above bonds to reduce total debt service payments over the next 8 years by \$1,443,923 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,427,266.

Prior Year Defeasance of Debt

In prior years, the City had defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City’s financial statements. The outstanding balance of the defeased bonds as of June 30, 2021 is \$5,015 and the escrow balance is \$5,087.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Bond Anticipation Notes

Bond anticipation notes, which serve as temporary financing for certain capital projects, were outstanding at June 30, 2021.

| | <u>Amount</u> |
|------------------------------|------------------|
| Notes payable, July 1, 2020 | \$ 23,635 |
| Notes issued | 25,525 |
| Notes retired | <u>(23,635)</u> |
| Notes Payable, June 30, 2021 | <u>\$ 25,525</u> |

During the year, the City issued \$25,525 in notes dated November 3, 2020, which mature on November 3, 2020. The notes carry an interest rate of 2.00%. These notes serve as temporary financing for various school, public improvements and sewer projects.

Capital Lease

The City has entered into a multi-year lease for a micro grid generation system to power certain critical facilities within the City. The lease agreement qualifies as a capital lease for accounting purposes (title transfer at the end of lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception. The asset has not yet been placed in service as of June 30, 2021 and is reported as part of construction in progress for \$1,604.

The following is a schedule of future minimum lease payment under this capital lease and the present value of the net minimum lease payments at June 30, 2021:

| <u>Year Ending June 30,</u> | <u>Principal</u> |
|---|------------------|
| 2022 | \$ 135 |
| 2023 | 135 |
| 2024 | 135 |
| 2025 | 145 |
| 2026 | 145 |
| 2027-2031 | 741 |
| 2032-2034 | <u>459</u> |
| Total lease payments | 1,895 |
| Less: Amount representing interest | <u>(411)</u> |
| Present value of minimum lease payments | <u>\$ 1,484</u> |

Other Obligations

At June 30, 2021, the dollar value of City employees' and Board of Education employees' accumulated vacation and sick time has been valued using the vesting methods outlined in GASB Statement No. 16. These obligations are typically funded by the General Fund.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Debt Limitation

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

| <u>Category</u> | <u>Debt Limit</u> | <u>Net Indebtedness</u> | <u>Balance</u> |
|-----------------|-----------------------|-----------------------------|----------------|
| General purpose | \$ 414,002 | \$ 99,226 | \$ 314,776 |
| Schools | 828,005 | 78,652 | 749,353 |
| Sewers | 690,004 | 67,273 | 622,731 |
| Urban renewal | 598,003 | | 598,003 |
| Pension deficit | 552,003 | | 552,003 |

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation (\$1,288,007). The authorized/unissued debt has been reduced by grant proceeds of \$33,151 relative to general purpose and school construction projects.

The indebtedness reflected above includes long-term debt outstanding in addition to the amount of bonds authorized and unissued of \$73,412 against which bond anticipation notes are issued and outstanding.

8. RISK MANAGEMENT (AMOUNTS NOT ROUNDED UNLESS NOTED)

The City and the Board of Education are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters. For FY2021, the City and the Board of Education Property, General Liability, Auto Liability, Public Officials’ Liability, Police Professional Liability and Educators’ Liability were insured by CIRMA with deductibles of \$1,000 for auto physical damage and \$-0- for other liability coverage. Law Enforcement/Public Officials/School Leaders has a \$25,000 deductible and Employee Benefits has a deductible of \$1,000. The Board of Education insures its Workers’ Compensation with CIRMA.

The Property/Inland Marine Insurance and Boiler and Machinery Insurance are with CIRMA Insurance. The policy has a deductible of \$50,000. There is \$20,000,000 of coverage for flood damage under this policy. Flood Zones A and V have a deductible of \$1,000,000. The City has purchased coverage from the National Flood Program to cover this deductible. The National Flood Program has a maximum deductible of \$25,000.

All City deductibles and premiums for the City portion of insurance are paid from the City’s Property and Casualty Self Insurance Fund. The Board of Education pays for its premiums and deductibles from its operations budget.

The Property and Casualty Self Insurance Fund is an internal service fund that was established by the Board of Aldermen in April 2003 along with a self-insurance program for property and casualty insurance. This fund pays for claims that occurred between April 23, 2003 and June 30, 2008. The General Liability, Auto Liability, Public Officials’ Liability, Police Professional Liability and Educator’s Liability were self-insured for the first \$250 thousand dollars of each claim. There is still one claim open from this period. The City and Board of Education did not have any claims that exceeded insurance coverage in the past three years.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

The claims liability reported in the Internal Service Fund at June 30, 2021 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded.

| <i>In thousands</i> | | Liability July 1, | Current Year Claims | Claim Payments | Liability June 30, |
|---------------------|----|------------------------------|--------------------------------|---------------------------|-------------------------------|
| 6/30/2020 | \$ | 112 | \$ 1,016 | \$ 1,066 | \$ 62 |
| 6/30/2021 | | 62 | 1,358 | 1,358 | 62 |

The Workers' Compensation Internal Service Fund is used to account for and finance workers' compensation costs for City employees and City Grant Agency employees. Contributions to the Workers' Compensation Fund from the General Fund are made based upon actuarial calculations. Payments are made by Grant Agencies and the Sewer Fund based upon NCCI rates based on payroll.

The City carries an Excess Workers' Compensation Policy with Safety National Casualty Corporation with a self-insured retention per occurrence of \$600,000. The City and Board of Education did not have any claims that exceeded insurance coverage in the past three years.

The General Fund and/or the Property and Casualty Self Insurance Fund will be used to cover any uninsured risks of loss.

Changes in the claims liability for the years ended June 30, 2021 and 2020 were as follows:

| <i>In thousands</i> | | Liability July 1, | Current Year Claims | Claim Payments | Liability June 30, |
|---------------------|----|------------------------------|--------------------------------|---------------------------|-------------------------------|
| 6/30/2020 | \$ | 3,513 | \$ 2,530 | \$ 1,812 | \$ 4,231 |
| 6/30/2021 | | 4,231 | 1,854 | 1,628 | 4,457 |

The Health Insurance Service Fund is used to account for and finance indemnity medical coverage for eligible City, Board of Education and City Grant Agency employees and dependents, and prior employees and dependents entitled to continue participation in the City's plan under the provisions of COBRA. For the year ended June 30, 2021, the annual limit on individual medical claims chargeable to the Fund is \$200,000. Payments to the Health Insurance Fund are made by the Grant Agencies, the Sewer Use Fund, the Special Education Grants Fund, the Special Grants Fund, the Harbor Management Enterprise Fund and persons continuing coverage under COBRA in an amount equal to the premium an individual would pay for continuation coverage under the group program. The City makes General Fund contributions to the Health Insurance Fund based on budgeted amounts, which, in conjunction with estimated Grant contributions, total the year's estimated expected losses. Employee and applicable retirees under age 65 also make contributions to the fund through premium cost share. The City and Board of Education did not have any claims that exceeded insurance coverage in the past three years.

Changes in the claims liability for the years ended June 30, 2021 and 2020 were as follows:

| <i>In thousands</i> | | Liability July 1, | Current Year Claims | Claim Payments | Liability June 30, |
|---------------------|----|------------------------------|--------------------------------|---------------------------|-------------------------------|
| 6/30/2020 | \$ | 2,805 | \$ 37,207 | \$ 37,916 | \$ 2,096 |
| 6/30/2021 | | 2,096 | 39,672 | 39,586 | 2,182 |

**CITY OF MILFORD, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021**

(In Thousands)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

City of Milford Retirement System

The City is the administrator of a single-employer public employee retirement system (PERS) established and administered by the City to provide pension benefits for its full-time employees other than teachers who are covered by the Retirement System - State Teachers Retirement Board. The Retirement System is considered to be part of the City of Milford's financial reporting entity and is included in the City's financial reports as a pension trust fund. The City does not issue stand-alone financial statements for the Pension Trust Fund.

Management of the Retirement System rests with the Pension and Retirement Board, which consists of 24 members, who are appointed by the Board of Aldermen.

Plan Descriptions and Benefits Provided

Benefits vest after 10 years for General City members (5 years for Public Works, Supervisors, Custodians and Cafeteria Workers); there is no vesting for Police and Fire members. Except for Police and Fire, members who retire after age 60 with 10 years of service (5 years for Public Works, Supervisors, Custodians and Cafeteria Workers) or the age at which the sum of age and service equal 80 (79 for non-represented members and Board of Education Contract Secretaries) are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% or 2-1/4% of their final average salary for each year of credited service. Police and Fire members who retire after 20 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 45% times average annual pay plus 2% times average annual pay times credited service over 20 years. Supplemental benefits for Police members who were hired prior to April 6, 1989 and Fire members are based on 1/2 of salary increases given to members in the grade that the member was in at the time of retirement.

Final average salary is the average of the 2 or 3 highest fiscal years compensation. General city members with 10 years of service (5 years for Public Works, Custodians and Cafeteria Workers) may retire at or after age 50 and receive a reduced benefit. If a member leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions with interest thereon are refunded. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. The surviving spouse of a Fire active member or retiree who retired after November 1, 1988 receives a fixed pension supplement equal to 50% of average annual pay at death or retirement, payable monthly for life. The surviving spouse of a Police active member or retiree who retired after June 29, 2001 receives a fixed pension supplement equal to 50% of average annual pay at death or retirement, payable monthly for life.

Membership in the plan consisted of the following at July 1, 2020:

| | City of Milford Retirement System |
|--|--|
| Retirees and beneficiaries receiving benefits | 828 |
| Terminated employees entitled to benefits but not yet receiving them | 49 |
| Active plan members | 650 |
| Total | 1,527 |

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The PERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as per statutory or contractual requirements. Benefit payments and refunds are payable when due and payable in accordance with the terms of the PERS. All administrative costs are financed through investment earnings.

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.

Plan Changes

The City benefits reflect the 2012 ad-hoc COLA that was approved effective May 1, 2013. The change increased the City cost about \$140,000 (not rounded).

Funding Policy

General City members are required to contribute 2.25% of annual compensation up to \$4,200 (not rounded) plus 5% of compensation in excess of \$4,200 (not rounded) (4% of compensation in excess of \$4,200 (not rounded) for MEA and MSA members and non-represented members with 15 or more years of service). Fire employees hired on or before January 31, 2015 shall contribute 8% of annual salary; upon reaching 15 years of service, the contribution requirement is 7% and at the 25-year contribution is 6%. Fire employees hired on or after February 1, 2015 shall contribute 10%. Police employees hired prior to February 2, 1995 are required to contribute 5% of annual salary; at 20 years of service contribution is 4.5%. Police employees hired on or after February 2, 1995 but prior to November 22, 2014 are required to contribute 8%. Police employees hired on or after November 22, 2014 are required to contribute 10%. The contributions by employees are determined by collective bargaining. The City is required by ordinance to contribute the remaining amounts necessary to provide benefits for the members.

Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2021:

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

| <u>Asset Class</u> | <u>Target Allocation</u> |
|--------------------------------------|--------------------------|
| U.S. Large Cap Equity | 25.00% |
| U.S. Mid/Small Cap Equity | 15.00% |
| International Developed Equity | 10.00% |
| International Emerging Market Equity | 5.00% |
| Core Fixed Income | 25.00% |
| High Yield Fixed Income | 2.50% |
| International Fixed Income | 2.50% |
| REITs | 5.00% |
| Other (hedge fund, etc.) | 10.00% |
| | <u>100.00%</u> |

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 30.63%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability at June 30, 2021, were as follows:

| | |
|---|------------------|
| Total pension liability | \$ 448,053 |
| Plan fiduciary net position | <u>435,272</u> |
| Net Pension Liability | <u>\$ 12,781</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension | 97.15% |

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2020 and measurement date of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|-------------------|
| Inflation | 2.40% |
| Salary increases | Age related table |
| Investment rate of return | 7.40% |

Mortality rates were based on PUB-2010 Public Retirement Plans projected to the valuation date with scale MP-2020. The actuarial method used for calculating the total pension liability was the Entry Age Normal cost method.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table:

| Asset Class | Long-Term Expected Real Rate of Return |
|--------------------------------------|---|
| U.S. Large Cap Equity | 5.25% |
| U.S. Mid/Small Cap Equity | 5.75% |
| International Developed Equity | 5.75% |
| International Emerging Market Equity | 7.75% |
| Core Fixed Income | 1.75% |
| High Yield Fixed Income | 4.00% |
| International Fixed Income | 75.00% |
| REITs | 5.75% |
| Other (hedge fund, etc.) | 5.75% |

Discount Rate

The discount rate used to measure the total pension liability was 7.40%, a change from 7.5% in the prior year. 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 City 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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Changes in the Net Pension Liability

| | Increase (Decrease) | | |
|--|--|--|--|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| Balances as of July 1, 2020 | \$ 438,091 | \$ 346,454 | \$ 91,637 |
| Changes for the year: | | | |
| Service cost | 8,262 | | 8,262 |
| Interest on total pension liability | 32,434 | | 32,434 |
| Differences between expected and actual experience | (3,845) | | (3,845) |
| Changes in assumptions | 1,420 | | 1,420 |
| Employer contributions | | 9,101 | (9,101) |
| Member contributions | | 2,888 | (2,888) |
| Net investment income | | 105,223 | (105,223) |
| Benefit payments, including refund to employee contributions | (28,309) | (28,309) | - |
| Administrative expenses | | (85) | 85 |
| Net changes | 9,962 | 88,818 | (78,856) |
| Balances as of June 30, 2021 | \$ 448,053 | \$ 435,272 | \$ 12,781 |

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

The following presents the net pension liability of the City, calculated using the current discount rate, as well as what the City'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 (6.40%) | Current Discount Rate (7.40%) | 1% Increase (8.40%) |
|--|------------------------------------|--|--------------------------------|
| | City Net Pension Liability (Asset) | \$ 62,182 | \$ 12,781 |

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

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

For the year ended June 30, 2021, the City recognized pension expense(revenue) of (\$4,327). At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 2,130 | \$ 3,391 |
| Changes of assumptions | 1,111 | 1,559 |
| Net difference between projected and actual earnings on pension plan investments | | 54,612 |
| Total | \$ 3,241 | \$ 59,562 |

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

Year Ending June 30

| | |
|------|-------------|
| 2022 | \$ (14,602) |
| 2023 | (12,084) |
| 2024 | (13,350) |
| 2025 | (16,285) |

State of Connecticut Police and Fire Survivors' Plan

The City makes monthly contributions to the State Survivors' Plan based upon an amount invoiced by the State. The State Survivors' Plan makes monthly payments to the surviving spouses of police and fire retirees. The City has no information concerning payments made by or the funding status of this plan. City contributions for the year ended June 30, 2021 were \$526.

Connecticut State Teachers' Retirement System - Pension

Plan Description

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Benefit Provisions

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

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement

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

Disability Retirement

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

Contributions

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

Employer (School Districts)

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

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2021, the amount of "on-behalf" contributions made by the State was \$15,021 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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

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

At June 30, 2021, the City 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 City 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 City were as follows:

| | | |
|---|----|-----------------------|
| City's proportionate share of the net pension liability | \$ | - |
| State's proportionate share of the net pension liability associated with the City | | <u>234,189</u> |
| Total | \$ | <u><u>234,189</u></u> |

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2021, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2021, the City recognized pension expense and revenue of \$33,546 in Exhibit II.

Actuarial Assumptions

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

| | |
|---------------------------|--|
| Inflation | 2.50% |
| Salary increase | 3.00-6.50%, including inflation |
| Investment rate of return | 6.90%, net of pension plan investment expense, including inflation |

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Cost-of-Living Allowance

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

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

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

Long-Term Rate of Return

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

| <u>Asset Class</u> | <u>Expected Return</u> | <u>Target Allocation</u> |
|-----------------------------------|------------------------|--------------------------|
| Domestic Equity Fund | 5.60 | 20.00 |
| Developed Market Intl. Stock Fund | 6.00 | 11.00 |
| Emerging Market Intl. Stock Fund | 7.90 | 9.00 |
| Core Fixed Income Fund | 2.10 | 16.00 |
| Inflation Linked Bond Fund | 1.10 | 5.00 |
| Emerging Market Debt Fund | 2.70 | 5.00 |
| High Yield Bond Fund | 4.00 | 6.00 |
| Real Estate Fund | 4.50 | 10.00 |
| Private Equity | 7.30 | 10.00 |
| Alternative Investments | 2.90 | 7.00 |
| Liquidity Fund | 0.40 | 1.00 |
| Total | | <u>100.00</u> |

Discount Rate

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

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

The City'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.

**CITY OF MILFORD, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021**

(In Thousands)

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 City has no obligation to contribute to the plan.

10. OTHER POSTEMPLOYMENT BENEFITS

Plan Description and Benefits Provided

City Plan

In addition to the pension benefits, all City employees retiring under the City of Milford Retirement Plan are provided postemployment benefits, through OPEB benefit plan, a single employer defined benefit plan. Effective July 1, 2011, the City established the OPEB Trust Fund, which converted the existing balance in the OPEB fund to the Trust. The City continues to make annual contributions to the OPEB Trust Fund. This trust fund was opened for the purpose of segregating balances for postemployment benefits. All related activity is now shown in the newly established OPEB Trust Fund. Individual stand-alone statements are not issued. The level of these benefits is determined by contract for all union employees and by a City ordinance for all non-represented employees. Per contracts and ordinances, the City will pay a portion of the cost of these benefits. Benefits provided are as follows: 1) for retirees under 65, the City must currently provide Blue Cross/Blue Shield hospitalization, medical/surgical, prescription drug and major medical coverage's (varying deductibles) with coverages provided to both the retired employee and eligible dependents; 2) for retired employees and their eligible dependents, the City must provide Blue Cross/Blue Shield 65 coverage and also reimburse the Medicare Part B premium for each eligible retiree and retiree spouse eligible for Medicare; 3) the City also provides life insurance coverage based on union contracts. Health care costs are as follows (amounts not rounded):

| | |
|------------------|-------------------|
| Pre-65: | |
| General City | \$16,267 per year |
| Fire | \$15,877 per year |
| Police | \$15,877 per year |
| Post-65: | |
| BC 65 Low Option | \$1,684 per year |
| Plan 82 | \$2,940 per year |
| Medicare Part B: | |
| Actives | \$1,782 per year |
| Retirees | \$1,782 per year |

Board of Education Plan

The Board of Education provides certain postretirement benefits to retirees through negotiated contracts. The Board of Education does not have a trust fund for the OPEB plan. Eligibility for benefits is as follows:

Teachers

Prior to age 65 retiree and spouse pay full premium minus the Teachers' Retirement Board subsidy (eligible if receiving a retirement allowance from the Teacher's Retirement Board). Post 65, Board of Education pays premium in full for participant only, spouse pays premium minus subsidy. Effective September 1, 2014, Board of Education pays the premium for insurance obtained through the Teachers' Retirement Board (either plan choice) for the participant only. No coverage is offered to spouses. Coverage may be obtained through the Teachers' Retirement Board or other sources.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Para-professionals

Retiree and spouse pay 50% of premium at age 60 with 15 years of service. Employees hired on or after September 1, 2020 can purchase single coverage only until age 65. No benefits after age 65.

Custodians

No cost to retiree or spouse until age 65 if at least age 60 with 10 years of service at retirement. For those retiring after June 30, 2022, retiree pays cost of retiree medical insurance at the same percentage contributed at the time of retirement. Employees hired on or after January 22, 2020 are eligible for single coverage postretirement. At age 65, retiree and spouse must pay for prescription and dental coverage if elected.

Secretaries

No cost to retiree or spouse if retiree is at least 60, with 10 years of service or age plus service equals 79 at retirement. (Note: Rule of 79 also applies to custodians and cafeteria workers.) If employee was hired after June 30, 2002, retiree and spouse pay same cost share as active employees until age 65. If employee was hired on or after December 31, 2011, retiree and spouse pay full premium until age 65. If hired on or after September 1, 2015, post-65 coverage is for retired employees only.

Cafeteria Workers

No cost to retiree or spouse until age 65 if employee is at least age 60 with 10 years of service at retirement. At age 65, retiree and spouse must pay for prescription and dental coverage if elected. Employees hired on or after October 11, 2006 are eligible for single coverage only postretirement.

Administrators

If retired before age 65, must be receiving retirement allowance from the Teachers' Retirement Board to qualify for benefits. No cost to retiree or spouse if the percentage of premium that the employee pays prior to retirement is less than the Teachers' Retirement Board subsidy. If cost is greater than the subsidy, retiree pays the difference. If subsidy is eliminated, retiree pays percentage of cost in effect at time of retirement. For administrators hired on or after July 1, 2010 who retire before age 65 with ten or more years of service, retiree and spouse pay the full premium minus the Teachers' Retirement Board subsidy until age 65. At age 65, there is no cost to the retiree or spouse for medical insurance. Effective July 1, 2016, the Board of Education pays the premium for insurance obtained through the Teachers' Retirement Board (either plan choice) for the retiree and spouse. Effective July 1, 2019, Board of Education pays for Medicare Advantage Plan coverage obtained through the Teachers' Retirement Board. Employees hired as administrators on or after July 1, 2010 receive retiree only benefit post age 65. Retirement date on or after July 1, 2010, retiree and spouse must pay for dental coverage, regardless of age. Effective July 1, 2016, dental coverage is provided under the Teachers' Retirement Board's plan.

