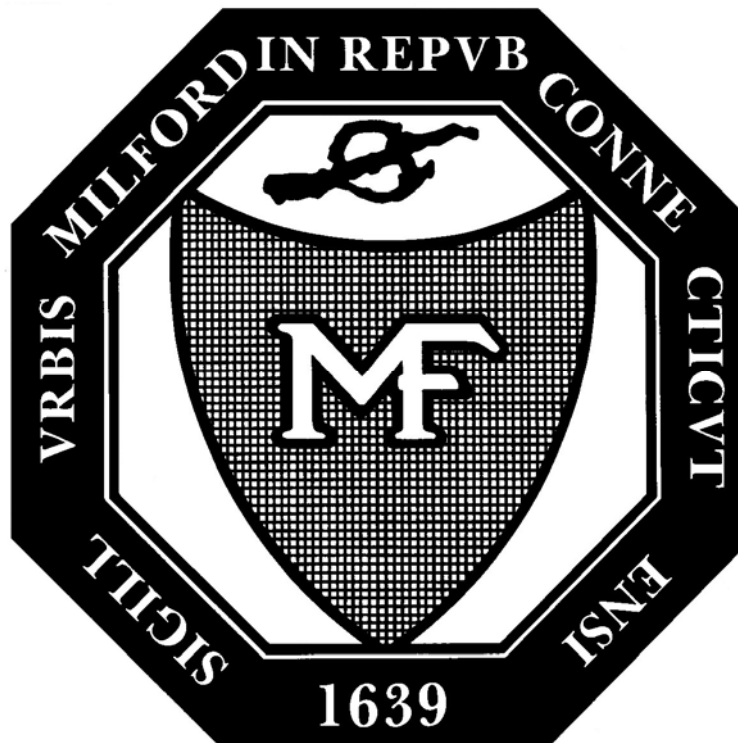


City of Milford Connecticut



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019

City of Milford, Connecticut Connecticut

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019

Prepared by:
City of Milford Finance Department

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

**ARIANE P. SWIFT
CITY ACCOUNTANT**

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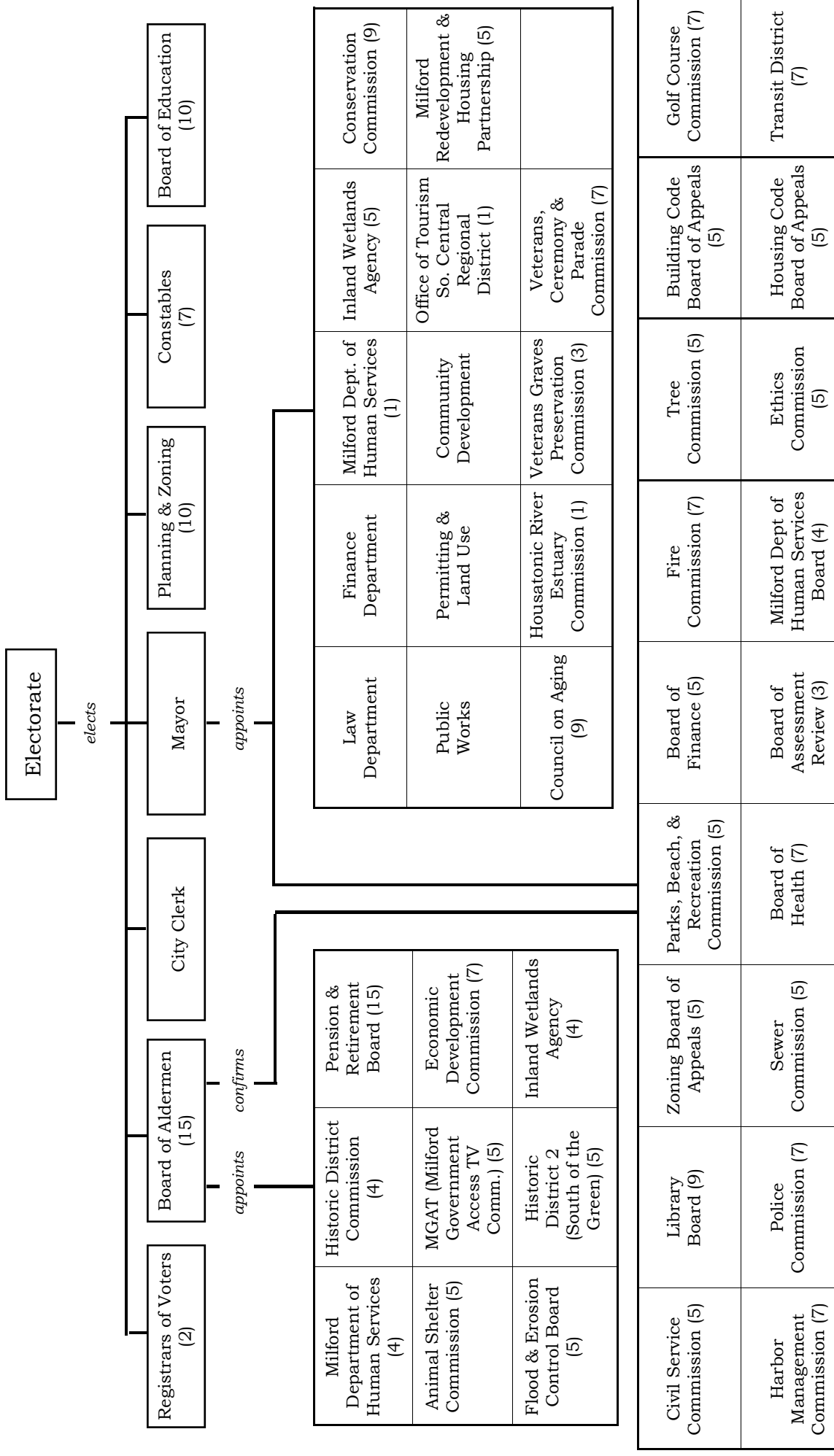
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Introductory Section