The Board provides Medicare Part A and B supplemental coverage and life insurance for retirees over 65. The State Teachers' Retirement Board provides a \$110 (single) and/or \$220 (two-person) per month per employee (figures not rounded) as a subsidy to offset the postemployment costs until age 65. Life insurance is provided to Union employees as follows: Administrators 100% of salary if hired on or before July 1, 2019; new hires after July 1, 2019 receive \$50,000 to age 65, \$25,000 to age 70, and coverage ends at age 70; teachers 50% of salary; support or non-certified staff is \$15,000 or less. The Life Insurance Amount is fixed and does not get adjusted for inflation, cost of living, or any other index.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Health care costs are as follows (amounts not rounded):

| | |
|---|-------------------------------|
| Pre-65 (for current active members who retire): | <u>As of July 1, 2020:</u> |
| Board of Ed-Café | \$15,746 per year |
| Board of Ed-Cust | \$11,870 per year |
| Board of Ed-Sec | \$15,028 per year |
| Board of Ed-Para | \$11,761 per year |
| Administrators | \$11,761 per year |
| Teachers | \$11,761 per year |
| Pre-65 (for current retirees who are under 65): | |
| Based on plan selected | |
| Post-65 (for current active members who retire and current retirees who are over 65): | <u>As of January 1, 2021:</u> |
| Hi Option with Plan 82 and No Rx | \$2,477 per year |
| Medicare Part B: | |
| Retirees | \$1,782 per year |
| Medicare Advantage Plan | \$4,356 per year |
| Post-65 (for current retirees who are under 65): | |
| Based on plan selected - Dental plan | \$498 per year |

Membership

Membership in the plan consisted of the following at July 1, 2020:

| | <u>Board of Education Retiree Medical Benefit Plan</u> | <u>City of Milford Retiree Medical Benefit Plan</u> | <u>Total</u> |
|---|--|---|--------------|
| Number of retirees and eligible surviving spouses | 768 | 922 | 1,690 |
| Number of active participants | 1023 | 489 | 1,512 |
| Total Participants | <u>1,791</u> | <u>1,411</u> | <u>3,202</u> |

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Investments

Investment Policy

The City's Retiree Healthcare Trust's (OPEB Trust) policy in regard to the allocation of invested assets is established and may be amended by the Retiree Healthcare Trust by a majority vote of its members. It is the policy of the Board of Trustees for the Retiree Healthcare Trust to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of asset classes or mutual funds. The Retiree Healthcare Trust's investment policy aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2021:

| <u>Asset Class</u> | <u>Target Allocation</u> |
|---|--------------------------|
| U.S. Large Cap Equity | 25.00% |
| U.S. Mid/Small Cap Equity | 17.00% |
| International Developed Equity | 10.00% |
| International Emerging Market Equity | 8.00% |
| Core Fixed Income | 10.00% |
| High Yield Fixed Income | 5.00% |
| International Fixed Income | 5.00% |
| Inflation Adjusted Fixed Income | 5.00% |
| Cash | 3.00% |
| Commodities | 2.00% |
| Other (REITs, Alternative Assets, etc.) | 10.00% |
| | <u>100.00%</u> |

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 24.61%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the City - City Plan

The City's net OPEB liability was measured as of June 30, 2021. The components of the net OPEB liability of the Town at June 30, 2021 were as follows:

| | <u>City of Milford Retiree Medical Benefit Plan</u> |
|--|---|
| Total OPEB liability | \$ 194,226 |
| Plan fiduciary net position | <u>11,177</u> |
| Net OPEB Liability | <u>\$ 183,049</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 5.75% |

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Total OPEB Liability of the City - Board of Education Plan

The City's total OPEB liability of \$171,682 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions - City Plan

The total OPEB liability at June 30, 2021 was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|--|
| Inflation | 2.40% |
| Salary increases | Age related table |
| Investment rate of return | 3.38% |
| Healthcare cost trend rates | 6.50% initial, decreasing 0.2% per year to an ultimate rate of 4.40% |

Mortality rates were based on PUB-2010 Public Retirement Plans projected to the valuation date with scale MP-2020. The actuarial method used for calculating the total pension liability was the Entry Age Normal cost method.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2011 - June 30, 2019.

Retirement Assumptions

City Plan

General City: Age 62 or completion of 10 years of service if later, minimum age on valuation date plus one year.

Fire: 20 years of service, minimum age 53, maximum age 60, minimum age on valuation date plus one year.

Police: 20 years of service, minimum age 45, maximum age 60, minimum age on valuation date plus one year.

Actuarial Assumptions and Other Inputs - Board of Education Plan

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

| | |
|--|--|
| Inflation | 2.40% |
| Salary increases | 2.75%, average, including inflation |
| Discount rate | 2.16% |
| Healthcare cost trend rates | 6.50% decreasing 0.2% per year to an ultimate rate of 4.40% for 2031 and later years |
| Retirees' share of benefit-related costs | Varies based on union and hire date - ranges from 50% to 100% |

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

The discount rate was based on the 20-year AA municipal bond index fund. The discount rate in the prior year was 2.21%.

Mortality rates were based on PUB-2010 Public Retirement Plans projected to the valuation date with scale MP-2020.

A full actuarial experience study has not been completed.

Board of Education

Cafeteria Workers, Custodians, Secretaries: age 50 with 10 years of service, minimum age on valuation date plus one year.

Teachers and Administrators: age 60 with 10 years of service or age 55 with 20 years of service, minimum age on valuation date plus one year.

Para-professionals: age 60 with 15 years of service, minimum age on valuation date plus one year.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2021 are summarized in the following table:

| <u>Asset Class</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---|---|
| U.S. Large Cap Equity | 5.25% |
| U.S. Mid/Small Cap Equity | 5.75% |
| International Developed Equity | 5.75% |
| International Emerging Market Equity | 7.75% |
| Core Fixed Income | 1.75% |
| High Yield Fixed Income | 4.00% |
| International Fixed Income | 0.75% |
| Inflation Adjusted Fixed Income | 0.00% |
| Cash | 0.00% |
| Commodities | 3.75% |
| Other (REITs, Alternative Assets, etc.) | 5.75% |

Discount Rate - City Plan

The discount rate used to measure the total OPEB liability was 3.38%, up from 3.13% in the prior year. The projection of cash flows used to determine the discount rate assumed that City 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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Change in the Net OPEB Liability - City Plan

| | Increase (Decrease) | | |
|---|---|--|---|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a)-(b) |
| Balances as of July 1, 2020 | \$ 199,558 | \$ 8,479 | \$ 191,079 |
| Changes for the year: | | | |
| Service cost | 8,285 | | 8,285 |
| Interest on total OPEB liability | 6,405 | | 6,405 |
| Differences between expected and actual experience | (9,524) | | (9,524) |
| Changes in assumptions | (4,017) | | (4,017) |
| Employer contributions | | 6,981 | (6,981) |
| Net investment income (loss) | | 2,198 | (2,198) |
| Benefit payments, including refund to employee contributions | (6,481) | (6,481) | - |
| Net changes | <u>(5,332)</u> | <u>2,698</u> | <u>(8,030)</u> |
| Balances as of June 30, 2021 | <u>\$ 194,226</u> | <u>\$ 11,177</u> | <u>\$ 183,049</u> |

Change in the Total OPEB Liability - Board of Education Plan

| | Total OPEB Liability (a) |
|--|---|
| Balances as of July 1, 2020 | \$ <u>218,704</u> |
| Changes for the year: | |
| Service cost | 6,324 |
| Interest on total OPEB liability | 4,909 |
| Changes in benefit terms | (49,281) |
| Differences between expected and actual experience | (4,433) |
| Changes in assumptions | 1,293 |
| Employee contributions | <u>(5,834)</u> |
| Net changes | <u>(47,022)</u> |
| Balances as of June 30, 2021 | <u>\$ 171,682</u> |

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

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

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

| | 1% Decrease (2.38%) | Current Discount Rate (3.38%) | 1% Increase (4.38%) |
|---------------------------------|--------------------------------|--|--------------------------------|
| City Plan - Net OPEB Liability | \$ 208,852 | \$ 183,049 | \$ 161,877 |
| | 1% Decrease (1.16%) | Current Discount Rate (2.16%) | 1% Increase (3.16%) |
| BOE Plan - Total OPEB Liability | \$ 200,858 | \$ 171,682 | \$ 148,328 |

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

The following presents the net OPEB liability of the City, as well as what the City'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%) | Healthcare Cost Trend Rates (6.50% Decreasing to 4.40%) | 1% Increase (7.50% Decreasing to 5.40%) |
|---------------------------------|--|--|--|
| City Plan - Net OPEB Liability | \$ 162,648 | \$ 183,049 | \$ 227,196 |
| | 1% Decrease (5.50% Decreasing to 3.40%) | Healthcare Cost Trend Rates (6.50% Decreasing to 4.40%) | 1% Increase (7.50% Decreasing to 5.40%) |
| BOE Plan - Total OPEB Liability | \$ 148,211 | \$ 171,682 | \$ 201,667 |

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

For the year ended June 30, 2021, the City recognized OPEB expense (revenue) of \$28,915, of which \$10,504 was reported for the City plan and (\$39,419) was reported for the BOE plan. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

| | BOE | | City | | Total | |
|--|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 63 | \$ 9,432 | \$ | \$ 12,027 | \$ 63 | \$ 21,459 |
| Changes of assumptions | 29,489 | 19,510 | 17,165 | 13,673 | 46,654 | 33,183 |
| Net difference between projected and actual earnings on pension plan investments | | | | 1,453 | - | 1,453 |
| Total | \$ 29,552 | \$ 28,942 | \$ 17,165 | \$ 27,153 | \$ 46,717 | \$ 56,095 |

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>BOE</u> | <u>City</u> | <u>Total</u> |
|----------------------------|------------|-------------|--------------|
| 2021 | \$ (809) | \$ (3,912) | \$ (4,721) |
| 2022 | (809) | (3,867) | (4,676) |
| 2023 | (809) | (1,124) | (1,933) |
| 2024 | (809) | (81) | (890) |
| 2025 | 669 | (1,004) | (335) |
| Thereafter | 3,177 | | 3,177 |

11. OTHER POSTEMPLOYMENT BENEFITS - CONNECTICUT STATE TEACHERS RETIREMENT PLAN

Plan Description

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

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

Benefit Provisions (amounts not rounded)

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

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

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

Survivor Health Care Coverage (amounts not rounded)

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

Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Termination of Employment

Ten or more years of Credited Service.

Contributions (amounts not rounded)

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2021, the amount of "on-behalf" contributions made by the State was \$363 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

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

At June 30, 2021, the City 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 City 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 City was as follows:

| | | |
|--|----|----------------------|
| City's proportionate share of the net OPEB liability | \$ | - |
| State's proportionate share of the net OPEB liability associated with the City | | <u>34,929</u> |
| Total | \$ | <u><u>34,929</u></u> |

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2021, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2021, the City recognized OPEB expense and revenue of \$1,613 in Exhibit II.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Actuarial Assumptions

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

| | |
|---|--|
| Inflation | 2.50% |
| Health care costs trend rate | 5.125% for 2020, decreasing to an ultimate Rate of 4.50% by 2023 |
| Salary increases | 3.00-6.50%, including inflation |
| Investment rate of return | 2.21%, net of OPEB plan investment expense, including inflation |
| Year fund net position will be depleted | 2021 |

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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

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 (0.42%).

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%, down from a prior year rate of 3.50%. The projection of cash flows used to determine the discount rate assumed that total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%; employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Annual State contributions were assumed to be equal to the most recent five-year average of State contributions to the fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination.

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

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

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 City has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at www.ct.gov.

12. PENSION AND OPEB TRUST FUNDS COMBINING SCHEDULES

Combining Schedule of Net Position - Trust Funds

| | Pension Trust Funds | City OPEB Trust Fund | Total |
|------------------------------------|------------------------------------|---|-------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Assets: | | | |
| Cash and cash equivalents | \$ 8,382 | \$ 38 | \$ 8,420 |
| Investments: | | | |
| Corporate bonds | 8,217 | | 8,217 |
| U.S. government securities | 3,300 | | 3,300 |
| U.S. government agencies | 3,902 | | 3,902 |
| Marketable equity securities | 174,760 | 883 | 175,643 |
| Alternative investments | 165,675 | | 165,675 |
| Mutual funds | 71,217 | 10,256 | 81,473 |
| Total investments | <u>427,071</u> | <u>11,139</u> | <u>438,210</u> |
| Total assets | 435,453 | 11,177 | 446,630 |
| Liabilities: | | | |
| Accounts and other payables | <u>181</u> | | <u>181</u> |
| Net Position: | | | |
| Restricted for Retirement Benefits | \$ <u>435,272</u> | \$ <u>11,177</u> | \$ <u>446,449</u> |

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Combining Schedules of Changes in Net Position - Trust Funds

| | Pension Trust Funds | City OPEB Trust Fund | Total |
|---|------------------------------------|---|-------------------|
| Additions: | | | |
| Contributions: | | | |
| Plan members | \$ 2,888 | \$ | \$ 2,888 |
| Employer-current year | 9,101 | 6,981 | 16,082 |
| Total contributions | <u>11,989</u> | <u>6,981</u> | <u>18,970</u> |
| Investment income: | | | |
| Net change in fair value of investments | 84,083 | 1,337 | 85,420 |
| Interest and dividends | 23,428 | 890 | 24,318 |
| Total investment income | <u>107,511</u> | <u>2,227</u> | <u>109,738</u> |
| Less investment expense | 2,288 | 29 | 2,317 |
| Net investment income | <u>105,223</u> | <u>2,198</u> | <u>107,421</u> |
| Total additions | <u>117,212</u> | <u>9,179</u> | <u>126,391</u> |
| Deductions: | | | |
| Benefit payments and withdrawals | 28,309 | 6,481 | 34,790 |
| Administration | 85 | | 85 |
| Total deductions | <u>28,394</u> | <u>6,481</u> | <u>34,875</u> |
| Net Change | 88,818 | 2,698 | 91,516 |
| Net Position at Beginning of Year | <u>346,454</u> | <u>8,479</u> | <u>354,933</u> |
| Net Position at End of Year | <u>\$ 435,272</u> | <u>\$ 11,177</u> | <u>\$ 446,449</u> |

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

13. FUND BALANCE

Significant encumbrances at June 30, 2021 are contained in the table below in both the assigned and committed categories of the General Fund.

| | <u>General Fund</u> | <u>Capital Nonrecurring Fund</u> | <u>School Facilities Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|----------------------------|-------------------------|--|---------------------------------------|--|-------------------------|
| Fund balances: | | | | | |
| Nonspendable: | | | | | |
| Inventory | \$ | \$ | \$ | \$ 37 | \$ 37 |
| Prepays | 21 | | | | 21 |
| Restricted for: | | | | | |
| Grants | | | | 298 | 298 |
| Capital projects | | 3,182 | 1,038 | 1,501 | 5,721 |
| Student activities | | | | 650 | 650 |
| Committed to: | | | | | |
| Compensated absences | 1,487 | | | | 1,487 |
| Sewer operations | | | | 5,814 | 5,814 |
| General government | | | | 7,807 | 7,807 |
| Capital projects | | 3,891 | 93 | | 3,984 |
| Education | | | | 1,122 | 1,122 |
| Debt service | | | | 2,495 | 2,495 |
| Assigned to: | | | | | |
| Subsequent year's budget | 11,000 | | | | 11,000 |
| Encumbrances: | | | | | |
| General government | 188 | | | | 188 |
| Public safety | 342 | | | | 342 |
| Public services | 298 | | | | 298 |
| Health and welfare | 43 | | | | 43 |
| Education | 2,011 | | | | 2,011 |
| Unassigned | <u>20,659</u> | <u>(11,833)</u> | <u>(13,533)</u> | <u>(4,907)</u> | <u>(9,614)</u> |
| Total Fund Balances | <u>\$ 36,049</u> | <u>\$ (4,760)</u> | <u>\$ (12,402)</u> | <u>\$ 14,817</u> | <u>\$ 33,704</u> |

Major encumbrances are reported in the assigned fund balance of the General Fund of \$2,882.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

14. COMMITMENTS AND CONTINGENCIES (AMOUNTS NOT ROUNDED)

On December 2, 2014, the City of Milford and Milford Power Company, LLC (the MPC) agreed to extend their existing Property Tax Payment Agreement for a term of 10 years. The initial agreement was the result of an assessment appeal of the Grand Lists of 2001, 2002, 2003 and 2004. Originally, the assessment had been \$183,073,530 generating over \$5,000,000 in taxes. (The assessment and the taxes would have significantly decreased in future years due to depreciation of the personal property.) In return, the City accepted scheduled payments in lieu of taxes for the Fiscal Years of 2006 through 2015. The original agreement called for payments to be made in July and January of each fiscal year. The payment schedule was \$1,687,500 for each six-month period from July 2005 through January 2009. Payments were \$1,875,000 for each six-month period from July 2009 through January 2011 and were \$1,750,000 for each six-month period from July 2011 through January 2015.

The new agreement calls for annual payments of \$4,700,000. Payments of \$2,350,000 are to be made in January and July of each year starting on July of 2015 and running through January of 2025. The payments are based on an assessment of \$172,667,000 and a stabilized mill rate of 27.22mills. MPC is up to date with all of its payments.

On June 28, 2010, the City entered into a Property Tax Payment Agreement with GenConn Devon LLC. The City accepted a 30-year payment schedule calling for annual payments in lieu of taxes to be made to the City through May 1, 2040. Payment amounts are as follows: June 30, 2010 - \$ 500,000; May 1, 2011 - \$2,500,000; May 1, 2012 - \$3,000,000; May 1, 2013 through May 1, 2040 - \$2,025,000. GenConn is up to date with all their payments.

There are various lawsuits and claims pending against the City's various Boards and Departments, none of which, individually or in the aggregate, is believed by counsel to be likely to result in a judgment or judgments which would seriously affect the City's financial position.

The City 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 expenditures disallowed under the terms of the grant. Based on prior experience, City management believes that such disallowances, if any, will not be material.

15. SUBSEQUENT EVENTS

On October 19, 2021, the City issued \$25,700 in general obligation bonds (Series A) with interest rates varying from 2.00% to 5.00% and a maturity date of November 2041. In addition, the City issued \$3,715 of general obligation refunding bonds (Series B) with an interest rate of 5.00%. These bonds were issued to refund the 2013 general obligation refunding bonds. Finally, the City issued \$15,300 of bond anticipation notes dated November 2, 2021 maturing November 1, 2022. The bond anticipation notes carry an interest rate of 1.00%.

16. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The City previously reported the activities of the Student Activities Agency Fund, Inland/Wetland Bonds Agency Fund and Planning and Zoning Bonds Agency Fund as fiduciary funds. As a result of implementation of GASB No. 84, *Fiduciary Activities*, as of July 1, 2020, the City made the following reporting changes: The activities of the Student Activity Fund are reported as a special revenue Fund, the activities of the Inland/Wetland Bonds Fund are reported within the Special Grants and Revenues

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(In Thousands)

Fund and the activities of the Planning and Zoning Bonds Fund are reported within the Capital & Nonrecurring Fund. Accordingly, the City restated beginning assets and liabilities of the Special Grants and Revenues, a nonmajor governmental fund, by \$308 and Capital & Nonrecurring Fund by \$509. The remaining assets and liabilities of the agency fund of \$751 were reclassified as assets and fund balance of the Student Activity fund, a nonmajor governmental fund, as follows:

| | Balance as previously reported at 6/30/2020 | | Restatements | | Balance as restated at 7/1/2020 |
|---------------------------------------|--|----|--------------|----|---------------------------------------|
| Governmental Activities: | | | | | |
| Assets | \$ 474,519 | \$ | 1,059 | \$ | \$ 475,578 |
| Deferred Outflows of Resources | \$ 70,924 | \$ | | \$ | \$ 70,924 |
| Liabilities | \$ 753,304 | \$ | 308 | \$ | \$ 753,612 |
| Deferred Inflows of Resources | \$ 55,143 | \$ | | \$ | \$ 55,143 |
| Net Position | \$ (263,004) | \$ | 751 | \$ | \$ (262,253) |
| Capital and Nonrecurring Fund: | | | | | |
| Assets | \$ 12,878 | \$ | 509 | \$ | \$ 13,387 |
| Liabilities | \$ 15,645 | \$ | 509 | \$ | \$ 16,154 |
| Fund Balance | \$ (2,767) | \$ | | \$ | \$ (2,767) |
| Nonmajor Governmental Funds: | | | | | |
| Assets | \$ 20,586 | \$ | 1,059 | \$ | \$ 21,645 |
| Liabilities | \$ 5,157 | \$ | 308 | \$ | \$ 5,465 |
| Deferred Inflows of Resources | \$ 181 | \$ | | \$ | \$ 181 |
| Fund Balance | \$ 15,248 | \$ | 751 | \$ | \$ 15,999 |
| Agency Funds: | | | | | |
| Assets | \$ 1,568 | \$ | (1,568) | \$ | - |
| Liabilities | \$ 1,568 | \$ | (1,568) | \$ | - |

Required Supplementary Information

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**CITY OF MILFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021**

(In Thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance - Favorable (Unfavorable)</u> |
|--|-------------------------|----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| General Property Taxes and Assessments: | | | | |
| Current taxes | \$ 179,425 | \$ 179,425 | \$ 182,689 | \$ 3,264 |
| Prior year's levies | 2,500 | 2,500 | 1,603 | (897) |
| Suspense collections | 15 | 15 | 152 | 137 |
| Total general property taxes and assessments | <u>181,940</u> | <u>181,940</u> | <u>184,444</u> | <u>2,504</u> |
| Fines, Forfeitures Penalties and Interest: | | | | |
| Interest and liens | <u>1,900</u> | <u>1,900</u> | <u>1,324</u> | <u>(576)</u> |
| Federal, State and Local Governments: | | | | |
| Education cost sharing | 9,701 | 9,701 | 10,091 | 390 |
| State realty in lieu of tax | 282 | 282 | 282 | - |
| Pequot State Aid | 225 | 225 | 237 | 12 |
| Miscellaneous State Revenue | 1,130 | 1,130 | 1,130 | - |
| Total disability exemptions | | | 6 | 6 |
| PILOT - private exemptions | 286 | 286 | 286 | - |
| Veteran grants | 115 | 115 | 105 | (10) |
| Telephone access grant | 90 | 90 | 97 | 7 |
| Shellfish Taxes | 2 | 2 | - | (2) |
| State aid for health | 72 | 72 | 83 | 11 |
| OTB Wagering Share | 90 | 90 | 51 | (39) |
| Additional Special Education | - | - | 3 | 3 |
| Total federal, state and local government | <u>11,993</u> | <u>11,993</u> | <u>12,371</u> | <u>378</u> |
| Investment Income: | | | | |
| Investments in idle funds | 800 | 800 | 41 | (759) |
| Rental of other property | 50 | 50 | 50 | - |
| Total investment income | <u>850</u> | <u>850</u> | <u>91</u> | <u>(759)</u> |
| Other Revenue: | | | | |
| Rental of school property | 12 | 12 | 4 | (8) |
| PILOT - Water Authority | 501 | 501 | 501 | - |
| Power Plant Settlement | 4,700 | 4,700 | 4,700 | - |
| Genconn PT | 2,025 | 2,025 | 2,025 | - |
| Miscellaneous other revenues | 30 | 30 | 222 | 192 |
| Inland wetland fees | 6 | 6 | 4 | (2) |
| Total other revenue | <u>7,274</u> | <u>7,274</u> | <u>7,456</u> | <u>182</u> |

(Continued on next page)

**CITY OF MILFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

(In Thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance - Favorable (Unfavorable)</u> |
|---|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Licenses, Permits and Other Charges: | | | | |
| Devices and amusements | \$ 17 | \$ 17 | \$ 56 | \$ 39 |
| Vending permits | 15 | 15 | 2 | (13) |
| Disposal area licenses | 55 | 55 | 71 | 16 |
| Recording documents | 340 | 340 | 666 | 326 |
| Conveyance tax | 1,100 | 1,100 | 1,265 | 165 |
| General copying fees | 70 | 70 | 79 | 9 |
| Fire Department fees | 70 | 70 | 100 | 30 |
| Paramedic fees | 1,000 | 1,000 | 1,028 | 28 |
| Building inspection fees | 1,250 | 1,250 | 1,386 | 136 |
| Fingerprinting | 7 | 7 | 7 | - |
| Police fines and forfeits | 55 | 55 | 73 | 18 |
| False alarm fees | 25 | 25 | 23 | (2) |
| Street opening permits | 29 | 29 | 30 | 1 |
| Engineering fees | 10 | 10 | 8 | (2) |
| Residential waste fees | 130 | 130 | 162 | 32 |
| Health inspection fees | 86 | 86 | 86 | - |
| Planning and zoning fees | 24 | 24 | 40 | 16 |
| Zoning appeals fees | 15 | 15 | 18 | 3 |
| Recreation fees | 45 | 45 | 27 | (18) |
| Walnut Beach parking | 175 | 175 | 78 | (97) |
| Parking fines judicial | 12 | 12 | 3 | (9) |
| Vehicle violations judicial | 20 | 20 | 14 | (6) |
| Mobile fee | 5 | 5 | 4 | (1) |
| Sewer assessments | 13 | 13 | 15 | 2 |
| Animal shelter redemption | 2 | 2 | 2 | - |
| Dog Fund - City share | 10 | 10 | 13 | 3 |
| Sale of Other Property | 100 | 100 | 10 | (90) |
| Recycling revenues | 40 | 40 | 50 | 10 |
| PILOT - Federal payments | 1 | 1 | 1 | - |
| Sticker fees | | | 1 | 1 |
| Total licenses, permits and other charges | <u>4,721</u> | <u>4,721</u> | <u>5,318</u> | <u>597</u> |
| Total revenues | 208,678 | 208,678 | 211,004 | 2,326 |
| Other financing sources: | | | | |
| Use of fund balance | <u>9,000</u> | <u>9,495</u> | <u>-</u> | <u>(9,495)</u> |

(Continued on next page)

**CITY OF MILFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

(In Thousands)

Total Budgeted Revenues and Other Financing Sources \$ 217,678 \$ 218,173 \$ 211,004 \$ (7,169)

Budgetary revenues are different than GAAP revenues because:

State of Connecticut "on-behalf" contributions to the Connecticut State Teachers'

Retirement System for City teachers are not budgeted:

| | |
|---|--------------|
| Pension | 15,021 |
| OPEB | 363 |
| Proceeds from issuance of refunding bonds | 34,020 |
| Premium on bonds issued | 8,547 |
| Nonbudgetary items and eliminations related to the Compensated Absences Fund | 1 |
| Encumbrances for purchases and commitments that were subsequently cancelled in the next fiscal year | <u>(184)</u> |

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

\$ 268,772

**CITY OF MILFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021**

(In Thousands)

| | <u>Budgeted Amounts</u> | | <u>Expenditures and Encumbrances</u> | <u>Uncommitted Balance</u> |
|---|-------------------------|----------------|--|--------------------------------|
| | <u>Original</u> | <u>Amended</u> | | |
| General Government: | | | | |
| Board of Aldermen | \$ 6 | \$ 6 | \$ 4 | \$ 2 |
| Elections | 105 | 105 | 89 | 16 |
| Registrar of Voters | 168 | 170 | 168 | 2 |
| Milford Govt Access Television | 27 | 27 | 21 | 6 |
| Mayor's Office | 326 | 326 | 325 | 1 |
| General expenses | 383 | 371 | 322 | 49 |
| Community Development Department | 127 | 127 | 121 | 6 |
| City Clerk | 392 | 392 | 363 | 29 |
| Law Department | 633 | 627 | 579 | 48 |
| Ethics Commission | 1 | 1 | - | 1 |
| Probate Court | 17 | 17 | 17 | - |
| Board of Finance | 1 | 1 | 1 | - |
| Permitting and Land Use | 1,072 | 1,064 | 940 | 124 |
| Board of Tax Review | 3 | 3 | 2 | 1 |
| Board of Zoning Appeals | 1 | 1 | - | 1 |
| Pension Board | 4 | 4 | 4 | - |
| Flood and Erosion Board | 1 | 1 | 1 | - |
| Tree Commission | 2 | 2 | - | 2 |
| Park and Recreation Commission | 1 | 1 | 1 | - |
| Conservation Commission | 1 | 1 | - | 1 |
| Veterans Ceremony and Parade Commission | 6 | 6 | 5 | 1 |
| Open Space | 69 | 69 | 40 | 29 |
| Public library | 1,169 | 1,169 | 1,115 | 54 |
| Total general government | <u>4,515</u> | <u>4,491</u> | <u>4,118</u> | <u>373</u> |
| Administration: | | | | |
| Finance Department | 2,049 | 1,964 | 1,834 | 130 |
| IT Department | 1,018 | 1,058 | 1,040 | 18 |
| Human Resources Department | 284 | 284 | 261 | 23 |
| Total administration | <u>3,351</u> | <u>3,306</u> | <u>3,135</u> | <u>171</u> |
| Public Safety: | | | | |
| Police Department | 13,741 | 13,339 | 12,640 | 699 |
| Fire Department | 12,149 | 12,476 | 12,452 | 24 |
| Emergency Management | 93 | 93 | 90 | 3 |
| Animal Control | 325 | 320 | 261 | 59 |
| Lighting hydrant water | 1,963 | 1,963 | 1,892 | 71 |
| Total public safety | <u>28,271</u> | <u>28,191</u> | <u>27,335</u> | <u>856</u> |

(Continued on next page)

**CITY OF MILFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

(In Thousands)

| | Budgeted Amounts | | Expenditures and Encumbrances | Uncommitted Balance |
|--|------------------|----------------|-------------------------------------|------------------------|
| | Original | Amended | | |
| Public Services: | | | | |
| Public Works Office | \$ 491 | \$ 487 | \$ 452 | \$ 35 |
| Highway-parks division | 2,608 | 2,548 | 2,476 | 72 |
| Building maintenance division | 3,119 | 3,141 | 3,102 | 39 |
| Engineering division | 344 | 291 | 275 | 16 |
| General garage division | 1,305 | 1,345 | 1,216 | 129 |
| Solid waste operations | 4,132 | 4,146 | 4,133 | 13 |
| Total public services | <u>11,999</u> | <u>11,958</u> | <u>11,654</u> | <u>304</u> |
| Board of Education: | | | | |
| Private School textbooks | 20 | 20 | 20 | - |
| Educational audit fees | 22 | 22 | 21 | 1 |
| Employee benefits | 1,228 | 1,228 | 1,016 | 212 |
| Educational operations | 97,535 | 97,535 | 97,535 | - |
| Educational Contribution Health Insurance Fund | 17,873 | 17,873 | 17,873 | - |
| Educational School Nurses | 1,435 | 1,435 | 1,196 | 239 |
| Total board of education | <u>118,113</u> | <u>118,113</u> | <u>117,661</u> | <u>452</u> |
| Health and Welfare: | | | | |
| Health Department | 925 | 924 | 907 | 17 |
| Recreation Department | 880 | 880 | 708 | 172 |
| Total health and welfare | <u>1,805</u> | <u>1,804</u> | <u>1,615</u> | <u>189</u> |
| General Charges: | | | | |
| Employee benefits - general | 25,260 | 25,146 | 24,628 | 518 |
| Insurance and bonds | 2,002 | 1,999 | 1,994 | 5 |
| Claims and refunds | 344 | 346 | 346 | - |
| Benefits and salary reserve | 900 | 898 | 898 | - |
| Unallocated contingency | 5 | 5 | | 5 |
| Total general charges | <u>28,511</u> | <u>28,394</u> | <u>27,866</u> | <u>528</u> |
| Grants to Agencies: | | | | |
| Milford Council on Aging | 1,370 | 1,363 | 1,363 | - |
| Milford Fine Arts Council | 70 | 70 | 70 | - |
| CMED | 66 | 66 | 66 | - |
| Regional Mental Health Board | 3 | 3 | 3 | - |
| Borough of Woodmont | 233 | 233 | 233 | - |
| Milford Transit District | 350 | 350 | 350 | - |
| Milford Mental Health | 380 | 380 | 380 | - |
| Veterans' Graves | 3 | 3 | 3 | - |
| U.S. Coast Guard Auxiliary | 9 | 9 | 9 | - |

(Continued on next page)

**CITY OF MILFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

(In Thousands)

| | Budgeted Amounts | | Expenditures and Encumbrances | Uncommitted Balance |
|--|-------------------|-------------------|-------------------------------------|------------------------|
| | Original | Amended | | |
| Grants to Agencies (continued): | | | | |
| Milford Historical District Commission | \$ 1 | \$ 1 | \$ 1 | \$ - |
| Milford Progress Inc | 8 | 8 | 8 | - |
| Milford Historic #2 | 1 | 1 | 1 | - |
| Historic Preservation | 1 | 1 | - | - |
| Health Services | 5 | 5 | - | 5 |
| Cemetery Association | 9 | 9 | 9 | - |
| Boys and Girls Club | 85 | 85 | 85 | - |
| Homeless Shelter/CPAC | 90 | 90 | 90 | - |
| Literacy Volunteers | 5 | 5 | 5 | - |
| Total grants to agencies | <u>2,689</u> | <u>2,682</u> | <u>2,676</u> | <u>5</u> |
| Debt Service: | | | | |
| Public Debt Service | 12,670 | 12,670 | 11,432 | 1,238 |
| School Debt | 5,319 | 5,319 | 5,229 | 90 |
| Total debt service | <u>17,989</u> | <u>17,989</u> | <u>16,661</u> | <u>1,328</u> |
| Other Financing Uses: | | | | |
| Transfers out | <u>435</u> | <u>1,245</u> | <u>1,245</u> | <u>-</u> |
| Total | <u>\$ 217,678</u> | <u>\$ 218,173</u> | 213,966 | <u>\$ 4,206</u> |

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut "on-behalf" contributions to the Connecticut State Teachers'

Retirement System for City teachers are not budgeted:

| | |
|--|--------------|
| Pension | 15,021 |
| OPEB | 363 |
| Payment to refunded bond escrow agent | 40,403 |
| Refunding bond issuance costs | 206 |
| Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes | (2,376) |
| Prior year encumbrances reported in the current year for financial reporting purposes | 2,319 |
| Change in Board of Education's Summer Payroll originally charged to subsequent years budget for budgetary purposes | 155 |
| Nonbudgetary items and eliminations related to the Compensated Absences Fund | <u>(127)</u> |

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

\$ 269,930

CITY OF MILFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS*
(In Thousands)

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total pension liability: | | | | | | | | |
| Service cost | \$ 7,087 | \$ 7,299 | \$ 7,809 | \$ 7,979 | \$ 8,023 | \$ 8,322 | \$ 8,233 | \$ 8,262 |
| Interest | 27,046 | 27,998 | 28,604 | 29,924 | 29,952 | 30,582 | 31,387 | 32,434 |
| Changes of benefits terms | | (1,759) | | | | 509 | | |
| Differences between expected and actual experience | | (908) | (2,281) | 14 | (1,654) | (136) | 3,708 | (3,845) |
| Changes of assumptions | | 9,513 | 7,100 | 248 | (2,253) | (1,071) | (1,230) | 1,420 |
| Benefit payments, including refunds of member contributions | <u>(21,862)</u> | <u>(23,057)</u> | <u>(24,025)</u> | <u>(24,717)</u> | <u>(25,217)</u> | <u>(26,749)</u> | <u>(28,033)</u> | <u>(28,309)</u> |
| Net change in total pension liability | 12,271 | 19,086 | 17,207 | 13,448 | 8,851 | 11,457 | 14,065 | 9,962 |
| Total pension liability - beginning | <u>341,706</u> | <u>353,977</u> | <u>373,063</u> | <u>390,270</u> | <u>403,718</u> | <u>412,569</u> | <u>424,026</u> | <u>438,091</u> |
| Total pension liability - ending | <u>353,977</u> | <u>373,063</u> | <u>390,270</u> | <u>403,718</u> | <u>412,569</u> | <u>424,026</u> | <u>438,091</u> | <u>448,053</u> |
| Plan fiduciary net position: | | | | | | | | |
| Contributions - employer | 2,225 | 3,925 | 4,525 | 5,203 | 5,984 | 6,881 | 7,914 | 9,101 |
| Contributions - member | 2,169 | 2,332 | 2,672 | 2,736 | 2,788 | 2,893 | 2,923 | 2,888 |
| Net investment income (loss) | 44,193 | (2,192) | (3,210) | 35,184 | 32,666 | 19,037 | 11,869 | 105,223 |
| Benefit payments, including refunds of member contributions | (21,862) | (23,057) | (24,025) | (24,717) | (25,217) | (26,749) | (28,033) | (28,309) |
| Administrative expense | (48) | (76) | (143) | (47) | (56) | (57) | (82) | (85) |
| Other | 11 | 20 | 47 | 23 | 167 | 32 | | |
| Net change in plan fiduciary net position | 26,688 | (19,048) | (20,134) | 18,382 | 16,332 | 2,037 | (5,409) | 88,818 |
| Plan fiduciary net position - beginning | <u>327,606</u> | <u>354,294</u> | <u>335,246</u> | <u>315,112</u> | <u>333,494</u> | <u>349,826</u> | <u>351,863</u> | <u>346,454</u> |
| Plan fiduciary net position - ending | <u>354,294</u> | <u>335,246</u> | <u>315,112</u> | <u>333,494</u> | <u>349,826</u> | <u>351,863</u> | <u>346,454</u> | <u>435,272</u> |
| Net Pension Liability (Asset) - Ending | \$ <u>(317)</u> | \$ <u>37,817</u> | \$ <u>75,158</u> | \$ <u>70,224</u> | \$ <u>62,743</u> | \$ <u>72,163</u> | \$ <u>91,637</u> | \$ <u>12,781</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 100.09% | 89.86% | 80.74% | 82.61% | 84.79% | 82.98% | 79.08% | 97.15% |
| Covered payroll | \$ 42,773 | \$ 43,811 | \$ 43,811 | \$ 45,923 | \$ 47,748 | \$ 49,449 | \$ 49,563 | \$ 46,396 |
| Net pension (asset) liability as a percentage of covered payroll | -0.74% | 86.32% | 171.55% | 152.92% | 131.40% | 145.93% | 184.89% | 27.55% |

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

**CITY OF MILFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CITY OF MILFORD RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

(In Thousands)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|-------------|-------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Actuarially determined contribution | \$ 342 | \$ 324 | \$ 2,225 | \$ 5,871 | \$ 6,348 | \$ 7,351 | \$ 9,519 | \$ 10,554 | \$ 11,395 | \$ 12,787 |
| Contributions in relation to the actuarially determined contribution | <u>342</u> | <u>324</u> | <u>2,225</u> | <u>3,925</u> | <u>4,525</u> | <u>5,203</u> | <u>5,984</u> | <u>6,881</u> | <u>7,914</u> | <u>9,101</u> |
| Contribution Deficiency | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>1,946</u> | \$ <u>1,823</u> | \$ <u>2,148</u> | \$ <u>3,535</u> | \$ <u>3,673</u> | \$ <u>3,481</u> | \$ <u>3,686</u> |
| Covered payroll | \$ 41,597 | \$ 43,010 | \$ 42,773 | \$ 43,811 | \$ 44,587 | \$ 45,923 | \$ 47,748 | \$ 49,449 | \$ 49,563 | \$ 46,396 |
| Contributions as a percentage of covered payroll | 0.82% | 0.75% | 5.20% | 8.96% | 10.15% | 11.33% | 12.53% | 13.92% | 15.97% | 19.62% |

Notes to Schedule

Valuation date: July, 1 2020
Measurement date: June 30, 2021

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 Method, level percentage of salary |
| Amortization method | None |
| Remaining amortization period | N/A |
| Asset valuation method | 5-year smoothed market |
| Inflation | 2.40% |
| Salary increases | Age related table |
| Investment rate of return | 7.40% |
| Retirement age | Age related table |
| Mortality | Non-Disabled - PUB-2010 Public Retirement Plans for General Employees, projected to the valuation date with Scale MP-2020. Disabled - PUB-2010 Public Retirement Plans for Disabled Employees, projected to the valuation date with Scale MP-2020. |

**CITY OF MILFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
CITY OF MILFORD RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS***

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 13.78% | -0.62% | -0.99% | 11.37% | 10.00% | 5.53% | 3.43% | 30.63% |

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

CITY OF MILFORD, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST SEVEN FISCAL YEARS*
(In Thousands)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|------------|------------|------------|------------|------------|------------|------------|
| City's proportion of the net pension liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| City's proportionate share of the net pension liability | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State's proportionate share of the net pension liability associated with the City | 131,584 | 142,361 | 180,837 | 171,408 | 164,985 | 213,972 | 234,189 |
| Total | \$ 131,584 | \$ 142,361 | \$ 180,837 | \$ 171,408 | \$ 164,985 | \$ 213,972 | \$ 234,189 |
| City's covered payroll | \$ 49,466 | \$ 49,287 | \$ 49,376 | \$ 49,316 | \$ 49,972 | \$ 50,980 | \$ 53,992 |
| City'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% |
| Plan fiduciary net position as a percentage of the total pension liability | 61.51% | 59.50% | 52.26% | 55.93% | 57.69% | 52.00% | 49.24% |

Notes to Schedule

| | |
|---------------------------------------|---|
| Changes in benefit terms | None |
| Changes of assumptions | The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019: - Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%. - Decrease payroll growth assumption from 3.25% to 3.00%. - Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. |
| Actuarial cost method | Entry age |
| Amortization method | Level percent of pay, closed |
| Single equivalent amortization period | 30 years |
| Asset valuation method | 4-year smoothed market |
| Inflation | 2.50% |
| Salary increase | 3.25%-6.50%, including inflation |
| Investment rate of return | 6.9%, net of investment related expense |

Notes:

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

**CITY OF MILFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
CITY OPEB PLAN
LAST FIVE FISCAL YEARS***

(In Thousands)