City of Milford Organizational Chart



PRINCIPAL OFFICIALS

Mayor

Benjamin G. Blake

Board of Aldermen

Philip J. Vetro, Chair
Anthony Giannattasio
Michelle Parente
James Tranquilli, Jr.
Janet A. Golden
Jeremy Grant
Ward Willis
Constance C. Gaynor
Martin B. Hardiman
Frank J. Smith
Win Smith, III
Anthony D. Sutton
Ellen Beatty
Greg Harla
Raymond G. Vitali

Board of Education

Susan Glennon, Chair
Andrew Fowler
Betsy Ratner
Nicole Wasson
Warren Pawlowski
Una Petroske
Rita Hennessey
Cindy Wolfe Boynton
Adam DeYoung
Cynthia Twiss

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 203-876-1960

Office of the
Director of Finance

December 21, 2019

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, 2019 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 of 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 53,867 (2013-2017 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 located 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 2017 census data shows that Milford's median family income was \$108,331, compared to the State's \$93,800 and the median age of a Milford resident was 44.8 years.

The City's unemployment rate was 3.2% through August 2019 as compared to the State of Connecticut at 3.6%. The decrease in the unemployment rate from 3.7% to 3.2% over the past year is reflective of the current economy.

The City's tax base is stable with some moderate growth. The net taxable grand list of October 1, 2018 was \$6.6 billion which represents an increase of \$9.5 million over the grand list of October 1, 2017. 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 7.6% 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.

In 2018, the City of Milford recorded the highest registration of businesses in over a decade, which is a 6% increase in business starts from 2017. The businesses range from small home businesses to doctor's offices and construction. This data indicates strong economic growth.

Milford's grand list continues to grow. Out of the 169 Connecticut municipalities, Milford is ranked ninth in the State and first in New Haven County. This growth has allowed Milford to cut taxes for four consecutive years--fostering small business growth and creating reductions in property taxes for Milford residents. The City expects continued grand list growth for 2019.

On the employment front, retail, manufacturing, and health care remain the top industry employers in Milford. Of the top industry employers, health care had the largest workforce growth. Milford's 3.2% unemployment rate was slightly lower than the State of Connecticut's rate of 3.6% and it decreased from the August 2018 rate of 3.8%.

Housing and construction permits are additional signs of economic strength with Milford seeing significant gains. In 2017-2018, Milford added 496 new units from single family to commercial additions. The latest numbers for the 2018-2019 year show growth with 506 units built. The value of permits rose to \$72 million in fiscal year 2019 compared to \$65 million in fiscal year 2018.