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total OPEB liability: | | | | | |
| Service cost | \$ 5,653 | \$ 6,568 | \$ 6,430 | \$ 6,111 | \$ 8,285 |
| Interest | 7,351 | 7,150 | 7,707 | 7,371 | 6,405 |
| Differences between expected and actual experience | (1,017) | (596) | (8,085) | (460) | (9,524) |
| Changes of assumptions | 11,890 | (8,754) | (15,516) | 26,701 | (4,017) |
| Benefit payments | <u>(6,664)</u> | <u>(7,468)</u> | <u>(7,419)</u> | <u>(8,491)</u> | <u>(6,481)</u> |
| Net change in total OPEB liability | 17,213 | (3,100) | (16,883) | 31,232 | (5,332) |
| Total OPEB liability - beginning | <u>171,096</u> | <u>188,309</u> | <u>185,209</u> | <u>168,326</u> | <u>199,558</u> |
| Total OPEB liability - ending | <u>188,309</u> | <u>185,209</u> | <u>168,326</u> | <u>199,558</u> | <u>194,226</u> |
| Plan fiduciary net position: | | | | | |
| Contributions - employer | 7,164 | 7,968 | 7,919 | 8,991 | 6,981 |
| Net investment income (loss) | 564 | 463 | 389 | 70 | 2,198 |
| Benefit payments | (6,664) | (7,468) | (7,419) | (8,491) | (6,481) |
| Other | | 1 | | | |
| Net change in plan fiduciary net position | <u>1,064</u> | <u>964</u> | <u>889</u> | <u>570</u> | <u>2,698</u> |
| Plan fiduciary net position - beginning | <u>4,992</u> | <u>6,056</u> | <u>7,020</u> | <u>7,909</u> | <u>8,479</u> |
| Plan fiduciary net position - ending | <u>6,056</u> | <u>7,020</u> | <u>7,909</u> | <u>8,479</u> | <u>11,177</u> |
| Net OPEB Liability - Ending | <u>\$ 182,253</u> | <u>\$ 178,189</u> | <u>\$ 160,417</u> | <u>\$ 191,079</u> | <u>\$ 183,049</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 3.22% | 3.79% | 4.70% | 4.25% | 5.75% |
| Covered payroll | \$ 38,282 | \$ 39,335 | \$ 39,225 | \$ 40,303 | \$ 39,035 |
| Net OPEB liability as a percentage of covered payroll | 476.08% | 453.00% | 408.97% | 474.11% | 468.94% |

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

**CITY OF MILFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CITY OPEB PLAN
LAST TEN FISCAL YEARS**

(In Thousands)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Actuarially determined contribution (1) | \$ 14,081 | \$ 14,785 | \$ 12,248 | \$ 12,455 | \$ 12,103 | \$ 12,321 | \$ 15,745 | \$ 16,033 | \$ 12,419 | \$ 12,577 |
| Contributions in relation to the actuarially determined contribution | <u>8,112</u> | <u>6,424</u> | <u>6,407</u> | <u>6,498</u> | <u>7,086</u> | <u>7,164</u> | <u>7,968</u> | <u>7,919</u> | <u>8,991</u> | <u>6,981</u> |
| Contribution Deficiency | <u>\$ 5,969</u> | <u>\$ 8,361</u> | <u>\$ 5,841</u> | <u>\$ 5,957</u> | <u>\$ 5,017</u> | <u>\$ 5,157</u> | <u>\$ 7,777</u> | <u>\$ 8,114</u> | <u>\$ 3,428</u> | <u>\$ 5,596</u> |
| Covered payroll | \$ 34,856 | \$ 35,901 | \$ 35,442 | \$ 36,506 | \$ 37,258 | \$ 38,282 | \$ 39,335 | \$ 39,225 | \$ 40,303 | \$ 39,035 |
| Contributions as a percentage of covered payroll | 23.27% | 17.89% | 18.08% | 17.80% | 19.02% | 18.71% | 20.26% | 20.19% | 22.31% | 17.88% |

45.

Notes to Schedule

Valuation date: July, 1 2020
Measurement date: June 30, 2021

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 |
| Amortization method | None |
| Amortization period | N/A |
| Asset valuation method | Plan assets equal the market value of assets |
| Inflation | 2.40% |
| Healthcare cost trend rates | 6.50% initial, decreasing 0.2% per year to an ultimate rate of 4.40% |
| Salary increases | Age related table |
| Investment rate of return | 3.38% |
| Retirement age | In the 2020 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience. |
| Mortality | City: PUB-2010 Public Retirement Plans for General Employees, projected to the valuation date with Scale MP-2020. Fire and Police: PUB-2010 Public Retirement Plans for Public Safety Employees, projected to the valuation date with Scale MP-2020. |

**CITY OF MILFORD, CONNECTICUT
 SCHEDULE OF INVESTMENT RETURNS
 CITY OPEB PLAN
 LAST FIVE FISCAL YEARS***

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 10.44% | 7.16% | 5.23% | 0.86% | 24.61% |

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

CITY OF MILFORD, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
BOE OPEB PLAN
LAST FOUR FISCAL YEARS*

(In Thousands)

| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---|-------------------|-----------------|----------------|-----------------|
| Total OPEB liability: | | | | |
| Service cost | \$ 5,946 | \$ 5,849 | \$ 4,121 | \$ 6,324 |
| Interest | 7,395 | 7,930 | 6,238 | 4,909 |
| Changes of benefit terms | | | | (49,281) |
| Differences between expected and actual experience | 120 | (8,936) | (91) | (4,433) |
| Changes of assumptions | (8,972) | (24,067) | 38,142 | 1,293 |
| Benefit payments | (6,223) | (5,884) | (6,562) | (5,834) |
| Net change in total OPEB liability | <u>(1,734)</u> | <u>(25,108)</u> | <u>41,848</u> | <u>(47,022)</u> |
| Total OPEB liability - beginning | <u>203,698</u> | <u>201,964</u> | <u>176,856</u> | <u>218,704</u> |
| Total OPEB Liability - Ending | <u>\$ 201,964</u> | <u>176,856</u> | <u>218,704</u> | <u>171,682</u> |
| Covered payroll | \$ 65,131 | \$ 64,617 | \$ 66,394 | \$ 68,949 |
| Net OPEB liability as a percentage of covered payroll | 310.09% | 273.70% | 329.40% | 249.00% |

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

**CITY OF MILFORD, CONNECTICUT
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 TEACHERS RETIREMENT PLAN
 LAST FOUR FISCAL YEARS***

(In Thousands)

| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---|------------------|------------------|------------------|------------------|
| City's proportion of the net OPEB liability | 0.00% | 0.00% | 0.00% | 0.00% |
| City's proportionate share of the net OPEB liability | \$ - | \$ - | \$ - | \$ - |
| State's proportionate share of the net OPEB liability associated with the City | <u>44,119</u> | <u>32,982</u> | <u>33,370</u> | <u>34,929</u> |
| Total | <u>\$ 44,119</u> | <u>\$ 32,982</u> | <u>\$ 33,370</u> | <u>\$ 34,929</u> |
| City's covered payroll | \$ 49,316 | \$ 49,972 | \$ 50,980 | \$ 53,992 |
| City's proportionate share of the net OPEB liability as a percentage of its covered payroll | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 1.79% | 1.49% | 2.08% | 2.50% |

Notes to Schedule

| | |
|-------------------------------|--|
| Changes in benefit terms | None |
| Changes of assumptions | Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2020 was updated to equal the Municipal Bond Index Rate as of June 30, 2020; Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience; Long-term health care cost trend rates were updated; The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated based on observed plan experience. Additionally, participants are no longer assumed to migrate from the Medicare Supplement Plan to the Medicare Advantage Plan after selecting an option; and, The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019. The changes in assumptions are summarized below: - Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%. - Decrease payroll growth assumption from 3.25% to 3.00%. - Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. |
| Actuarial cost method | Entry age normal (level percent of pay) |
| Amortization method | Level percent of pay over an open period |
| Remaining amortization period | 30 years |
| Asset valuation method | Market value of assets |
| Investment rate of return | 3.00%, net of investment related expense including price inflation |
| Price inflation | 2.75% |

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

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**Supplemental, Combining
and Individual Fund
Statements and Schedules**

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General Fund

GENERAL FUND

The General Fund is the operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**CITY OF MILFORD, CONNECTICUT
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2021 AND 2020**
(In Thousands)

| | <u>2021</u> | <u>2020</u> |
|--|------------------|------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 52,426 | \$ 47,484 |
| Investments | | 3,151 |
| Property taxes receivable, net of allowance for doubtful accounts of \$458 in 2021 and \$877 in 2020 | 3,854 | 4,352 |
| Property taxes interest receivable, net of allowance for doubtful accounts of \$292 in 2021 and \$319 in 2020 | 2,632 | 2,868 |
| Assessments receivable | 20 | 20 |
| Accounts receivable | 118 | 179 |
| Prepaid item | 21 | 21 |
| Total Assets | <u>\$ 59,071</u> | <u>\$ 58,075</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts payable and accrued liabilities | \$ 13,020 | \$ 12,030 |
| Due to other governments | 1,103 | 1,080 |
| Unearned revenue | 50 | 60 |
| Total liabilities | <u>14,173</u> | <u>13,170</u> |
| Deferred inflows of resources: | | |
| Unavailable revenue - property taxes | 3,515 | 3,772 |
| Unavailable revenue - property taxes interest | 2,632 | 2,868 |
| Unavailable revenue - special assessments | 17 | 19 |
| Advance property tax collections | 2,685 | 1,039 |
| Total deferred inflows of resources | <u>8,849</u> | <u>7,698</u> |
| Fund balances: | | |
| Nonspendable | 21 | 21 |
| Committed | 1,487 | 1,359 |
| Assigned for encumbrances | 2,882 | 3,009 |
| Assigned for debt service | | 341 |
| Assigned for subsequent year's budget | 11,000 | 9,000 |
| Unassigned | 20,659 | 23,477 |
| Total fund balances | <u>36,049</u> | <u>37,207</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 59,071</u> | <u>\$ 58,075</u> |

**CITY OF MILFORD, CONNECTICUT
GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2021**
(In Thousands)

| Grand List | Uncollected Taxes July 1, 2020 | Current Levy | Lawful Corrections | | Transfers To Suspend | Adjusted Taxes Collectible | Collections | | | Uncollected Taxes June 30, 2021 | |
|------------|--------------------------------|--------------|--------------------|------------|----------------------|----------------------------|---|----------------|------------|---------------------------------|--|
| | | | Additions | Deductions | | | Tax | Interest Liens | Total | | |
| 2019 | \$ | \$ 184,793 * | \$ 153 | \$ (587) | \$ | \$ 184,359 | \$ 182,677 | \$ 584 | \$ 183,261 | \$ 1,682 | |
| 2018 | 2,261 | | 6 | (231) | (9) | 2,027 | 1,470 | 311 | 1,781 | 557 | |
| 2017 | 719 | | 2 | (8) | (11) | 702 | 307 | 93 | 400 | 395 | |
| 2016 | 379 | | 1 | (49) | (74) | 257 | 8 | 31 | 39 | 249 | |
| 2015 | 314 | | | | (121) | 193 | 28 | 27 | 55 | 165 | |
| 2014 | 252 | | | | (68) | 184 | 10 | 8 | 18 | 174 | |
| 2013 | 211 | | | | (36) | 175 | 9 | 4 | 13 | 166 | |
| 2012 | 175 | | | | (16) | 159 | 3 | 2 | 5 | 156 | |
| 2011 | 164 | | | | (10) | 154 | 1 | 3 | 4 | 153 | |
| 2010 | 132 | | | | (8) | 124 | 3 | 4 | 7 | 121 | |
| 2009 | 122 | | | | (7) | 115 | 1 | 2 | 3 | 114 | |
| 2008 | 102 | | | | (7) | 95 | | | - | 95 | |
| 2007 | 108 | | | | (8) | 100 | | | - | 100 | |
| 2006 | 110 | | | | (8) | 102 | | 1 | 1 | 102 | |
| 2005 | 91 | | | | (8) | 83 | | 17 | 17 | 83 | |
| Total | \$ 5,140 | \$ 184,793 | \$ 162 | \$ (875) | \$ (391) | \$ 188,829 | 184,517 | 1,087 | 185,604 | \$ 4,312 | |
| | | | | | | | Suspend collections | 168 | 237 | 405 | |
| | | | | | | | Total collections | 184,685 | \$ 1,324 | \$ 186,009 | |
| | | | | | | | Property taxes receivable considered available: | | | | |
| | | | | | | | June 30, 2020 | (580) | | | |
| | | | | | | | June 30, 2021 | 339 | | | |
| | | | | | | | Total Property Tax Revenue | \$ 184,444 | | | |

*Includes motor vehicle supplement in the amount of \$1,711

**CITY OF MILFORD, CONNECTICUT
BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 2021**

(In Thousands)

| | <u>Final Appropriations</u> | <u>Expenditures and Encumbrances</u> | <u>Unexpended Balance</u> |
|-----------------------------------|---------------------------------|--|-------------------------------|
| Certified administrative salaries | \$ 5,001 | \$ 5,001 | \$ - |
| Certified teachers salaries | 47,088 | 47,088 | - |
| Homebound tutor | 83 | 83 | - |
| Administrative substitute | 155 | 155 | - |
| Summer school | 338 | 338 | - |
| Substitutes - certified salaries | 805 | 805 | - |
| Curriculum work | 227 | 227 | - |
| Coaches/advisors | 682 | 682 | - |
| Non-certified supervisor salaries | 732 | 732 | - |
| Non-certified staff salaries | 2,148 | 2,148 | - |
| Custodian/maintenance | 4,176 | 4,176 | - |
| Teacher aides hourly | 441 | 441 | - |
| Paraprofessionals | 3,157 | 3,157 | - |
| General aide salaries | 180 | 180 | - |
| Overtime salaries | 552 | 552 | - |
| Non-certified clerical | 112 | 112 | - |
| Non-certified professional | 2,126 | 2,126 | - |
| Retirements | 1,346 | 1,346 | - |
| Life insurance | 647 | 647 | - |
| Worker's compensation insurance | 747 | 747 | - |
| Social security | 888 | 888 | - |
| Unemployment compensation | 160 | 160 | - |
| Blue Cross/Blue Shield | 3,606 | 3,606 | - |
| Para pension | 156 | 156 | - |
| Education reimbursement | 60 | 60 | - |
| Adult education services | 60 | 60 | - |
| Substitute teaching services | 232 | 232 | - |
| Mental health services | 11 | 11 | - |
| Professional evaluation | 50 | 50 | - |
| Other pupil personnel services | 105 | 105 | - |
| Special education work study | 13 | 13 | - |
| Consultation services | 8 | 8 | - |
| Audit services | 3 | 3 | - |
| Legal services | 203 | 203 | - |
| Arch/Eng services | 32 | 32 | - |

(Continued on next page)

**CITY OF MILFORD, CONNECTICUT
BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

(In Thousands)

| | <u>Final Appropriations</u> | <u>Expenditures and Encumbrances</u> | <u>Unexpended Balance</u> |
|--|---------------------------------|--|-------------------------------|
| Security services | \$ 485 | \$ 485 | \$ - |
| Contracted services | 811 | 811 | - |
| Management information systems | 89 | 89 | - |
| Electricity | 780 | 780 | - |
| Heat energy - gas | 769 | 769 | - |
| Water/sewage | 106 | 106 | - |
| Contracted maintenance | 790 | 790 | - |
| Repairs to grounds | 140 | 140 | - |
| Repairs to buildings | 109 | 109 | - |
| Repairs to equipment | 322 | 322 | - |
| Preventative maintenance | 99 | 99 | - |
| Building projects | 481 | 481 | - |
| Grounds projects | 143 | 143 | - |
| Gasoline maintenance | 37 | 37 | - |
| Maintenance supplies | 294 | 294 | - |
| Custodial supplies | 186 | 186 | - |
| Transportation regular | 2,051 | 2,051 | - |
| Transportation special education | 1,037 | 1,037 | - |
| Transportation special education - public | 218 | 218 | - |
| Transportation special education - private | 470 | 470 | - |
| Transportation - athletics | 104 | 104 | - |
| Transportation - TAG/ECA/AQUA | 84 | 84 | - |
| Transportation - field trips | 24 | 24 | - |
| Gasoline - buses | 41 | 41 | - |
| Transportation - non-public | 320 | 320 | - |
| Transportation - special education aide | 74 | 74 | - |
| Transportation - supplies | 24 | 24 | - |
| Van driver | 145 | 145 | - |
| Property liability insurance | 474 | 474 | - |
| Athletic insurance | 39 | 39 | - |
| Uninsured coverage | 2 | 2 | - |
| Postage | 22 | 22 | - |
| Telephone | 272 | 272 | - |
| Advertising | 3 | 3 | - |
| Printing expense | 5 | 5 | - |

(Continued on next page)

**CITY OF MILFORD, CONNECTICUT
BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

(In Thousands)

| | <u>Final Appropriations</u> | <u>Expenditures and Encumbrances</u> | <u>Unexpended Balance</u> |
|------------------------------|---------------------------------|--|-------------------------------|
| Tuition - public | \$ 977 | \$ 977 | \$ - |
| Tuition - non-public | 4,772 | 4,772 | - |
| Tuition - ECA program | 169 | 169 | - |
| Tuition - AQUA | 74 | 74 | - |
| Tuition - Vo-Ag | 140 | 140 | - |
| Tuition - other | 34 | 34 | - |
| Tuition - Bridgeport | 105 | 105 | - |
| Travel mileage | 32 | 32 | - |
| Non-instructional supplies | 148 | 148 | - |
| Instructional supplies | 679 | 679 | - |
| Health and medical | 24 | 24 | - |
| Graduation expense | 52 | 52 | - |
| Textbooks | 11 | 11 | - |
| Text adoptions | 240 | 240 | - |
| Library books | 42 | 42 | - |
| Periodicals | 13 | 13 | - |
| Testing expense | 127 | 127 | - |
| Other educational supplies | 2 | 2 | - |
| Computer software | 408 | 408 | - |
| Equipment | 433 | 433 | - |
| Furniture and fixtures | 205 | 205 | - |
| Computers | 628 | 628 | - |
| Lease/purchase | 18 | 18 | - |
| Dues and fees | 91 | 91 | - |
| Professional development | 389 | 389 | - |
| Student activities | 54 | 54 | - |
| Student athletics | 33 | 33 | - |
| Athletics - equipment repair | 10 | 10 | - |
| Athletics - supplies | 54 | 54 | - |
| Athletics - equipment | 56 | 56 | - |
| Athletics - uniforms | 32 | 32 | - |
| Miscellaneous - misc other | 8 | 8 | - |
| Athletics - game operations | 94 | 94 | - |
| | <u>94</u> | <u>94</u> | <u>-</u> |
| Total | <u>\$ 97,535</u> | <u>\$ 97,535</u> | <u>\$ -</u> |

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Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

| Fund | Funding Source | Function |
|---|--|---|
| Park and Playground | Developer Fees and Investment Earnings | Park and Playground Development |
| Human Services | State Grants and City Contributions | Social Service Activities |
| Special Grants and Revenues | State/Federal Grants, City Contributions | Various Grant/City Programs |
| Community Development | Federal Grants | Administer Community Development |
| Open Space | Fees in Lieu of Donated Open Space | Open Space Acquisition |
| Tuition | Attendee Fees | Day Care, Pre-School, Family Resource |
| Grants and Donations - Board of Education | Grants and Donations | Student Activities |
| Special Education Grants | State and Federal Grants | Education Programs |
| Cafeteria | State and Federal Grants, User Fees | Administer School Lunch Program |
| Sewer Fund | User Fees and Investment Income | Operation of Sewer System |
| Educational Scholarship and Award | Endowments | Educational Scholarships |
| Library Trust | Bequests and Investment Earnings | Reserved for Library Materials/Programs |
| Milford Police Sick and Relief | Donations | Sick Benefits for Police Employees |
| Barth Conservation | Donations and Investment Earnings | Preserve Open Land |
| Student Activities | Fees and Donations | Student Programs and extracurricular activities |

Debt Service

| Fund | Funding Source | Function |
|--------------|------------------------------------|--------------------------------------|
| Debt Service | City Contributions and State Money | Reserve for Sewer Facilities Upgrade |

Capital Project Fund

| Fund | Funding Source | Function |
|---------------------|---------------------------------|---------------------------------|
| School Renovations | State Grants, Bond/BAN Proceeds | School Renovations |
| Sanitary Sewer Fund | Bond/Ban Proceeds | Construction of Sanitary Sewers |