Milford has been recognized nationally in a number of publications. According to data released from the US Census Bureau and the National Association of Realtors, Millennials view Milford-New Haven as one of the top places to reside. With 17 miles of shoreline, Milford was named one of 2019's best beach towns to live in by *WalletHub*. Moreover, *The New York Times* featured Milford in two articles which described Milford as a great place to live for retirees and a top 8 destination for a carless day trip from New York City.

Over the last year, Milford's downtown saw a number of businesses open which has attracted more visitors to downtown shops and restaurants. In addition, a number of micro apartments are under construction on River Street as demand increases for transit-oriented living. A mixed use development located on River Street is expected to break ground shortly with 50 apartments, 12,000+ sq. ft. of retail and an underground garage.

Walnut Beach continues to enhance and attract new businesses and tourists while the Devon section of the City welcomed new restaurants, retail, and a waterfront brewery that is scheduled to open by early 2020. Dockside Waterfront Biergarten & Brewery is a highly anticipated opening creating a destination for many by boat and by car.

On Boston Post Road (BPR), Boscov's and Dave & Buster's had a fall 2018 opening at the Connecticut Post Mall. We also welcomed Muse Paint Bar at the mall. On BPR, we welcome Amici's Cafe, Madhouse Strength Training, and Kidz Club. Major redevelopment of long vacant land at 150 Boston Post Rd brings a Big Y supermarket to Milford. Directly adjacent, a recently constructed village with 168 apartments located directly across from Exit 36 off I-95 is a commuter's dream breathing new life into the area. Lunchbox Wax joined the Whole Foods plaza which Amazon will soon announce a new shop from home feature along with an additional 100 part time jobs at the Milford Whole Foods location. Jordan Kindel Salon opened across from the new ShopRite location in a long vacant building.

While our office sectors continues to lag due to changes in the way people work, our retail and industrial sector holds an impressive 96% occupancy rate. On Plains Rd, we welcome Live Oak Counseling & Mediation, AMJAC Associates, Cintow Associates as well as TrinityPoint Wealth on Wheeler's Farm Rd. The industrial sector of Milford continues to be well occupied. On Old Gate Lane we saw Indiguil, digital printing and Better Innovations, LLC make their home. We also look forward to the newly renovated restaurant at the former and longtime vacant Bennigan's which has opened as Milford Sports Pub & Grille. We hope this additional traffic will assist in filling the vacant pad site across the way in the Lowe's plaza. Turtle & Hughes, electrical distributor, opened its third Connecticut location with thousands of square feet at 165 Pepe's Farm Rd.

This year also brought great news for Milford Hospital, acquired by Yale New Haven Health; the location will now be referred to as Bridgeport Hospital Milford Campus. The potential of this merger began well over a year ago with the final integration announced in early 2019. Through the integration, Yale New Haven Health intends to develop the Milford campus into a center for gerontological health, care for the aging population. YNHHS will invest in Milford Hospital infrastructure, including capital improvements and expansion of clinical service lines.

Workforce development remains a focus in Milford and the City continues to support small businesses with assistance by offering workshops from the Small Business Association and the Small Business Development Center. Further, the City helps to coordinate visits with representatives from the State Department of Economic and Community Development. The Small Business Development Council offers office hours monthly at the City's Community Development Office.

Milford continues to work with public and private agencies to foster economic growth. Close relationships exist between the City and the Milford Chamber of Commerce and state and federal economic development organizations. Milford continues to work with 15 other communities in the Regional Growth Partnership.

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, 2019, 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 FY2019, debt service represents approximately 7.8% 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. 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 FY18 and FY19, the City planned for adjustments in certain grants and others with level funding. In FY19, state grants were budgeted at \$12.4 million and funded 5.9% of the City's budget. In FY18, state grants were budgeted at \$11million, which was 5.4% of the budget. The Education Cost Sharing Grant, which is a major grant for the City, increased from \$8.3million budgeted in FY18 to \$10 million budgeted in FY19.