**CITY OF MILFORD, CONNECTICUT
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021
 (In Thousands)**

| | Special Revenue Funds | | | | | | | | | |
|---|------------------------|-------------------|--------------------------------------|--------------------------|---------------|---------------|--|--------------------------------|---------------|-----------------|
| | Park and Playground | Human Services | Special Grants and Revenues | Community Development | Open Space | Tuition | Grants and Donations - Board of Education | Special Education Grants | Cafeteria | Sewer Fund |
| ASSETS | | | | | | | | | | |
| Cash and cash equivalents | \$ 2 | \$ 940 | \$ 7,508 | \$ 76 | \$ 150 | \$ 418 | \$ 298 | \$ 237 | \$ 233 | \$ 6,585 |
| Investments | | | | | | | | | | |
| Accounts receivable | | 5 | 252 | | | | | | | 172 |
| Due from other governments | | | 3 | | | | | | 400 | |
| Due from other funds | | | | | | | | | | |
| Materials and Supplies | | | | | | | | | 37 | |
| Total Assets | \$ 2 | \$ 945 | \$ 7,763 | \$ 76 | \$ 150 | \$ 418 | \$ 298 | \$ 237 | \$ 670 | \$ 6,757 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable and accrued liabilities | \$ | \$ 10 | \$ 1,170 | \$ 90 | \$ | \$ | \$ | \$ 408 | \$ 39 | \$ 725 |
| Unearned revenue | | | 138 | | | | | | | |
| Bond anticipation notes payable | | | | | | | | | | |
| Other liabilities | | | | | | | | | | |
| Total liabilities | - | 10 | 1,308 | 90 | - | - | - | 408 | 39 | 725 |
| Deferred inflows of resources: | | | | | | | | | | |
| Unavailable revenue - special assessments | | | | | | | | | | 134 |
| Advance sewer collections | | | | | | | | | | 84 |
| Total deferred inflows of resources | - | - | - | - | - | - | - | - | - | 218 |
| Fund balances: | | | | | | | | | | |
| Nonspendable | | | | | | | | | 37 | |
| Restricted | | | | | | | 298 | | | |
| Committed | 2 | 935 | 6,455 | (14) | 150 | 418 | | | 594 | 5,814 |
| Unassigned | | | | (14) | | | | (171) | | |
| | 2 | 935 | 6,455 | (14) | 150 | 418 | 298 | (171) | 631 | 5,814 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 2 | \$ 945 | \$ 7,763 | \$ 76 | \$ 150 | \$ 418 | \$ 298 | \$ 237 | \$ 670 | \$ 6,757 |

(Continued on next page)

**CITY OF MILFORD, CONNECTICUT
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 JUNE 30, 2021
 (In Thousands)**

| | Special Revenue Funds | | | | | Total | Debt Service | Capital Project Funds | | Total Nonmajor Governmental Funds |
|---|-----------------------------------|---------------|--------------------------------|--------------------|--------------------|------------------|-----------------|-----------------------|---------------------|-----------------------------------|
| | Educational Scholarship and Award | Library Trust | Milford Police Sick and Relief | Barth Conservation | Student Activities | | | School Renovations | Sanitary Sewer Fund | |
| ASSETS | | | | | | | | | | |
| Cash and cash equivalents | \$ 110 | \$ 109 | \$ 116 | \$ 40 | \$ 619 | \$ 17,441 | \$ 2,495 | \$ 734 | \$ 847 | \$ 21,517 |
| Investments | | | | | 31 | 31 | | | | 31 |
| Accounts receivable | | | | | | 429 | | | | 429 |
| Due from other governments | | | | | | 403 | | | | 403 |
| Due from other funds | | | | | | | | | | |
| Materials and Supplies | | | | | | 37 | | | | 37 |
| Total Assets | \$ 110 | \$ 109 | \$ 116 | \$ 40 | \$ 650 | \$ 18,341 | \$ 2,495 | \$ 734 | \$ 847 | \$ 22,417 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable and accrued liabilities | \$ | \$ | \$ | \$ | \$ | 2,442 | \$ | 629 | \$ 51 | \$ 3,122 |
| Unearned revenue | | | | | | 138 | | | | 138 |
| Bond anticipation notes payable | | | | | | | | 1,961 | 2,120 | 4,081 |
| Other liabilities | | | | | | | | | 41 | 41 |
| Total liabilities | - | - | - | - | - | 2,580 | - | 2,590 | 2,212 | 7,382 |
| Deferred inflows of resources: | | | | | | | | | | |
| Unavailable revenue - special assessments | | | | | | 134 | | | | 134 |
| Advance sewer collections | | | | | | 84 | | | | 84 |
| Total deferred inflows of resources | - | - | - | - | - | 218 | - | - | - | 218 |
| Fund balances: | | | | | | | | | | |
| Nonspendable | | | | | | 37 | | | | 37 |
| Restricted | | | | | 650 | 948 | | 539 | 962 | 2,449 |
| Committed | 110 | 109 | 116 | 40 | | 14,743 | 2,495 | | | 17,238 |
| Unassigned | | | | | | (185) | | (2,395) | (2,327) | (4,907) |
| | 110 | 109 | 116 | 40 | 650 | 15,543 | 2,495 | (1,856) | (1,365) | 14,817 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 110 | \$ 109 | \$ 116 | \$ 40 | \$ 650 | \$ 18,341 | \$ 2,495 | \$ 734 | \$ 847 | \$ 22,417 |

**CITY OF MILFORD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021
 (In Thousands)**

| | Special Revenue Funds | | | | | | | | | |
|--|------------------------|-------------------|--------------------------------------|--------------------------|---------------|---------------|--|--------------------------------|---------------|-----------------|
| | Park and Playground | Human Services | Special Grants and Revenues | Community Development | Open Space | Tuition | Grants and Donations - Board of Education | Special Education Grants | Cafeteria | Sewer Fund |
| Revenues: | | | | | | | | | | |
| Property taxes and assessments | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ 7,729 |
| Fines, forfeitures, penalties and interest | | | | | | | | | | 50 |
| Intergovernmental | | 477 | 1,786 | 443 | 48 | | | 4,335 | 2,225 | |
| Charges for services | | | 3,656 | | | 559 | | 156 | | 128 |
| Investment income | | 1 | | | | | | | | 8 |
| Other revenues | | 20 | | | | | 139 | | | 600 |
| Total revenues | <u>-</u> | <u>498</u> | <u>5,442</u> | <u>443</u> | <u>48</u> | <u>559</u> | <u>139</u> | <u>4,335</u> | <u>2,381</u> | <u>8,515</u> |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | | | 136 | | | | | | | |
| Public safety | | | 2,600 | | | | | | | |
| Public services | | | | 476 | | | | | | |
| Education | | | 1,916 | | | 553 | 90 | 4,747 | 2,240 | |
| Health and welfare | | 842 | 470 | | | | | | | |
| Sewer | | | | | | | | | | 6,955 |
| Capital outlay | | | | | | | | | | |
| Debt service | | | | | | | | | | 1,618 |
| Total expenditures | <u>-</u> | <u>842</u> | <u>5,122</u> | <u>476</u> | <u>-</u> | <u>553</u> | <u>90</u> | <u>4,747</u> | <u>2,240</u> | <u>8,573</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>(344)</u> | <u>320</u> | <u>(33)</u> | <u>48</u> | <u>6</u> | <u>49</u> | <u>(412)</u> | <u>141</u> | <u>(58)</u> |
| Other financing sources (uses): | | | | | | | | | | |
| Issuance of bonds and notes | | | | | | | | | | |
| Transfers in | | 465 | 14 | | | | | | | |
| Transfers out | | | | (30) | | | | | | (800) |
| Total other financing sources (uses): | <u>-</u> | <u>465</u> | <u>14</u> | <u>(30)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(800)</u> |
| Net Change in Fund Balances | - | 121 | 334 | (63) | 48 | 6 | 49 | (412) | 141 | (858) |
| Fund Balances at Beginning of Year, As Restated | 2 | 814 | 6,121 | 49 | 102 | 412 | 249 | 241 | 490 | 6,672 |
| Fund Balances at End of Year | <u>\$ 2</u> | <u>\$ 935</u> | <u>\$ 6,455</u> | <u>\$ (14)</u> | <u>\$ 150</u> | <u>\$ 418</u> | <u>\$ 298</u> | <u>\$ (171)</u> | <u>\$ 631</u> | <u>\$ 5,814</u> |

(Continued on next page)

**CITY OF MILFORD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021
 (In Thousands)**

| | Special Revenue Funds | | | | | | Capital Project Funds | | | Total Nonmajor Governmental Funds |
|--|---|------------------|--------------------------------------|-----------------------|-----------------------|-----------------|-----------------------|---------------------------|---------------------------|--|
| | Educational Scholarship and Award | Library Trust | Milford Police Sick and Relief | Barth Conservation | Student Activities | Debt Service | School Renovations | Sanitary Sewer Fund | Interfund Eliminations | |
| Revenues: | | | | | | | | | | |
| Property taxes and assessments | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ 7,729 |
| Fines, forfeitures, penalties and interest | | | | | | | | | | 50 |
| Intergovernmental | | | | | | | | | | 9,314 |
| Charges for services | | | | | 634 | 51 | | | | 5,184 |
| Investment income | | | | | | 3 | | | | 12 |
| Other revenues | 15 | | 1 | | | 69 | | | | 844 |
| Total revenues | <u>15</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>634</u> | <u>123</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>23,133</u> |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | | | | | | | | | | 136 |
| Public safety | | | | | | | | | | 2,600 |
| Public services | | | | | | | | | | 476 |
| Education | 9 | | | | 735 | | | | | 10,290 |
| Health and welfare | | | | | | | | | | 1,312 |
| Sewer | | | | | | | | | | 6,955 |
| Capital outlay | | | | | | | 2,426 | 1,571 | | 3,997 |
| Debt service | | | | | | 460 | | | | 2,078 |
| Total expenditures | <u>9</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>735</u> | <u>460</u> | <u>2,426</u> | <u>1,571</u> | <u>-</u> | <u>27,844</u> |
| Excess (deficiency) of revenues over expenditures | <u>6</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>(101)</u> | <u>(337)</u> | <u>(2,426)</u> | <u>(1,571)</u> | <u>-</u> | <u>(4,711)</u> |
| Other financing sources (uses): | | | | | | | | | | |
| Issuance of bonds and notes | | | | | | | 765 | 3,115 | | 3,880 |
| Transfers in | | | | | | | | | (30) | 449 |
| Transfers out | | | | | | | | | 30 | (800) |
| Total other financing sources (uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>765</u> | <u>3,115</u> | <u>-</u> | <u>3,529</u> |
| Net Change in Fund Balances | 6 | - | 1 | - | (101) | (337) | (1,661) | 1,544 | - | (1,182) |
| Fund Balances at Beginning of Year, As Restated | 104 | 109 | 115 | 40 | 751 | 2,832 | (195) | (2,909) | - | 15,999 |
| Fund Balances at End of Year | <u>\$ 110</u> | <u>\$ 109</u> | <u>\$ 116</u> | <u>\$ 40</u> | <u>\$ 650</u> | <u>\$ 2,495</u> | <u>\$ (1,856)</u> | <u>\$ (1,365)</u> | <u>\$ -</u> | <u>\$ 14,817</u> |

Nonmajor Proprietary Funds

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**CITY OF MILFORD, CONNECTICUT
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 JUNE 30, 2021**

(In Thousands)

| | <u>Milford Golf Course</u> | <u>Harbor Management</u> | <u>Total</u> |
|--|------------------------------------|------------------------------|-----------------|
| Assets: | | | |
| Current: | | | |
| Cash and cash equivalents | \$ 183 | \$ 433 | \$ 616 |
| Accounts receivable | 20 | | 20 |
| Total current assets | <u>203</u> | <u>433</u> | <u>636</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Not being depreciated | 569 | 1,112 | 1,681 |
| Being depreciated, net | <u>512</u> | <u>391</u> | <u>903</u> |
| Total noncurrent assets | <u>1,081</u> | <u>1,503</u> | <u>2,584</u> |
| Total assets | <u>1,284</u> | <u>1,936</u> | <u>3,220</u> |
| Liabilities: | | | |
| Current: | | | |
| Accounts payable and accrued liabilities | | <u>25</u> | <u>25</u> |
| Net Position: | | | |
| Invested in capital assets | 1,081 | 1,503 | 2,584 |
| Unrestricted | <u>203</u> | <u>408</u> | <u>611</u> |
| Total Net Position | <u>\$ 1,284</u> | <u>\$ 1,911</u> | <u>\$ 3,195</u> |

CITY OF MILFORD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

| | <u>Milford Golf Course</u> | <u>Harbor Management</u> | <u>Total</u> |
|---|------------------------------------|------------------------------|-----------------|
| Operating revenues: | | | |
| Charges for services | \$ 64 | \$ 333 | \$ 397 |
| Operating expenses: | | | |
| Salaries | | 121 | 121 |
| Operations and supplies | 34 | 48 | 82 |
| Insurance | | 87 | 87 |
| Depreciation | 22 | 41 | 63 |
| Total operating expenses | <u>56</u> | <u>297</u> | <u>353</u> |
| Operating income before capital contributions and transfers | <u>8</u> | <u>36</u> | <u>44</u> |
| Capital contributions and transfers: | | | |
| Capital contribution | 17 | 403 | 420 |
| Transfers out | | <u>(30)</u> | <u>(30)</u> |
| Total capital contributions and transfers | <u>17</u> | <u>373</u> | <u>390</u> |
| Change in Net Position | 25 | 409 | 434 |
| Total Net Position at Beginning of Year | <u>1,259</u> | <u>1,502</u> | <u>2,761</u> |
| Total Net Position at End of Year | <u>\$ 1,284</u> | <u>\$ 1,911</u> | <u>\$ 3,195</u> |

**CITY OF MILFORD, CONNECTICUT
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021**

(In Thousands)

| | <u>Business-Type Activities</u> | | |
|--|------------------------------------|------------------------------|---------------|
| | <u>Milford Golf Course</u> | <u>Harbor Management</u> | <u>Total</u> |
| Cash flows from operating activities: | | | |
| Cash received from contributions and charges for services | \$ 72 | \$ 333 | \$ 405 |
| Cash paid to employees | | (121) | (121) |
| Cash paid to vendors | (38) | (129) | (167) |
| Net cash provided by (used in) operating activities | <u>34</u> | <u>83</u> | <u>117</u> |
| Cash flows to/from noncapital financing activities: | | | |
| Transfers to/from other funds | | (30) | (30) |
| Net increase (decrease) in cash and cash equivalents | 34 | 53 | 87 |
| Cash and cash equivalents at beginning of year | <u>149</u> | <u>380</u> | <u>529</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 183</u> | <u>\$ 433</u> | <u>\$ 616</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Operating income (loss) | \$ 8 | \$ 36 | \$ 44 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Depreciation expense | 22 | 41 | 63 |
| (Increase) decrease in accounts receivable | 7 | | 7 |
| accrued liabilities | (3) | 6 | 3 |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 34</u> | <u>\$ 83</u> | <u>\$ 117</u> |

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Internal Service Funds

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Health Insurance Fund - to provide reserves needed to support health benefit costs.

Workers' Compensation Fund - to provide reserves needed to support workers' compensation claims.

Property and Casualty Fund - to provide reserves needed to support property and casualty losses.

**CITY OF MILFORD, CONNECTICUT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2021**

(In Thousands)

| | <u>Health Insurance Fund</u> | <u>Workers' Compensation Fund</u> | <u>Property and Casualty Fund</u> | <u>Total</u> |
|--|--------------------------------------|---|---|-----------------|
| Assets: | | | | |
| Cash and cash equivalents | \$ 8,706 | \$ 3,414 | \$ 2,957 | \$ 15,077 |
| Accounts receivable | 483 | | 25 | 508 |
| Total assets | <u>9,189</u> | <u>3,414</u> | <u>2,982</u> | <u>15,585</u> |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | 14 | 51 | 41 | 106 |
| Accrued claims | | | | |
| Current | 109 | 293 | | 402 |
| Noncurrent | 2,073 | 4,164 | 62 | 6,299 |
| Total liabilities | <u>2,196</u> | <u>4,508</u> | <u>103</u> | <u>6,807</u> |
| Net Position: | | | | |
| Unrestricted | <u>6,993</u> | <u>(1,094)</u> | <u>2,879</u> | <u>8,778</u> |
| Total Net Position | <u>\$ 6,993</u> | <u>\$ (1,094)</u> | <u>\$ 2,879</u> | <u>\$ 8,778</u> |

**CITY OF MILFORD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021**

(In Thousands)

| | <u>Health Insurance Fund</u> | <u>Workers' Compensation Fund</u> | <u>Property and Casualty Fund</u> | <u>Total</u> |
|---------------------------------------|--------------------------------------|---|---|-----------------|
| Operating revenues: | | | | |
| Employer contributions | \$ 27,692 | \$ 1,329 | \$ 1,030 | \$ 30,051 |
| Employee contributions | 5,955 | | | 5,955 |
| Other | 2,060 | 350 | 62 | 2,472 |
| Total operating revenues | <u>35,707</u> | <u>1,679</u> | <u>1,092</u> | <u>38,478</u> |
| Operating expenses: | | | | |
| Insurance premiums and claims expense | <u>39,672</u> | <u>1,854</u> | <u>1,358</u> | <u>42,884</u> |
| Net income (loss) | (3,965) | (175) | (266) | (4,406) |
| Net Position at Beginning of Year | <u>10,958</u> | <u>(919)</u> | <u>3,145</u> | <u>13,184</u> |
| Net Position at End of Year | <u>\$ 6,993</u> | <u>\$ (1,094)</u> | <u>\$ 2,879</u> | <u>\$ 8,778</u> |

CITY OF MILFORD, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(In Thousands)

| | <u>Health Insurance Fund</u> | <u>Workers' Compensation Fund</u> | <u>Property and Casualty Fund</u> | <u>Total</u> |
|---|--------------------------------------|---|---|-------------------|
| Cash flows from operating activities: | | | | |
| Cash received from contributions and charges for services | \$ 35,395 | \$ 1,679 | \$ 1,067 | \$ 38,141 |
| Cash payments for claims paid | <u>(39,583)</u> | <u>(1,581)</u> | <u>(1,350)</u> | <u>(42,514)</u> |
| Net cash provided by (used in) operating activities | <u>(4,188)</u> | <u>98</u> | <u>(283)</u> | <u>(4,373)</u> |
| Net increase (decrease) in cash and cash equivalents | (4,188) | 98 | (283) | (4,373) |
| Cash and cash equivalents at beginning of year | <u>12,894</u> | <u>3,316</u> | <u>3,240</u> | <u>19,450</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 8,706</u> | <u>\$ 3,414</u> | <u>\$ 2,957</u> | <u>\$ 15,077</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ (3,965) | \$ (175) | \$ (266) | \$ (4,406) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| (Increase) decrease in accounts receivable | (312) | | (25) | (337) |
| Increase (decrease) in accounts payable and accrued liabilities | <u>89</u> | <u>273</u> | <u>8</u> | <u>370</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ (4,188)</u> | <u>\$ 98</u> | <u>\$ (283)</u> | <u>\$ (4,373)</u> |

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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.

CITY OF MILFORD, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(In Thousands)

| | FISCAL YEAR | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Governmental Activities: | | | | | | | | | | |
| Net investments in capital assets | \$ 163,570 | \$ 167,039 | \$ 164,069 | \$ 215,426 | \$ 203,122 | \$ 194,944 | \$ 174,139 | \$ 166,869 | \$ 153,422 | \$ 145,526 |
| Restricted | 7,941 | 5,402 | | | | | | | | |
| Unrestricted | (386,211) | (434,694) | (405,490) | (392,473) | (135,453) | (107,907) | (83,172) | (71,768) | (48,669) | (36,008) |
| Total Governmental Activities Net Position | (214,700) | (262,253) | (241,421) | (177,047) | 67,669 | 87,037 | 90,967 | 95,101 | 104,753 | 109,518 |
| Business-type activities: | | | | | | | | | | |
| Investments in capital assets | 2,584 | 2,226 | 2,247 | 3,351 | 3,400 | 3,444 | 3,361 | 3,126 | 3,163 | 3,200 |
| Unrestricted | 611 | 535 | 541 | 515 | 474 | 510 | 569 | 513 | 708 | 642 |
| Total Business-Type Net Position | 3,195 | 2,761 | 2,788 | 3,866 | 3,874 | 3,954 | 3,930 | 3,639 | 3,871 | 3,842 |
| Primary government: | | | | | | | | | | |
| Net investments in capital assets | 166,154 | 169,265 | 166,316 | 218,777 | 206,522 | 198,388 | 177,500 | 169,995 | 156,585 | 148,726 |
| Restricted | 7,941 | 5,402 | | | | | | | | |
| Unrestricted | (385,600) | (434,159) | (404,949) | (391,958) | (134,979) | (107,675) | (82,603) | (71,551) | (47,961) | (35,366) |
| Total Primary Government Net Position | \$ (211,505) | \$ (259,492) | \$ (238,633) | \$ (173,181) | \$ 71,543 | \$ 90,713 | \$ 94,897 | \$ 98,444 | \$ 108,624 | \$ 113,360 |

NOTES:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) 2015 Unrestricted (deficit) accounts for the new recording of a net pension liability of \$37,817 per GASB No. 68.
- (3) 2018 Unrestricted (deficit) accounts for the new recording of a total/net OPEB liability of \$380,153 per GASB No. 75.