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 FY19 for all City unions and gave the same to the non-represented employees. In FY18 and FY19, the Education Operations (EO) budget increased 0.4% and 1.5% and the City's budget increased 0.9% and 2.7% respectively. Some of the key reasons for the City's increase were as follows: an \$898 thousand increase in the pension annual contribution, a \$one million increase in debt service, and approximately \$1.3 million in contractual wage increases for City employees. Each year, the City works to implement changes which will result in expenditure savings as well, including a planned microgrid at the Parsons Government Center complex in addition to a planned fuel cell at the Beaverbrook Wastewater Treatment Plant

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 six of the nine City unions expired on June 30, 2019. The Police, Fire, and Nurses contracts expire on June 30, 2020. Negotiations for new contracts are in their early stages and will continue. 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 (Police already had a premium cost share implemented). 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. 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 Blum, Shapiro & Company, P.C., Certified Public Accountants, 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, 2018. This was the fifteenth 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.

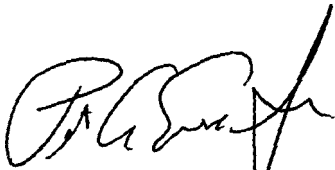
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 BlumShapiro 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 black ink, appearing to read "Peter A. Erodici, Jr.", with a long, sweeping vertical line extending downwards from the end of the signature.

Peter A. Erodici, Jr.
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, 2018

Christopher P. Morill

Executive Director/CEO



Financial Section

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, 2019, 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 auditors consider 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, 2019 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.

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, which 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Milford, Connecticut, as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated February 25, 2019, which 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, 2018 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 2018 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2018 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, 2018.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2019 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.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 21, 2019

**CITY OF MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

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, 2019. This is the seventeenth 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 decreased \$65.5 million as a result of this year's operations, \$17.2 million, and a special item related to the write down of capital assets, \$48.3 million. The operating net position decrease was attributable to a combination of lower operating grants and contributions along with increased costs for public safety, sewer, and debt service.
- During the year, the City had expenses that were \$17 million more than the \$241 million generated in tax and other revenues for governmental programs.
- Total cost of all of the City's programs was \$259 million with no new programs added this year.
- The General Fund reported a total fund balance this year of \$43 million and unassigned fund balance of \$27 million.
- The general fund ended the year with a budgetary surplus of approximately \$4 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 decreased from \$(173) million to \$(239) 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	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 120,572	\$ 109,423	\$ 575	\$ 540	\$ 121,147	\$ 109,963
Capital assets	360,156	408,859	2,247	3,351	362,403	412,210
Total assets	<u>480,728</u>	<u>518,282</u>	<u>2,822</u>	<u>3,891</u>	<u>483,550</u>	<u>522,173</u>
Deferred outflows of resources	<u>7,608</u>	<u>13,700</u>			<u>7,608</u>	<u>13,700</u>
Long-term debt outstanding	615,876	641,399			615,876	641,399
Other liabilities	47,344	46,861	34	25	47,378	46,886
Total liabilities	<u>663,220</u>	<u>688,260</u>	<u>34</u>	<u>25</u>	<u>663,254</u>	<u>688,285</u>
Deferred inflows of resources	<u>66,537</u>	<u>20,769</u>			<u>66,537</u>	<u>20,769</u>
Net position:						
Net investments in capital assets	158,106	215,426	2,247	3,351	160,353	218,777
Unrestricted	<u>(399,527)</u>	<u>(392,473)</u>	<u>541</u>	<u>515</u>	<u>(398,986)</u>	<u>(391,958)</u>
Total Net Position	<u>\$ (241,421)</u>	<u>\$ (177,047)</u>	<u>\$ 2,788</u>	<u>\$ 3,866</u>	<u>\$ (238,633)</u>	<u>\$ (173,181)</u>

Net position of the City's governmental activities decreased 36.4% (\$177) million compared to \$(241.4) 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 - increased to a deficit of \$399.5 million at the end of this year. Key reasons for this change in net position are the increase in the OPEB obligation for the City and Board of Education as well as pension obligations for the City.

There was a 27.9% decrease (\$2.8 million compared to \$3.9 million in the net position of business-type activities from 2018 to 2019.

Table 2
CHANGES IN NET POSITION
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 11,629	\$ 11,491	\$ 331	\$ 349	\$ 11,960	\$ 11,840
Operating grants and contributions	23,621	39,562			23,621	39,562
Capital grants and contributions	4,568	6,149			4,568	6,149
General revenues:						
Property taxes	189,182	191,359			189,182	191,359
Grants and contributions not restricted to specific purposes	2,247	9,340			2,247	9,340
Unrestricted investment earnings	1,692	1,045	4	3	1,696	1,048
Other general revenues	8,435	136			8,435	136
Total revenues	<u>241,374</u>	<u>259,082</u>	<u>335</u>	<u>352</u>	<u>241,709</u>	<u>259,434</u>
Expenses:						
General government	19,328	20,608			19,328	20,608
Administration	3,814	3,206			3,814	3,206
Public safety	44,567	40,256			44,567	40,256
Public services	18,639	23,876			18,639	23,876
Education	157,377	173,258			157,377	173,258
Health and welfare	3,319	2,449			3,319	2,449
Sewer	6,285	5,116			6,285	5,116
Interest on long-term debt	5,230	5,087			5,230	5,087
Milford Golf Course			67	69	67	69
Harbor management			240	256	240	256
Total program expenses	<u>258,559</u>	<u>273,856</u>	<u>307</u>	<u>325</u>	<u>258,866</u>	<u>274,181</u>
Change in net position before transfers	(17,185)	(14,774)	28	27	(17,157)	(14,747)
Transfers in (out)	<u>24</u>	<u>35</u>	<u>(24)</u>	<u>(35)</u>	<u>-</u>	<u>-</u>
Special item - write down of capital assets	<u>(47,213)</u>		<u>(1,082)</u>		<u>(48,295)</u>	
Change in Net Position	(64,374)	(14,739)	(1,078)	(8)	(65,452)	(14,747)
Beginning Net Position	<u>(177,047)</u>	<u>(162,308)</u>	<u>3,866</u>	<u>3,874</u>	<u>(173,181)</u>	<u>(158,434)</u>
Ending Net Position	<u>\$ (241,421)</u>	<u>\$ (177,047)</u>	<u>\$ 2,788</u>	<u>\$ 3,866</u>	<u>\$ (238,633)</u>	<u>\$ (173,181)</u>

The City's total revenues were \$241 million. The total cost of all programs and services was \$259 million. Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

The City's revenues decreased by \$18 million from 2018. Most of the decrease is attributable to lower operating grants and contributions. In particular, the State's teacher's pension contribution was \$3 million lower than last year. In addition, there was a decrease in the Teacher's Retirement Board OPEB liability which reduced grant revenue by \$11 million.

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	
	2019	2018	2019	2018
Public safety	\$ 44,567	\$ 40,256	\$ 38,599	\$ 35,266
Public services	18,639	23,876	16,022	19,755
Education	157,377	173,258	131,636	129,295
All others	37,976	36,466	32,484	32,398
Totals	\$ <u>258,559</u>	\$ <u>273,856</u>	\$ <u>218,741</u>	\$ <u>216,714</u>

Business-Type Activities

Revenues of the City's business-type activities (see Table 2) decreased by 4.8% (\$335 thousand in 2019 compared to \$352 thousand in 2018) and expenses decreased by 5.2% (\$305 thousand in 2019 versus \$325 thousand in 2018). This was primarily due to a decline of \$16 thousand in mooring fee revenue in the Harbor Management fund and reflects the fluctuations in types of dock usage at the marina.

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 28.5 million, which is an increase of \$9.2 million over last year's major fund balance of \$19.3 million. The general fund maintained a similar level of fund balance compared to the prior year since the City maintained \$1.2 million in its compensated absences fund. It also generated a budgetary surplus of \$4 million which offset a \$9.3 million use of fund balance 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 or remain stable reflecting the City's growing economy and grand list. Further, the City issued bonds and notes and received increased grant revenues which helped to increase the fund balances in the capital nonrecurring fund as well as the school facilities fund. The non major governmental funds ended the year with a total fund balance of \$20.7 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 \$246 thousand primarily due to higher than expected health insurance costs. The Enterprise Funds' net position increased from last year by \$4 thousand mainly due to a reduction of expenses at the Golf Course.