**CITY OF MILFORD, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(In Thousands)**

| | FISCAL YEAR | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Expenses: | | | | | | | | | | |
| General government | \$ 8,776 | \$ 25,812 | \$ 19,328 | \$ 20,608 | \$ 22,007 | \$ 22,299 | \$ 13,004 | \$ 9,770 | \$ 8,068 | \$ 11,142 |
| Administration | 3,608 | 3,619 | 3,814 | 3,206 | 3,505 | 3,280 | 3,882 | 3,803 | 4,018 | 4,147 |
| Public safety | 31,462 | 39,632 | 44,567 | 36,630 | 39,698 | 38,986 | 38,754 | 38,410 | 41,506 | 38,471 |
| Public services | 26,699 | 18,467 | 18,639 | 27,502 | 20,819 | 21,776 | 18,586 | 27,538 | 25,314 | 27,673 |
| Education | 144,696 | 177,295 | 157,377 | 173,258 | 172,388 | 159,930 | 149,823 | 142,617 | 138,265 | 132,771 |
| Health and welfare | 4,265 | 3,431 | 3,319 | 2,449 | 3,825 | 4,054 | 4,183 | 5,503 | 5,728 | 5,929 |
| Sewer** | 8,528 | 6,315 | 6,285 | 5,116 | 5,964 | 5,783 | | | | |
| General charges* | | | | | | | 3,073 | 9,072 | 4,051 | 3,889 |
| Grants to agencies | | | | | | | | | | |
| Interest on long-term debt | 2,160 | 5,241 | 5,230 | 5,087 | 4,834 | 2,810 | 4,653 | 2,711 | 2,703 | 2,085 |
| Total governmental activities expenses | <u>230,194</u> | <u>279,812</u> | <u>258,559</u> | <u>273,856</u> | <u>273,040</u> | <u>258,918</u> | <u>235,958</u> | <u>239,424</u> | <u>229,653</u> | <u>226,106</u> |
| Business-type activities: | | | | | | | | | | |
| Milford Golf Course | 56 | 72 | 67 | 69 | 78 | 81 | 64 | 64 | 69 | 88 |
| Harbor Management | 297 | 231 | 240 | 256 | 250 | 234 | 235 | 242 | 230 | 287 |
| Total business-type activities expenses | <u>353</u> | <u>303</u> | <u>307</u> | <u>325</u> | <u>328</u> | <u>315</u> | <u>299</u> | <u>306</u> | <u>299</u> | <u>375</u> |
| Total primary government expenses | <u>230,547</u> | <u>280,115</u> | <u>258,866</u> | <u>274,181</u> | <u>273,368</u> | <u>259,233</u> | <u>236,257</u> | <u>239,730</u> | <u>229,952</u> | <u>226,481</u> |
| Program Revenues: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 2,706 | 2,365 | 2,137 | 1,956 | 1,798 | 1,858 | 1,779 | 1,125 | 1,562 | 977 |
| Public service | 494 | 484 | 1,084 | 1,469 | 1,399 | 1,778 | 1,432 | 1,627 | 1,639 | 802 |
| Education | 1,351 | 1,688 | 2,334 | 2,491 | 2,301 | 2,672 | 2,435 | 1,627 | 1,702 | 2,705 |
| Sewer** | 128 | 102 | 127 | 56 | 98 | | | | | |
| Other | 6,030 | 6,124 | 5,947 | 5,519 | 4,614 | 4,100 | 4,166 | 3,374 | 3,410 | 2,766 |
| Operating grants and contributions | 53,939 | 41,119 | 23,621 | 39,562 | 39,753 | 31,072 | 29,527 | 36,980 | 29,867 | 29,730 |
| Capital grants and contributions | 9,640 | 5,893 | 4,568 | 6,149 | 4,453 | 18,527 | 3,046 | 115 | 1,753 | 3,426 |
| Total governmental activities program revenues | <u>74,288</u> | <u>57,775</u> | <u>39,818</u> | <u>57,202</u> | <u>54,416</u> | <u>60,007</u> | <u>42,385</u> | <u>44,848</u> | <u>39,933</u> | <u>40,406</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Golf fees | 64 | 80 | 90 | 89 | 89 | 87 | 85 | 84 | 80 | 74 |
| Harbor fees | 333 | 242 | 241 | 260 | 253 | 248 | 242 | 249 | 252 | 267 |
| Operating grants and contributions | | | | | | 26 | | | | |
| Capital grants and contributions | 420 | | | | 5 | | 272 | | | |
| Total business-type activities program revenues | <u>817</u> | <u>322</u> | <u>331</u> | <u>349</u> | <u>347</u> | <u>361</u> | <u>599</u> | <u>333</u> | <u>332</u> | <u>341</u> |
| Total primary government program revenues | <u>75,105</u> | <u>58,097</u> | <u>40,149</u> | <u>57,551</u> | <u>54,763</u> | <u>60,368</u> | <u>42,984</u> | <u>45,181</u> | <u>40,265</u> | <u>40,747</u> |

(Continued on next page)

**CITY OF MILFORD, CONNECTICUT
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(In Thousands)**

| | FISCAL YEAR | | | | | | | | | |
|--|------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
| | 2021 | 2020 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
| Net (expense) revenue: | | | | | | | | | | |
| Governmental activities | \$ (155,906) | \$ (222,104) | \$ (218,741) | \$ (216,654) | \$ (218,624) | \$ (198,911) | \$ (193,573) | \$ (194,576) | \$ (189,720) | \$ (185,700) |
| Business-type activities | 464 | 19 | 24 | 24 | 19 | 46 | 300 | 27 | 33 | (34) |
| Total primary government net expense | <u>(155,442)</u> | <u>(222,085)</u> | <u>(218,717)</u> | <u>(216,630)</u> | <u>(218,605)</u> | <u>(198,865)</u> | <u>(193,273)</u> | <u>(194,549)</u> | <u>(189,687)</u> | <u>(185,734)</u> |
| General Revenues and Other Changes in Net Position: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | 193,055 | 188,145 | 189,182 | 191,359 | 187,587 | 185,435 | 180,864 | 174,885 | 170,870 | 161,252 |
| Grants and contributions not restricted to specific programs | 2,198 | 2,220 | 2,247 | 9,340 | 10,965 | 9,125 | 8,321 | 8,693 | 11,327 | 14,103 |
| Unrestricted investment earnings | 115 | 1,626 | 1,692 | 1,045 | 402 | 188 | 49 | 72 | 1,735 | 1,600 |
| Other general revenues | 8,061 | 8,480 | 8,435 | 136 | 202 | 210 | 195 | 718 | 926 | 1,301 |
| Transfers in | 30 | 50 | 24 | 35 | 100 | 23 | 10 | 260 | 4 | 17 |
| Gain on sale of capital assets | | | | | | | | | 93 | |
| Special item - write down of capital assets | | | (47,213) | | | | | | | |
| Total governmental activities | <u>203,459</u> | <u>200,521</u> | <u>154,367</u> | <u>201,915</u> | <u>199,256</u> | <u>194,981</u> | <u>189,439</u> | <u>184,628</u> | <u>184,955</u> | <u>178,273</u> |
| Business-type activities: | | | | | | | | | | |
| Unrestricted investment earnings | | 4 | | | | | | | | 2 |
| Transfers out | (30) | (50) | (24) | (35) | (100) | 1 | (10) | (260) | (4) | (17) |
| Contributed assets | | | | | | (23) | | | | |
| Special item - write down of capital assets | | | (1,082) | | | | | | | |
| Total business-type activities | <u>(30)</u> | <u>(46)</u> | <u>(1,106)</u> | <u>(32)</u> | <u>(99)</u> | <u>(22)</u> | <u>(9)</u> | <u>(259)</u> | <u>(4)</u> | <u>(15)</u> |
| Total primary government | <u>203,429</u> | <u>200,475</u> | <u>153,261</u> | <u>201,883</u> | <u>199,157</u> | <u>194,959</u> | <u>189,430</u> | <u>184,369</u> | <u>184,951</u> | <u>178,258</u> |
| Change in Net Position: | | | | | | | | | | |
| Governmental activities | 47,553 | (21,516) | (64,374) | (14,739) | (19,368) | (3,930) | (4,134) | (9,948) | (4,765) | (7,427) |
| Business-type activities | 434 | (27) | (1,078) | (8) | (80) | 24 | 291 | (232) | 29 | (49) |
| Total Primary Government | <u>\$ 47,987</u> | <u>\$ (21,543)</u> | <u>\$ (65,452)</u> | <u>\$ (14,747)</u> | <u>\$ (19,448)</u> | <u>\$ (3,906)</u> | <u>\$ (3,843)</u> | <u>\$ (10,180)</u> | <u>\$ (4,736)</u> | <u>\$ (7,476)</u> |

Notes:

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

* General charges have been allocated across the various functions.

** Sewer function added for 2016 and 2017 and not retroactively applied.

**CITY OF MILFORD, CONNECTICUT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(In Thousands)

| | FISCAL YEAR | | | | | | | | | |
|------------------------------------|-------------------|------------------|------------------|--------------------|-------------------|------------------|------------------|-------------------|------------------|-------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| General Fund: | | | | | | | | | | |
| Nonspendable | \$ 21 | \$ 21 | \$ 21 | \$ 21 | \$ 21 | \$ 21 | \$ 21 | \$ 21 | \$ 21 | \$ 21 |
| Committed | 1,487 | 1,359 | 1,283 | 1,368 | 1,383 | 1,090 | 1,055 | 1,054 | 1,033 | 1,212 |
| Assigned | 13,882 | 12,350 | 14,262 | 11,700 | 9,748 | 8,094 | 7,696 | 6,959 | 7,875 | 4,198 |
| Unassigned | 20,659 | 23,477 | 27,002 | 30,240 | 25,605 | 20,668 | 16,336 | 14,814 | 14,945 | 15,638 |
| Total General Fund | \$ <u>36,049</u> | \$ <u>37,207</u> | \$ <u>42,568</u> | \$ <u>43,329</u> | \$ <u>36,757</u> | \$ <u>29,873</u> | \$ <u>25,108</u> | \$ <u>22,848</u> | \$ <u>23,874</u> | \$ <u>21,069</u> |
| All other governmental funds: | | | | | | | | | | |
| Nonspendable | \$ 37 | \$ 46 | \$ 28 | \$ 38 | \$ 23 | \$ 30 | \$ 41 | \$ 71 | \$ 84 | \$ 77 |
| Restricted | 6,669 | 5,402 | 776 | 941 | 360 | 358 | 468 | 3,845 | 3,802 | 3,364 |
| Committed | 21,222 | 23,595 | 15,851 | 14,688 | 13,949 | 14,224 | 18,508 | 19,068 | 28,863 | 18,297 |
| Assigned | | | | | | | | 86 | 4,165 | 3,802 |
| Unassigned | (30,273) | (28,016) | (16,534) | (27,774) | (19,123) | (10,919) | (16,238) | (24,557) | (35,789) | (31,896) |
| Total All Other Governmental Funds | \$ <u>(2,345)</u> | \$ <u>1,027</u> | \$ <u>121</u> | \$ <u>(12,107)</u> | \$ <u>(4,791)</u> | \$ <u>3,693</u> | \$ <u>2,779</u> | \$ <u>(1,487)</u> | \$ <u>1,125</u> | \$ <u>(6,356)</u> |

Notes:

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

CITY OF MILFORD, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(In Thousands)

| | FISCAL YEAR | | | | | | | | | |
|--|-------------------|-------------------|------------------|-----------------|-------------------|-----------------|-----------------|-------------------|------------------|--------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Revenues: | | | | | | | | | | |
| Property taxes and assessments | \$ 192,173 | \$ 190,438 | \$ 188,681 | \$ 189,054 | \$ 187,082 | \$ 184,213 | \$ 178,740 | \$ 173,069 | \$ 171,708 | \$ 162,014 |
| Fines, forfeitures, penalties and interest | 1,374 | 1,683 | 1,280 | 1,783 | 1,687 | 1,293 | 1,239 | 1,058 | 1,632 | 1,487 |
| Intergovernmental | 44,708 | 40,665 | 39,204 | 37,916 | 47,341 | 51,231 | 34,119 | 39,265 | 37,519 | 41,805 |
| Charges for services | 10,670 | 12,083 | 11,587 | 9,460 | 8,362 | 8,299 | 7,744 | 6,737 | 7,310 | 6,079 |
| Investment income | 115 | 1,626 | 1,692 | 1,045 | 457 | 243 | 98 | 117 | 149 | 113 |
| Other | 8,126 | 8,542 | 8,491 | 10,677 | 10,056 | 10,145 | 8,979 | 8,503 | 7,615 | 8,458 |
| Total revenues | 257,166 | 255,037 | 250,935 | 249,935 | 254,985 | 255,424 | 230,919 | 228,749 | 225,933 | 219,956 |
| Expenditures: | | | | | | | | | | |
| General government | 4,243 | 4,249 | 5,497 | 4,676 | 5,012 | 4,775 | 4,219 | 4,672 | 4,827 | 7,304 |
| Administration | 3,118 | 3,023 | 3,102 | 2,747 | 2,772 | 2,493 | 2,496 | 2,529 | 2,492 | 2,435 |
| Public safety | 29,936 | 30,325 | 30,501 | 29,269 | 27,921 | 27,503 | 27,137 | 25,937 | 25,129 | 24,562 |
| Public services | 12,211 | 12,262 | 12,705 | 12,569 | 12,586 | 12,582 | 12,058 | 12,238 | 12,235 | 17,591 |
| Education | 143,450 | 143,200 | 139,608 | 133,257 | 140,613 | 135,818 | 128,303 | 130,942 | 126,127 | 122,074 |
| Health and welfare | 2,925 | 3,221 | 3,185 | 3,358 | 4,062 | 3,826 | 3,479 | 3,733 | 3,687 | 3,930 |
| Sewer** | 6,955 | 6,315 | 6,284 | 6,271 | 6,116 | 5,783 | | | | |
| General charges | 27,797 | 26,801 | 25,997 | 25,112 | 24,697 | 23,832 | 23,635 | 21,961 | 19,324 | 21,295 |
| Other | 2,675 | 2,659 | 2,651 | 2,628 | 2,611 | 2,606 | 2,651 | 2,642 | 2,640 | 2,626 |
| Capital outlay | 34,194 | 20,187 | 14,023 | 33,991 | 31,237 | 24,231 | 19,395 | 31,345 | 30,914 | 31,606 |
| Debt service - principal | 13,895 | 13,891 | 12,532 | 12,137 | 11,088 | 8,910 | 10,804 | 8,825 | 8,373 | 8,831 |
| Debt service - interest | 5,051 | 5,727 | 5,500 | 5,342 | 5,146 | 6,569 | 5,028 | 3,823 | 3,566 | 3,182 |
| Total expenditures | 286,450 | 271,860 | 261,585 | 271,357 | 273,861 | 258,928 | 239,205 | 248,647 | 239,314 | 245,436 |
| Excess of Revenue Under Expenditures | (29,284) | (16,823) | (10,650) | (21,422) | (18,876) | (3,504) | (8,286) | (19,898) | (13,381) | (25,480) |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Lease principal receipts | | | | | | | | | | |
| Issuance of bonds | 22,560 | 9,680 | 21,287 | 18,735 | 16,440 | 8,350 | 14,195 | 16,000 | 23,405 | 15,329 |
| Capital leases | | 1,604 | | | | | | | | |
| Issuance of refunding bonds | 34,020 | | | 13,130 | | 16,015 | 14,935 | | 14,045 | 8,765 |
| Payment to refunded bond escrow agent | (40,403) | | | (14,948) | | (18,698) | (17,312) | | (15,469) | (9,332) |
| Premium on issuance of debt | 8,547 | 350 | 806 | 3,741 | 736 | 3,391 | 3,004 | | 1,566 | 692 |
| Sale of capital assets | | | | | | | | | 116 | 11 |
| Transfers in | 1,948 | 3,241 | 1,285 | 911 | 2,402 | 3,165 | 1,344 | 2,968 | 2,968 | 4,121 |
| Transfers out | (1,918) | (3,191) | (1,261) | (891) | (2,302) | (3,040) | (1,354) | (2,964) | (2,964) | (4,198) |
| Total other financing sources | 24,754 | 11,684 | 22,117 | 20,678 | 17,276 | 9,183 | 14,812 | 16,004 | 23,667 | 15,388 |
| Net Change in Fund Balances | \$ (4,530) | \$ (5,139) | \$ 11,467 | \$ (744) | \$ (1,600) | \$ 5,679 | \$ 6,526 | \$ (3,894) | \$ 10,286 | \$ (10,092) |
| Debt Service as a Percentage of Noncapital Expenditures | 7.2% | 7.6% | 7.4% | 6.9% | 6.6% | 6.5% | 7.0% | 5.8% | 5.7% | 5.62% |

Note: Schedule prepared on the modified accrual basis of accounting.

* Allocation of principal and interest debt service prepared for 2010 and not retroactively applied.

** Sewer function added for 2016 and 2017 and not retroactively applied.

CITY OF MILFORD, CONNECTICUT
TEN YEAR SUMMARY OF AUDITED REVENUES AND EXPENDITURES, NEXT FISCAL YEAR BUDGET
FISCAL YEAR 2012-2021

(In Thousands)

| | <u>Adopted Budget 2021-22</u> | <u>Actual 6/30/2021</u> | <u>Actual 6/30/2020</u> | <u>Actual 6/30/2019</u> | <u>Actual 6/30/2018</u> | <u>Actual 6/30/2017</u> | <u>Actual 6/30/2016</u> | <u>Actual 6/30/2015</u> | <u>Actual 6/30/2014</u> | <u>Actual 6/30/2013</u> | <u>Actual 6/30/2012</u> |
|--|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Revenues: | | | | | | | | | | | |
| Property taxes and assessments | \$ 184,379 | \$ 184,444 | \$ 182,570 | \$ 180,714 | \$ 181,284 | \$ 179,444 | \$ 177,034 | \$ 171,858 | \$ 165,899 | \$ 164,236 | \$ 155,213 |
| Intergovernmental revenue | 12,028 | 27,756 | 28,856 | 20,345 | 33,542 | 34,484 | 25,086 | 24,254 | 27,759 | 26,789 | 26,930 |
| Fines, forfeitures, penalties and interest | 1,900 | 1,324 | 1,634 | 1,244 | 1,732 | 1,624 | 1,244 | 1,199 | 1,058 | 1,632 | 1,487 |
| Investment income | 70 | 91 | 1,282 | 1,263 | 806 | 356 | 191 | 89 | 75 | 64 | 62 |
| Other | 23,523 | 12,590 | 11,818 | 11,976 | 11,703 | 10,979 | 11,089 | 8,962 | 8,236 | 8,236 | 8,907 |
| Total revenues | <u>221,900</u> | <u>226,205</u> | <u>226,160</u> | <u>215,542</u> | <u>229,067</u> | <u>226,887</u> | <u>214,644</u> | <u>206,362</u> | <u>203,027</u> | <u>200,957</u> | <u>192,599</u> |
| Expenditures: | | | | | | | | | | | |
| General government | 4,527 | 4,107 | 3,941 | 4,222 | 4,147 | 4,212 | 3,951 | 3,930 | 3,885 | 3,894 | 3,869 |
| Administration | 3,418 | 3,118 | 3,023 | 3,102 | 2,747 | 2,772 | 2,493 | 2,496 | 2,529 | 2,492 | 2,435 |
| Public safety | 28,685 | 27,336 | 27,529 | 27,688 | 26,464 | 25,662 | 25,376 | 24,393 | 23,686 | 23,142 | 22,837 |
| Public services | 11,954 | 11,735 | 11,472 | 11,887 | 11,621 | 11,742 | 11,832 | 11,272 | 11,691 | 11,527 | 11,455 |
| Education | 118,811 | 133,160 | 134,276 | 122,831 | 133,893 | 131,763 | 124,576 | 119,634 | 123,068 | 119,070 | 114,635 |
| Health and welfare | 1,905 | 1,613 | 1,645 | 1,713 | 1,573 | 1,725 | 1,640 | 1,615 | 1,645 | 1,576 | 1,656 |
| General charges | 31,575 | 27,797 | 26,801 | 25,997 | 25,112 | 24,697 | 23,832 | 23,635 | 21,961 | 19,324 | 21,295 |
| Grants to agencies | 3,135 | 2,675 | 2,659 | 2,651 | 2,628 | 2,611 | 2,606 | 2,651 | 2,642 | 2,640 | 2,626 |
| Debt service | 17,890 | 16,868 | 17,563 | 15,937 | 15,342 | 14,153 | 13,466 | 13,839 | 12,648 | 11,939 | 12,013 |
| Total expenditures | <u>221,900</u> | <u>228,409</u> | <u>228,909</u> | <u>216,028</u> | <u>223,527</u> | <u>219,337</u> | <u>209,772</u> | <u>203,465</u> | <u>203,755</u> | <u>195,604</u> | <u>192,821</u> |
| Excess of revenues over (under) expenditures | \$ <u>-</u> | <u>(2,204)</u> | <u>(2,749)</u> | <u>(486)</u> | <u>5,540</u> | <u>7,550</u> | <u>4,872</u> | <u>2,897</u> | <u>(728)</u> | <u>5,353</u> | <u>(222)</u> |
| Other financing sources (uses): | | | | | | | | | | | |
| Issuance of refunding bonds | | 34,020 | | | 13,130 | | 16,015 | 14,935 | | 14,045 | 8,765 |
| Payment to refunded bond escrow agent | | (40,403) | 350 | | (14,948) | | (18,698) | (17,312) | | (15,469) | (9,332) |
| Premium on issuance of debt | | 8,547 | | 806 | 3,741 | 736 | 3,391 | 3,004 | | 1,566 | 692 |
| Sale of capital assets | | | | | | | | | | 116 | 11 |
| Transfers in | | | 57 | 50 | | 44 | | | 1,327 | 21 | 596 |
| Transfers out | | (1,118) | (3,019) | (1,131) | (891) | (1,446) | (815) | (1,264) | (1,625) | (2,827) | (2,964) |
| Net other financing uses | | <u>1,046</u> | <u>(2,612)</u> | <u>(275)</u> | <u>1,032</u> | <u>(666)</u> | <u>(107)</u> | <u>(637)</u> | <u>(298)</u> | <u>(2,548)</u> | <u>(2,232)</u> |
| Net change in fund balances | | (1,158) | (5,361) | (761) | 6,572 | 6,884 | 4,765 | 2,260 | (1,026) | 2,805 | (2,454) |
| Fund equity, beginning year | | <u>37,207</u> | <u>42,568</u> | <u>43,329</u> | <u>36,757</u> | <u>29,873</u> | <u>25,108</u> | <u>22,848</u> | <u>23,874</u> | <u>21,069</u> | <u>23,523</u> |
| Fund Equity, End of Year | \$ | <u>36,049</u> | <u>37,207</u> | <u>42,568</u> | <u>43,329</u> | <u>36,757</u> | <u>29,873</u> | <u>25,108</u> | <u>22,848</u> | <u>23,874</u> | <u>21,069</u> |
| Nonspendable | | | | | | | | | | | |
| Committed | \$ | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Assigned | | 1,487 | 1,359 | 1,283 | 1,368 | 1,383 | 1,090 | 1,055 | 1,054 | 1,033 | 1,212 |
| Unassigned | | 13,882 | 12,350 | 14,262 | 11,700 | 9,748 | 8,094 | 7,696 | 6,959 | 7,875 | 4,198 |
| Fund Equity | \$ | <u>36,049</u> | <u>37,207</u> | <u>42,568</u> | <u>43,329</u> | <u>36,757</u> | <u>29,873</u> | <u>25,108</u> | <u>22,848</u> | <u>23,874</u> | <u>21,069</u> |