General Fund Budgetary Highlights

- General Property Taxes and Assessments - property tax and assessment revenue was greater than budgeted by \$1.4 million due to a higher collection rate than was used in the budget and collection of delinquent taxes.
- State aid revenue was more than budgeted by \$276 thousand. This was mainly due to Special Education grant revenue coming in higher than budget. Investment Income - revenues from the investment of idle funds were more than budgeted by \$676 thousand due to slightly higher interest rates and more money on deposit in the Connecticut Short Term Investment Fund.
- Other Revenue was \$237 thousand greater than budget due to an increase in miscellaneous other revenues.
- Licenses, Permits and Other Charges were \$984 thousand above budget mainly due to higher than anticipated conveyance taxes, paramedic fees, building inspection fees, police and fire fees and residential waste fee revenue. 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 \$1.3 million on the expenditure side.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2019 the City's governmental activities had \$360 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 decrease (including additions, deductions and special item write downs) of \$48.7 million over last year.

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 47.8	\$ 49.7	\$ 1.7	\$ 1.7	\$ 49.5	\$ 51.4
Construction in progress	46.5	40.6			46.5	40.6
Buildings and improvements	193.1	234.9	0.6	1.5	193.7	236.4
Machinery and equipment	11.2	15.8	0.0	0.1	11.2	16.0
Infrastructure	61.5	67.8			61.5	67.8
Totals	<u>\$ 360.2</u>	<u>\$ 408.9</u>	<u>\$ 2.2</u>	<u>\$ 3.4</u>	<u>\$ 362.4</u>	<u>\$ 412.2</u>

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

Sewer Facility Improvements - Edgefield Avenue	\$	1,054
Police Equipment and Vehicles		412
Public Works Equipment and Vehicles		991
Fire Department Equipment and Vehicles		728
Beaverbrook Boardwalk		500
Parking Kiosks and Related Equipment		81
North Street Park Properties - CIP		743
Parsons Roof and Facilities Upgrade - CIP		361
Recreational Sites Improvements - CIP		792
Various Flood and Erosion Control Projects - CIP		553
Library Roof and Facilities Upgrade - CIP		171
West Shore Middle School Additions - CIP		1,802
Marina Landing Harbor Improvements- CIP		395
Gulf Street and Cherry Street Pavement Restoration Project - CIP		151
Sewer Facilities Improvements Rock Street and Welchs Point Rd- CIP		<u>1,888</u>
	\$	<u><u>10,622</u></u>

The City's fiscal-year 2019-2020 capital plan has \$49 million of capital projects planned. School building renovations are estimated at \$15 million, and public service projects at \$32million and Sewer projects at \$1 million. However, an estimated \$30 million new police station is still in the planning stages and will not be completed in FY20. Of the total estimated \$49 million, it is expected to finance \$42 million with bonds and \$6 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, 2019, the City had \$195 million in bonds and notes outstanding versus \$187 million last year - an increase of 4% - 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)

	Governmental Activities	
	2019	2018
General obligation bonds (backed by the City)	\$ 147,570	\$ 136,695
Bond anticipation notes (backed by the City)	23,280	23,795
Long-term note payable	<u>24,456</u>	<u>26,734</u>
Totals	\$ <u><u>195,306</u></u>	\$ <u><u>187,224</u></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 2019 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 improved from 3.7% to 3.2%. In comparison, the figures for the State of Connecticut also have remained relatively stable at 3.6%.

These indicators were taken into account when adopting the General Fund budget for 2019-2020. The adopted budget for FY 2020 is \$216.5 million, an increase of 3% over the final 2019 budget of \$210 million. No new programs or initiatives were added to the 2020 budget. State grants were assumed to fund 6% of the 2020 budget similar to 6% of the 2019 budget.

If estimates are realized, the City's June 30, 2020 budgetary General Fund balance is expected to be \$9.3 million lower than the June 30, 2019 budgetary General Fund balance because of the use of that amount to balance the budget. As for the City's business-type activities, we expect that the 2019-2020 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

CITY OF MILFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2019
(In Thousands)