**CITY OF MILFORD, CONNECTICUT
CAPITAL IMPROVEMENT PROGRAM
2021-2025**

(In Thousands)

| | <u>2021-2022</u> | <u>2022-2023</u> | <u>2023-2024</u> | <u>2024-2025</u> | <u>Total</u> |
|--------------------|------------------|------------------|------------------|------------------|-------------------|
| Proposed Projects: | | | | | |
| Education | \$ 13,251 | \$ 13,000 | \$ 6,050 | \$ 27,800 | \$ 60,101 |
| Sewers | 5,445 | 4,085 | 9,742 | 7,563 | 26,835 |
| Fire | 600 | 45 | - | - | 645 |
| Police | 30,000 | - | - | - | 30,000 |
| P.W. Roads/Drains | 3,220 | 3,120 | 3,120 | 3,120 | 12,580 |
| P.W. Bridges | 655 | - | - | - | 655 |
| P.W. Buildings | 1,130 | - | - | 1,671 | 2,801 |
| PW Erosion Control | 500 | 400 | 400 | 400 | 1,700 |
| Recreation | 225 | 200 | 400 | 10,150 | 10,975 |
| Total | <u>\$ 55,026</u> | <u>\$ 20,850</u> | <u>\$ 19,712</u> | <u>\$ 50,704</u> | <u>\$ 146,292</u> |
| Proposed Funding: | | | | | |
| Pay-As-You-Go | \$ 3,820 | \$ 3,165 | \$ 3,120 | \$ 3,120 | \$ 13,225 |
| Bonds | 46,170 | 13,414 | 15,478 | 38,670 | 113,732 |
| Grants | 5,036 | 4,271 | 1,114 | 8,914 | 19,335 |
| Total | <u>\$ 55,026</u> | <u>\$ 20,850</u> | <u>\$ 19,712</u> | <u>\$ 50,704</u> | <u>\$ 146,292</u> |

**CITY OF MILFORD, CONNECTICUT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

| Fiscal Year | Grand List Year | Real Property | | | Personal Property | Motor Vehicle | Total Taxable Assessed Value | Less Exemptions | Net Taxable Grand List | Total Direct Tax Rate | Estimated Actual Taxable Value | Taxable Assessed Value As a Percentage of Actual Taxable Value |
|-------------|-----------------|---------------|---------------------------|----------|-------------------|---------------|------------------------------|-----------------|------------------------|-----------------------|--------------------------------|--|
| | | Residential | Commercial and Industrial | All Land | | | | | | | | |
| 2021 | 2019 | \$ 4,605,467 | \$ 1,315,061 | \$ | \$ 477,104 | \$ 416,990 | \$ 6,814,627 | \$ 156,084 | \$ 6,658,543 | 27.68 | \$ 9,512,204 | 70.00% |
| 2020 | 2018 | 4,573,495 | 1,301,703 | | 448,308 | 403,189 | 6,726,696 | 150,013 | 6,576,683 | 27.71 | 9,395,261 | 70.00% |
| 2019 | 2017 | 4,544,201 | 1,329,179 | | 335,269 | 393,588 | 6,724,998 | 157,830 | 6,567,168 | 27.74 | 9,381,667 | 70.00% |
| 2018 | 2016 | 4,518,080 | 1,331,858 | | 471,468 | 390,559 | 6,711,965 | 172,233 | 6,539,732 | 27.79 | 9,342,474 | 70.00% |
| 2017 | 2015 | 4,377,629 | 1,371,306 | | 462,686 | 379,714 | 6,592,815 | 171,197 | 6,421,618 | 27.84 | 9,173,740 | 70.00% |
| 2016 | 2014 | 4,466,480 | 1,259,867 | | 452,987 | 375,663 | 6,554,997 | 166,978 | 6,388,019 | 27.88 | 9,125,737 | 70.00% |
| 2015 | 2013 | 4,442,878 | 1,271,704 | | 461,752 | 375,652 | 6,551,986 | 166,748 | 6,385,238 | 27.22 | 9,120,339 | 70.01% |
| 2014 | 2012 | 4,478,145 | 1,288,844 | | 449,793 | 367,147 | 6,583,929 | 165,694 | 6,418,235 | 28.26 | 9,168,907 | 70.00% |
| 2013 | 2011 | 4,466,059 | 1,286,915 | | 445,512 | 364,064 | 6,562,550 | 162,699 | 6,399,851 | 25.60 | 9,142,646 | 70.00% |
| 2012 | 2010 | 5,406,408 | 1,371,087 | | 435,189 | 342,792 | 7,555,476 | 2,145,408 | 5,410,068 | 28.89 | 10,578,868 | 51.14% |

Notes:

(1) Does not include supplemental motor vehicles.

(2) Beginning with the Grand List of October 1, 1991, Connecticut General Statutes Section 12-81 (72) exempts new manufacturing equipment from property taxation by municipalities. The State of Connecticut will directly reimburse the City for 60% of the foregone taxes for Grand List 2008; the reimbursement is scheduled to be 80% for Grand List Year 2009; the reimbursement is scheduled to be 100% for the Grand List Year 2010 and the Grand List Year 2011. The program was phased out for the Grand List Year 2012.

(3) Revaluation Grand List values shown above are phase-in values for GL Years 2006, 2007 and 2008. The phase in was suspended by the Board of Aldermen after two years. Therefore GL Years 2008 - 2010 will only have 40% of the increase value reflected instead of values increasing to 100%.

(4) See disclosure about Property Tax Agreements in the Contingent Liability Note in the Financial Statements.

**CITY OF MILFORD, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
FY 2021 and FY2012**

(In Thousands)

| Taxpayers | Nature of Business | 2021 | | 2012 | | Percentage of Net Taxable Assessed Value | Percentage of Net Taxable Assessed Value |
|---|--------------------------|------------------------|------|------------------------|-------------------|--|--|
| | | Taxable Assessed Value | Rank | Taxable Assessed Value | Rank | | |
| Connecticut Post Limited Partnership | Regional Shopping Mall | \$ 140,700 | 1 | 2.11% | \$ 118,531 | 1 | 2.19% |
| Connecticut Light and Power Company | Utility | 106,053 | 2 | 1.59% | 115,145 | 2 | 2.13% |
| Milford Crossing Investors LLC | Retail | 62,947 | 3 | 0.95% | 50,119 | 3 | 0.93% |
| Wolff (Formerly Smith Craft Real Estate) | Office/Retail/Apartments | 48,511 | 4 | 0.73% | 45,993 | 4 | 0.85% |
| Woodmont Road Owner LLC (Avalon Bay) | Apartments | 25,967 | 6 | 0.39% | 25,372 | 7 | 0.47% |
| Metro Star Properties (Smith Craft Real Estate) | Office/Apartments | 23,901 | 5 | 0.36% | | | |
| Devon Power | Utility | 22,795 | 8 | 0.34% | 26,135 | 6 | 0.48% |
| Schick Manufacturing Inc. | Manufacturer - Razors | 22,614 | 7 | 0.34% | 22,653 | 9 | 0.42% |
| Crown Milford LLC | Office | 22,077 | 9 | 0.33% | 29,201 | 5 | 0.54% |
| Iroquois Gas Transmission SYS LP | Utility | 19,696 | 10 | 0.30% | | | |
| D'Amato Investments, LLC | Real Estate Development | | | | 24,338 | 8 | 0.45% |
| Keystone Milford, LLC | Retail (Stop & Shop) | | | | 16,094 | 10 | 0.30% |
| Total | | \$ <u>495,261</u> | | 7.44% | \$ <u>473,581</u> | | 8.76% |

Source: City of Milford, Office of Tax Assessor

**CITY OF MILFORD, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

(In Thousands)

| Fiscal Year Ended June 30, | Tax Rate In Mills | Taxes Levied For This Fiscal Year | Collected Within The Fiscal Year of Levy | | Collections In Subsequent Years | Total Collections to Date (6/30/21) | |
|----------------------------------|----------------------|---|---|-----------------------|---------------------------------------|-------------------------------------|-----------------------|
| | | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2021 | 27.68 | \$ 184,793 | \$ 182,677 | 98.85% | \$ N/A | \$ 182,677 | 98.85% |
| 2020 | 27.71 | 183,068 | 180,261 | 98.47% | \$ 1,470 | 180,261 | 98.47% |
| 2019 | 27.74 | 182,170 | 178,970 | 98.24% | 1,563 | 180,533 | 99.10% |
| 2018 | 27.79 | 183,139 | 178,854 | 97.66% | 1,151 | 180,005 | 98.29% |
| 2017 | 27.84 | 179,148 | 175,991 | 98.24% | 2,420 | 178,411 | 99.59% |
| 2016 | 27.88 | 178,307 | 174,556 | 97.90% | 3,653 | 178,209 | 99.95% |
| 2015 | 27.22 | 173,728 | 169,954 | 97.83% | 2,515 | 172,469 | 99.28% |
| 2014 | 26.28 | 168,390 | 164,519 | 97.70% | 1,520 | 166,039 | 98.60% |
| 2013 | 25.60 | 163,674 | 160,911 | 98.31% | 2,183 | 163,094 | 99.65% |
| 2012 | 28.89 | 156,123 | 153,158 | 98.10% | 2,539 | 155,697 | 99.73% |

CITY OF MILFORD, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands, except per capita)

| <u>Fiscal Year</u> | <u>Governmental Activities General Obligation Bonds</u> | <u>Long-Term Notes Payable</u> | <u>Capital Leases</u> | <u>Ratio of Debt to Taxable Assessed Value</u> | <u>Debt Per Capita</u> |
|--------------------|---|--|---------------------------|--|--------------------------------|
| 2021 | \$ 184,359 | \$ - | \$ 1,484 | 2.71 | \$ 3,375 |
| 2020 | 155,478 | 22,213 | 1,563 | 2.31 | 3,340 |
| 2019 | 157,797 | 24,614 | | 2.35 | 3,434 |
| 2018 | 146,949 | 26,734 | | 2.19 | 3,279 |
| 2017 | 136,374 | 28,966 | | 2.07 | 3,147 |
| 2016 | 128,883 | 31,154 | | 1.86 | 2,892 |
| 2015 | 127,731 | 33,289 | | 1.94 | 2,412 |
| 2014 | 120,866 | 35,400 | | 2.20 | 2,673 |
| 2013 | 111,570 | 37,460 | | 2.08 | 2,115 |
| 2012 | 96,615 | 39,488 | | 1.79 | 1,833 |

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

**CITY OF MILFORD, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
JUNE 30, 2021**

(In Thousands)

| Total tax collections (including interest and lien fees) received by Treasurer for year ended June 30, 2020 | | | | | |
|---|------------------------|-------------------|-------------------|----------------------|----------------------|
| | \$ <u>184,001</u> | | | | |
| | <u>General Purpose</u> | <u>Schools</u> | <u>Sewers</u> | <u>Urban Renewal</u> | <u>Pension Bonds</u> |
| Debt Limitation: | | | | | |
| 2-1/4 times base | \$ 414,002 | \$ | \$ | \$ | \$ |
| 4-1/2 times base | | 828,005 | | | |
| 3-3/4 times base | | | 690,004 | | |
| 3-1/4 times base | | | | 598,003 | |
| 3 times base | | | | | 552,003 |
| Total debt limitation | <u>414,002</u> | <u>828,005</u> | <u>690,004</u> | <u>598,003</u> | <u>552,003</u> |
| Indebtedness: | | | | | |
| Bonds payable | 63,265 | 48,851 | 58,139 | | |
| Capital lease | 1,484 | | | | |
| Authorized, unissued debt | <u>34,477</u> | <u>29,801</u> | <u>9,134</u> | | |
| Total indebtedness | <u>99,226</u> | <u>78,652</u> | <u>67,273</u> | <u>-</u> | <u>-</u> |
| Debt Limitation in Excess of Outstanding and Authorized Debt | | | | | |
| | <u>\$ 314,776</u> | <u>\$ 749,353</u> | <u>\$ 622,731</u> | <u>\$ 598,003</u> | <u>\$ 552,003</u> |

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$1,288,007).

Note 2: The authorized/unissued debt has been reduced by grant proceeds of \$33,151 relative to general purpose and school construction projects.

**CITY OF MILFORD, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In Thousands)**

| | FISCAL YEAR | | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Debt limit | \$ 1,288,007 | \$ 1,271,802 | \$ 1,285,214 | \$ 1,266,440 | \$ 1,264,165 | \$ 1,243,025 | \$ 1,201,025 | \$ 1,166,046 | \$ 1,162,238 | \$ 1,097,880 |
| Total net debt applicable to limit | <u>245,151</u> | <u>241,348</u> | <u>237,413</u> | <u>242,628</u> | <u>264,401</u> | <u>242,207</u> | <u>209,101</u> | <u>221,221</u> | <u>214,742</u> | <u>185,100</u> |
| Legal Debt Margin | <u>\$ 1,042,856</u> | <u>\$ 1,030,454</u> | <u>\$ 1,047,801</u> | <u>\$ 1,023,812</u> | <u>\$ 999,764</u> | <u>\$ 1,000,818</u> | <u>\$ 991,924</u> | <u>\$ 944,825</u> | <u>\$ 947,496</u> | <u>\$ 912,780</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 19.03% | 18.98% | 18.47% | 19.16% | 20.92% | 19.49% | 17.41% | 18.97% | 18.48% | 16.86% |

Source: Comprehensive annual financial report - Schedule of Debt Limitation

Note: See Table 11 for calculation of current year debt limitation

**CITY OF MILFORD, CONNECTICUT
DEBT STATEMENT AND CURRENT DEBT RATIOS
JUNE 30, 2021**

(In Thousands)

| | | |
|-----------------------------|----|-----------------------|
| Long-term bonded (1) | | |
| Bonds: | | |
| Public Improvement | \$ | 63,265 |
| Schools | | 48,851 |
| Sewers | | 58,139 |
| Capital Lease | | 1,484 |
| Bond Premiums | | <u>14,104</u> |
| Total long-term bonded debt | | 185,843 |
| Short-term debt: | | |
| Bond Anticipation Notes | | <u>25,525</u> |
| Total Direct Debt | \$ | <u><u>211,368</u></u> |

Note: The City has no overlapping or underlying debt.

| | | |
|------------------------------------|----|------------|
| Population (2) | | 54,628 |
| Net Taxable Grand List (10/01/19) | \$ | 6,658,543 |
| Estimated Full Value (70%) | | 9,512,204 |
| Equalized Grand List (10/1/19) (3) | | 10,378,646 |
| Money Income Per Capita (2019) (4) | | 50,164 |

| | Total Direct Debt | Total Net Direct Debt |
|--|----------------------------------|--|
| | <u> </u> | <u> </u> |
| Per Capita | \$ 3,973.46 | \$ 3,973.46 |
| Ratio to net Taxable Grand List | 3.17% | 3.17% |
| Ratio to Estimated Full Value | 2.22% | 2.22% |
| Ratio to Equalized Grand List | 2.04% | 2.04% |
| Debt per Capita to Money Income per Capita | 7.92% | 7.92% |

(1) Excludes capital leases

(2) U.S. Department of Commerce, Census Bureau, American Community Survey, 2015-2019.

(3) Office of Policy and Management, State of Connecticut

(4) U.S. Census Bureau/American Community Survey 2015-2019, used for FY2021 calculations.

**CITY OF MILFORD, CONNECTICUT
RATIOS OF NET LONG-TERM DEBT TO VALUATION, POPULATION AND INCOME
LAST TEN FISCAL YEARS**

| Fiscal Year | Grand List October 1, | In Thousands | | | Ratio of Net Long-Term Debt to Assessed Value | Ratio of Net Long-Term Debt to Estimated Full Value | (4) Population | Net Long-Term Debt Per Capita | Ratio of Net Long-Term Debt Per Capita to Per Capita Income (5) |
|-------------|-----------------------|------------------------|--------------------------|------------------------|---|---|-------------------|-------------------------------|---|
| | | Net Assessed Value (1) | Estimated Full Value (2) | Net Long-Term Debt (3) | | | | | |
| 2021 | 2019 | \$ 6,658,543 | \$ 9,512,204 | \$ 184,359 | 2.77 | 1.94 | 54,328 | \$ 3,393.44 | 6.67 |
| 2020 | 2018 | 6,576,683 | 9,395,261 | 179,254 | 2.73 | 1.91 | 53,195 | 3,369.75 | 7.13 |
| 2019 | 2017 | 6,567,168 | 9,381,667 | 172,184 | 2.62 | 1.84 | 53,120 | 3,241.42 | 6.86 |
| 2018 | 2016 | 6,539,732 | 9,342,474 | 163,429 | 2.50 | 1.75 | 52,970 | 3,085.31 | 7.11 |
| 2017 | 2015 | 6,421,618 | 9,173,740 | 158,017 | 2.46 | 1.72 | 52,536 | 3,007.79 | 7.27 |
| 2016 | 2014 | 6,388,019 | 9,125,737 | 152,665 | 2.39 | 1.67 | 52,894 | 2,886.24 | 7.07 |
| 2015 | 2013 | 6,385,238 | 9,120,339 | 157,414 | 2.42 | 1.70 | 52,759 | 2,983.64 | 7.49 |
| 2014 | 2012 | 6,418,236 | 9,168,908 | 155,520 | 2.31 | 1.62 | 52,759 | 2,805.40 | 7.04 |
| 2013 | 2011 | 6,399,852 | 9,142,646 | 148,010 | 2.08 | 1.07 | 52,759 | 2,015.29 | 5.25 |
| 2012 | 2010 | 5,410,069 | 10,578,868 | 112,669 | 2.37 | 1.21 | 52,759 | 2,302.54 | 6.00 |

- (1) Revaluation Grand Lists 2006, 2007; Net Assessed Values are phased-in values and frozen at the Grand List 07 levels for Grand Lists of 2008, 2009, and 2010 by act of the Board of Aldermen.
- (2) Assessment Ratio 70%
- (3) Reflects deductions for contractual State school building construction grants receivable and courthouse lease payments over the life to respective issues. Excludes capital leases; includes long-term notes payable; does not include outstanding BANs or authorized, unissued debt.
- (4) U.S. Department of Commerce, Census Bureau, American Community Survey, 2015-2019.
- (5) Money Income Per Capita: \$50,164, U.S. Census Bureau/American Community Survey 2015-2019, used for FY2021 calculations.

**CITY OF MILFORD, CONNECTICUT
AUTHORIZED BUT UNISSUED DEBT
JUNE 30, 2021**

| Project | Total Amount of Authorization | Bonds Issued | Statutory Paydown | Grants | Note Payable Due 11/3/2020 | Authorized But Unissued | | |
|--|-------------------------------------|-------------------|----------------------|-------------------|-------------------------------------|-------------------------|-------------------|----------|
| | | | | | | General Purpose | Schools | Sewers |
| Recreation Facilities Improvements | \$ 1,310,000 | \$ 1,304,700 | | | | \$ 5,300 | | |
| Pepe's Farm Rd & Woodmont Rd | 1,370,000 | 1,202,000 | | | | 168,000 | | |
| Stowe Property | 895,000 | 802,000 | | | | 93,000 | | |
| Milford Academy Renovations | 2,650,000 | 2,593,500 | 2,250 | | | 54,250 | | |
| Various Public Improvements (Feb. 2004) | 2,483,065 | 2,406,765 | | | | 76,300 | | |
| Various Public Improvements (Nov. 2004) | 3,347,500 | 3,175,200 | | 68,053 | | 104,247 | | |
| Various Public Improvements (Mar. 2005) | 1,134,500 | 1,112,200 | 150 | | | 22,150 | | |
| Road Resurfacing | 715,000 | 704,000 | | | | 11,000 | | |
| Various Public Improvements (Feb. 2007) | 4,620,300 | 3,984,185 | | 361,092 | | 275,023 | | |
| Various Public Improvements (Apr. 2008) | 3,715,559 | 3,343,450 | | | | 372,109 | | |
| Various Public Improvements (Feb. 2010) | 6,292,000 | 5,843,600 | | 12,725 | | 435,675 | | |
| Various Public Improvements (Feb. 2011) | 6,588,000 | 5,712,500 | | | | 875,500 | | |
| Various Public Improvements (Apr. 2011) | 1,685,000 | 1,432,000 | | | | 253,000 | | |
| Eastside Firehouse | 4,950,000 | 4,398,000 | | | | 552,000 | | |
| Woodmont Beach FEMA (Mar. 2012) | 534,000 | 123,000 | | 402,112 | | 8,888 | | |
| Various Public Improvements (Feb. 2012) | 6,088,600 | 2,696,000 | | 614,291 | | 2,778,309 | | |
| Various Public Improvements (Feb. 2013) | 7,533,000 | 6,651,000 | | | 20,000 | 862,000 | | |
| Various Public Improvements (Feb. 2014) | 8,317,500 | 5,252,000 | 100,000 | 209,050 | 550,000 | 2,206,450 | | |
| Various Public Improvements (Feb. 2015) | 10,707,230 | 4,891,000 | 280,000 | 1,168,849 | 1,390,000 | 2,977,381 | | |
| Various Public Improvements (Feb. 2016) | 12,889,500 | 7,656,000 | 720,000 | 772,013 | 730,000 | 3,011,487 | | |
| Various Public Improvements (Jan. 2017) | 9,671,200 | 8,838,000 | 6,000 | | 11,000 | 816,200 | | |
| April 2017 Gulf Street Road Construction | 3,300,000 | | | 2,488,920 | | 811,080 | | |
| Naugatuck Ave Drainage Imp Phase 2 (Sep. 2015) | 3,759,266 | 1,168,039 | | 2,591,228 | | | | |
| Various Public Improvements (Feb. 2018) | 6,875,000 | 5,552,500 | | | 320,000 | 1,002,500 | | |
| Various Public Improvements (Feb. 2019) | 10,065,000 | 6,272,000 | | 1,303,235 | 2,453,000 | 36,765 | | |
| Various Public Improvements (Feb. 2020) | 14,698,562 | 2,938,000 | | | 7,831,000 | 3,929,562 | | |
| Various Public Improvements (Feb. 2021) | 12,715,196 | | | | | 12,715,196 | | |
| General Public Improvements | 1,775,538 | 1,751,800 | | | | 23,738 | | |
| Subtotal General Improvement | 150,685,516 | 91,803,439 | 1,108,400 | 9,991,570 | 13,305,000 | 34,477,108 | - | - |
| Various School Improvements (Feb. 2007) | 18,489,511 | 12,591,600 | | 5,327,250 | | | 570,661 | |
| Various School Improvements (Apr. 2008) | 1,440,000 | 1,197,300 | | 232,883 | | | 9,817 | |
| J. Law Phase III Construction (Aug. 2009) | 4,050,000 | 2,500,000 | | 1,332,513 | | | 217,487 | |
| Various School Improvements (Feb. 2010) | 9,640,000 | 6,121,400 | | 2,976,430 | | | 542,170 | |
| Various School Improvements (Feb. 2012) | 12,002,883 | 5,770,000 | | 5,298,629 | | | 934,254 | |
| Various School Improvements (Feb. 2013) | 9,449,948 | 4,552,000 | | 4,218,629 | | | 679,319 | |
| Various School Improvements (Feb. 2014) | 3,456,229 | 2,367,000 | | 828,379 | | | 260,850 | |
| Various School Improvements (Feb. 2015) | 10,302,554 | 5,561,200 | | 1,761,771 | 10,000 | | 2,969,583 | |
| Various School Improvements (Feb. 2016) | 5,124,644 | 2,358,000 | | 1,666,327 | | | 1,100,317 | |
| Various School Improvements (Jan. 2017) | 23,062,859 | 15,645,500 | | 1,244,294 | 4,960,000 | | 1,213,065 | |
| Various School Improvements (Feb. 2018) | 4,051,421 | 1,625,000 | | 7,162 | 1,985,000 | | 434,259 | |
| Various School Improvements (Feb. 2019) | 3,164,985 | 815,000 | | 363,026 | 1,555,000 | | 431,959 | |
| Various School Improvements (Feb. 2020) | 5,331,764 | | 15,000 | | 1,590,000 | | 3,726,764 | |
| Various School Improvements (Feb. 2021) | 2,725,000 | | | | | | 2,725,000 | |
| Pumpkin Delight School Improvements (May 2021) | 13,985,750 | | | | | | 13,985,750 | |
| Subtotal Schools | 126,277,548 | 61,104,000 | 15,000 | 25,257,292 | 10,100,000 | - | 29,801,256 | - |

(Continued on next page)

**CITY OF MILFORD, CONNECTICUT
 AUTHORIZED BUT UNISSUED DEBT (CONTINUED)
 JUNE 30, 2021**

| Project | Total Amount of Authorization | Bonds Issued | Statutory Paydown | Grants | Note Payable Due 11/3/2020 | Authorized But Unissued | | |
|---|-------------------------------------|-----------------------|----------------------|----------------------|-------------------------------------|-------------------------|----------------------|---------------------|
| | | | | | | General Purpose | Schools | Sewers |
| Wastewater Facilities Upgrade | \$ 33,150,940 | \$ 30,690,200 | \$ | \$ | \$ | \$ | \$ | \$ 2,460,740 |
| Sewers XIII | 2,555,000 | 2,092,400 | | | | | | 462,600 |
| Sewers XIV Design Phase | 930,000 | 589,400 | | | | | | 340,600 |
| East/West Interceptor | 4,250,000 | 4,065,000 | | | | | | 185,000 |
| Buckingham Ave Force Main | 4,650,000 | 4,030,000 | | | | | | 620,000 |
| Roger Ave Pump & High St Sewer | 2,623,500 | 1,500,000 | | | | | | 1,123,500 |
| Sewers XV | 4,625,000 | 3,230,800 | | | | | | 1,394,200 |
| Sewers XVI | 275,000 | 253,000 | | | | | | 22,000 |
| Sewers XVII | 2,319,155 | 2,232,000 | | | | | | 87,155 |
| Sewers XVIII | 4,034,679 | 3,680,000 | | | | | | 354,679 |
| Sewers XIX | 187,000 | 172,000 | | | | | | 15,000 |
| Rock St & Welches Pt. Pump Stations (Feb 2015) | 6,911,061 | 6,635,000 | | | | | | 276,061 |
| Sewer Darina Place (Feb. 2015) | 550,000 | 431,000 | | | | | | 119,000 |
| Indian River Interceptor Phase 3 (Feb. 2015) | 1,869,321 | 1,668,000 | | | | | | 201,321 |
| Edgefield and Seabreeze Ave. Reconstruction (Feb. 2016) | 1,302,610 | 1,058,000 | | | | | | 244,610 |
| Beaver Brook Wastewater Plant (Feb. 2016) | 653,150 | 594,000 | | | | | | 59,150 |
| Edgefield Ave - Seabreeze Ave Sewer (Feb. 2016) | 455,000 | 296,000 | | | | | | 159,000 |
| Viscount Drive Sanitary Sewer (Feb. 2018) | 2,278,267 | 1,978,000 | | | 5,000 | | | 295,267 |
| Housatonic Wastewater Facility (Feb. 2019) | 1,238,440 | 55,000 | | | 905,000 | | | 278,440 |
| Sewer Force Main-Repair - Various (Feb. 2019) | 1,525,342 | 845,342 | | | 680,000 | | | |
| Gulf Pond Sanitary Pump Station Repairs (Feb. 2020) | 665,000 | 25,000 | | | 455,000 | | | 185,000 |
| Lower Wepawaug Pond Sewer/Manhole Lining (Feb 2020) | 157,000 | 11,000 | | | 75,000 | | | 71,000 |
| Sanitary Sewer Pump Station Upgrades No. 1-Variou | 180,000 | - | | | | | | 180,000 |
| Subtotal Sewers | 77,385,465 | 66,131,142 | - | - | 2,120,000 | - | - | 9,134,323 |
| Totals | \$ 354,348,529 | \$ 219,038,581 | \$ 1,123,400 | \$ 35,248,862 | \$ 25,525,000 | \$ 34,477,108 | \$ 29,801,256 | \$ 9,134,323 |

**CITY OF MILFORD, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

| Calendar Year | Population(1) | Per Capita Income(2) | Total Personal Income | Median Age(2) | School Enrollment(3) | Unemployment Rate(4) |
|----------------------|----------------------|-----------------------------|------------------------------|----------------------|-----------------------------|-----------------------------|
| 2021 | 54,328 | \$ 50,164 | \$ 2,725,309,792 | 45.4 | 5,502 | 5.7 |
| 2020 | 53,195 | 47,242 | 2,513,038,190 | 45.2 | 5,587 | 9.7 |
| 2019 | 53,120 | 47,242 | 2,509,495,040 | 44.7 | 5,598 | 3.5 |
| 2018 | 52,970 | 43,408 | 2,192,110,480 | 44.1 | 5,791 | 2.9 |
| 2017 | 52,536 | 41,384 | 2,174,149,824 | 44.1 | 5,885 | 4.4 |
| 2016 | 53,039 | 40,797 | 2,163,832,083 | 43.6 | 6,125 | 4.7 |
| 2015 | 52,759 | 39,822 | 2,100,968,898 | 42.7 | 6,245 | 4.5 |
| 2014 | 52,759 | 39,822 | 2,100,968,898 | 42.5 | 6,602 | 6.0 |
| 2013 | 52,759 | 38,351 | 2,023,360,409 | 43.3 | 6,659 | 7.1 |
| 2012 | 52,759 | 38,351 | 2,023,360,409 | 43.3 | 6,849 | 6.9 |
| 2011 | 55,907 | 28,832 | 1,611,910,624 | 39.4 | 7,069 | 7.8 |

(1) Source: U.S. Department of Commerce, Census Bureau, American Community Survey, 2015-2019.

(2) Source: U.S. Census Bureau/American Community Survey 2015-2019, used for FY2021 calculations.

(3) Source: City of Milford Board of Education as of October 1

(4) Source: State of Connecticut Department of Labor, Employment Security Division (Annual Average)

**CITY OF MILFORD, CONNECTICUT
PRINCIPAL EMPLOYERS
2021 AND 2012**

| Business Name | Nature of Business | 2021 | | | 2012 | | |
|------------------------------------|---|------------------|-------------|--|------------------|-------------|--|
| | | Employees | Rank | Percentage of Total Town Employment | Employees | Rank | Percentage of Total Town Employment |
| City of Milford Board of Education | Municipal School System | 1,050 | 1 | 3.84% | 1,238 | 1 | 4.04% |
| Schick (Edgewell Personal Care) | Manufacturer-Razors | 740 | 2 | 2.71% | 705 | 4 | 2.30% |
| Subway World Headquarters | Corporate Headquarters - Food Franchiser | 700 | 3 | 2.56% | 719 | 3 | 2.35% |
| City of Milford | Municipal Government | 527 | 4 | 1.93% | 556 | 5 | 1.82% |
| Bridgeport Hospital Milford Campus | Healthcare | 518 | 5 | 1.90% | 811 | 2 | 2.65% |
| Inline Plastics Corp | Manufacturer-Healthcare | 300 | 6 | 1.10% | | | |
| Walmart | Retail Department Store-Grocery | 270 | 7 | 0.99% | | | |
| Alinibal Holdings Corp. | Manufacturer | 250 | 8 | 0.91% | 234 | 10 | 0.76% |
| Quadient Inc. | US Corporate HQ-Manufacturer | 250 | 9 | 0.91% | | | |
| West River Rehab Center | Healthcare | 220 | 10 | 0.81% | | | |
| Neopost Hasler Inc. | Postage Meter Company | | | | 325 | 6 | 1.06% |
| Super Stop & Shop | Food Retail-Grocery | | | | 325 | 7 | 1.06% |
| Macy's (Filene's) | Retail Department Store | | | | 277 | 8 | 0.90% |
| ShopRite of Milford | Grocery Store | | | | 241 | 9 | 0.79% |
| Total | | 4,825 | | 17.66% | 5,431 | | 17.74% |
| Total Employment | | 27,325 | | | 30,610 | | |

Source: City of Milford, Office of Community Development

**CITY OF MILFORD, CONNECTICUT
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

| | FISCAL YEAR | | | | | | | | | |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| General government | 142 | 133 | 136 | 109 | 135 | 119 | 130 | 128 | 126 | 118 |
| Police | 139 | 140 | 140 | 138 | 133 | 137 | 129 | 127 | 128 | 127 |
| Fire | 112 | 112 | 112 | 113 | 117 | 121 | 121 | 121 | 123 | 126 |
| Refuse collection | 18 | 17 | 19 | 21 | 22 | 27 | 29 | 31 | 30 | 31 |
| Other public works | 63 | 71 | 74 | 102 | 76 | 79 | 74 | 77 | 79 | 79 |
| Wastewater | 30 | 30 | 30 | 31 | 31 | 31 | 31 | 31 | 31 | 31 |
| Parks and recreation | 5 | 5 | 6 | 6 | 5 | 6 | 6 | 6 | 6 | 6 |
| Library | 18 | 18 | 18 | 19 | 19 | 19 | 19 | 20 | 19 | 19 |
| Education | <u>1025</u> | <u>1017</u> | <u>1033</u> | <u>1038</u> | <u>1039</u> | <u>1069</u> | <u>1086</u> | <u>1076</u> | <u>1106</u> | <u>1112</u> |
| Total | <u>1552</u> | <u>1543</u> | <u>1568</u> | <u>1577</u> | <u>1577</u> | <u>1608</u> | <u>1625</u> | <u>1616</u> | <u>1648</u> | <u>1649</u> |

Source: Various City Departments

**CITY OF MILFORD, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

| Function/Program | FISCAL YEAR | | | | | | | | | |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| General government: | | | | | | | | | | |
| Building permits issued | 53 | 76 | 92 | 90 | 63 | 71 | 60 | 71 | 67 | 35 |
| All other permits | 1,281 | 1,118 | 1,264 | 1,395 | 1,244 | 1,246 | 1,019 | 994 | 1,179 | 3,377 |
| Building inspections conducted | 5,199 | 6,293 | 6,617 | 6,794 | 6,381 | 5,756 | 4,994 | 5,923 | 5,201 | 4,878 |
| Police: | | | | | | | | | | |
| Physical arrests | 970 | 1,182 | 1,454 | 1,286 | 1,339 | 1,541 | 988 | 1,267 | 1,251 | 2,806 |
| Parking violations | 1,849 | 2,273 | 1,947 | 1,758 | 1,108 | 1,337 | 1,270 | 900 | 1,748 | 3,622 |
| Traffic violations | 1,535 | 3,341 | 3,185 | 4,260 | 4,401 | 2,899 | 4,112 | 2,260 | 2,221 | 9,277 |
| Fire: | | | | | | | | | | |
| Emergency responses | 8,210 | 7,883 | 8,850 | 8,042 | 8,500 | 7,900 | 7,854 | 7,617 | 7,951 | 8,108 |
| Fires extinguished | 152 | 157 | 114 | 143 | 140 | 259 | 148 | 140 | 126 | 201 |
| Refuse collection: | | | | | | | | | | |
| Refuse collected (tons per day) | 21,147 | 17,521 | 16,843 | 16,723 | 15,757 | 16,595 | 14,611 | 15,597 | 16,192 | 11,154 |
| Recyclables collected (tons per day) | 4,200 | 4,181 | 3,981 | 4,131 | 4,317 | 4,090 | 3,946 | 4,224 | 4,354 | 4,273 |
| Other public works: | | | | | | | | | | |
| Street resurfacing (miles) | 22.00 | 12.00 | 11.50 | 21.00 | 20.00 | 12.68 | 8.30 | 4.70 | 3.3 | 2.50 |
| Parks and recreation: | | | | | | | | | | |
| Athletic field permits issued | 1,250 | 1,455 | 1,385 | 1,260 | 1,260 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Community Center admissions | 2,850 | 5,950 | 6,860 | 6,235 | 6,235 | 5,939 | 5,939 | 5,939 | 5,939 | 5,939 |
| Library: | | | | | | | | | | |
| Volumes in collection | 126,518 | 126,783 | 125,278 | 125,032 | 130,394 | 125,852 | 129,341 | 127,773 | 128,182 | 126,055 |
| Total volumes borrowed | 178,442 | 157,619 | 243,240 | 184,232 | 172,909 | 171,632 | 183,797 | 193,511 | 195,902 | 198,276 |
| Wastewater: | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 8,980 | 8,150 | 9,750 | 8,562 | 7,452 | 6,876 | 7,235 | 8,700 | 8,700 | 10,000 |

Source: Various City Departments

**CITY OF MILFORD, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

| Function/Program | FISCAL YEAR | | | | | | | | | |
|---|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicular patrol units | 43 | 42 | 41 | 42 | 42 | 43 | 42 | 42 | 40 | 40 |
| Fire stations | 4 | 4 | 4 | 4 | 4 | 6 | 4 | 4 | 4 | 5 |
| Refuse collection: | | | | | | | | | | |
| Collection trucks | 19 | 17 | 16 | 15 | 15 | 13 | 13 | 13 | 13 | 15 |
| Other public works: | | | | | | | | | | |
| Streets (miles) | 206 | 205 | 205 | 204 | 204 | 204 | 199 | 199 | 199 | 199 |
| Traffic signals | 48 | 48 | 48 | 132 | 137 | 137 | 136 | 136 | 136 | 135 |
| Parks and recreation: | | | | | | | | | | |
| Open space parks | 9 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Ball/Soccer/Football fields | 40 | 40 | 40 | 40 | 40 | 38 | 38 | 38 | 38 | 38 |
| Playgrounds | 21 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 19 | 19 |
| Swimming pools | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Splash pad | 1 | 1 | 1 | 1 | | | | | | |
| Tennis courts | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Pickel ball courts | 12 | 8 | 8 | 8 | | | | | | |
| Community centers | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Beach front mileage | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Public beaches | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Marina | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Golf course - 9-hole executive | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water: | | | | | | | | | | |
| Fire hydrants | 1,435 | 1,436 | 1,426 | 1,426 | 1,425 | 1,689 | 1,415 | 1,404 | 1,410 | 1,407 |
| Storage capacity (millions of gallons) | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 |
| Wastewater: | | | | | | | | | | |
| Sanitary sewers (miles) | 263 | 263 | 263 | 263 | 263 | 263 | 262 | 262 | 260 | 260 |
| Treatment capacity (thousands of gallons) | 11,300 | 11,300 | 11,300 | 14,250 | 14,250 | 14,250 | 14,250 | 14,250 | 14,250 | 14,250 |
| Education: | | | | | | | | | | |
| High schools | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Middle schools | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Elementary schools | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |

Source: Various City Departments

**CITY OF MILFORD, CONNECTICUT
BUILDING PERMITS AND VALUE OF CONSTRUCTION
LAST TEN FISCAL YEARS**

| Fiscal Year | Residential | | Non-Residential | | All Other(1) | | Total | |
|-------------|-------------------|-----------|-------------------|----------|-------------------|-----------|-------------------|-----------|
| | Number of Permits | Value* | Number of Permits | Value* | Number of Permits | Value* | Number of Permits | Value* |
| 2021 | 43 | \$ 10,280 | 10 | \$ 6,687 | 1,281 | \$ 32,126 | 1,334 | \$ 49,093 |
| 2020 | 61 | 12,684 | 15 | 5,454 | 1,118 | 34,135 | 1,194 | 52,273 |
| 2019 | 81 | 30,399 | 11 | 8,982 | 1,264 | 32,700 | 1,356 | 72,081 |
| 2018 | 83 | 17,284 | 7 | 4,228 | 1,395 | 43,349 | 1,485 | 64,861 |
| 2017 | 55 | 11,210 | 8 | 8,316 | 1,244 | 47,457 | 1,307 | 66,983 |
| 2016 | 65 | 11,852 | 6 | 17,344 | 1,246 | 37,482 | 1,317 | 66,678 |
| 2015 | 54 | 7,887 | 6 | 6,706 | 1,019 | 31,675 | 1,079 | 46,268 |
| 2014 | 63 | 12,221 | 8 | 1,015 | 994 | 27,818 | 1,065 | 41,054 |
| 2013 | 48 | 6,120 | 19 | 4,520 | 1,179 | 37,973 | 1,246 | 48,613 |
| 2012 | 33 | 5,614 | 2 | 2,835 | 3,377 | 54,638 | 3,412 | 63,087 |

(1) "All Other" represents the number of electrical, plumbing, heating and other permits which are paid for separately, and, therefore, are not included in the figures for residential and non-residential construction permits.

Source: City of Milford, Office of Building Inspector, per Finance format and formula.

*Presented in thousands.

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