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 103,587	\$ 551	\$ 104,138
Investments	3,102		3,102
Receivables, net	13,834	24	13,858
Inventory	28		28
Prepaid items and other assets	21		21
Capital assets:			
Capital assets not being depreciated	94,350	1,681	96,031
Capital assets being depreciated, net	265,806	566	266,372
Total assets	480,728	2,822	483,550
Deferred Outflows of Resources:			
Deferred charge on refunding	3,641		3,641
Deferred outflows related to pensions	3,876		3,876
Deferred outflows related to OPEB	91		91
Total deferred outflows of resources	7,608	-	7,608
Liabilities:			
Accounts and other payables	18,185	34	18,219
Unearned revenue	4,962		4,962
Due to other governments	917		917
Bond anticipation notes payable	23,280		23,280
Noncurrent liabilities:			
Due within one year	15,449		15,449
Due in more than one year	600,427		600,427
Total liabilities	663,220	34	663,254
Deferred Inflows of Resources:			
Advance property tax collection	1,051		1,051
Advance sewer collections	49		49
Deferred inflows related to pensions	3,852		3,852
Deferred inflows related to OPEB	61,585		61,585
Total deferred inflows of resources	66,537	-	66,537
Net Position:			
Net investments in capital assets	158,106	2,247	160,353
Unrestricted	(399,527)	541	(398,986)
Total Net Position	\$ (241,421)	\$ 2,788	\$ (238,633)

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(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	\$ 19,328	\$ 2,137	\$	\$ 1,819	\$ (15,372)	\$	\$ (15,372)
Administration	3,814				(3,814)		(3,814)
Public safety	44,567	5,113	34	821	(38,599)		(38,599)
Public services	18,639	1,084		1,533	(16,022)		(16,022)
Education	157,377	2,334	23,012	395	(131,636)		(131,636)
Health and welfare	3,319	834	516		(1,969)		(1,969)
Sewer	6,285	127	59		(6,099)		(6,099)
Interest on long-term debt	5,230				(5,230)		(5,230)
Total governmental activities	258,559	11,629	23,621	4,568	(218,741)	-	(218,741)
Business-type activities:							
Nonmajor Enterprise Funds:							
Milford Golf Course	67	90				23	23
Harbor Management	240	241				1	1
Total business-type activities	307	331	-	-	-	24	24
Total	\$ 258,866	\$ 11,960	\$ 23,621	\$ 4,568	(218,741)	24	(218,717)
General revenues:							
Property taxes					189,182		189,182
Grants and contributions not restricted to specific programs					2,247		2,247
Unrestricted investment earnings					1,692	4	1,696
Other general revenues					8,435		8,435
Transfers					24	(24)	-
Total general revenues and transfers					201,580	(20)	201,560
Special item - write down of capital assets					(47,213)	(1,082)	(48,295)
Change in Net Position					(64,374)	(1,078)	(65,452)
Net Position at Beginning of Year					(177,047)	3,866	(173,181)
Net Position at End of Year					\$ (241,421)	\$ 2,788	\$ (238,633)

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019
(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	\$ 52,959	\$ 9,198	\$ 2,607	\$ 19,321	\$ 84,085
Investments	3,102				3,102
Receivables, net	11,439	951		1,286	13,676
Due from other funds	1			5	6
Inventories				28	28
Prepaid items and other assets	21				21
Total Assets	<u>\$ 67,522</u>	<u>\$ 10,149</u>	<u>\$ 2,607</u>	<u>\$ 20,640</u>	<u>\$ 100,918</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts and other payables	\$ 12,301	\$ 1,441	\$ 59	\$ 1,849	\$ 15,650
Other liabilities		217	954	349	1,520
Due to other governments	899	18			917
Due to other funds		6			6
Unearned revenue	70	4,878		14	4,962
Bond anticipation notes payable		6,370	12,850	4,060	23,280
Total liabilities	<u>13,270</u>	<u>12,930</u>	<u>13,863</u>	<u>6,272</u>	<u>46,335</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	4,884				4,884
Unavailable revenue - property taxes interest	5,732				5,732
Unavailable revenue - special assessments	17			161	178
Advance sewer collections				49	49
Advance property tax collections	1,051				1,051
Total deferred inflows of resources	<u>11,684</u>	<u>-</u>	<u>-</u>	<u>210</u>	<u>11,894</u>
Fund balances:					
Nonspendable	21			28	49
Restricted				776	776
Committed	1,283			15,851	17,134
Assigned	14,262				14,262
Unassigned	27,002	(2,781)	(11,256)	(2,497)	10,468
Total fund balances	<u>42,568</u>	<u>(2,781)</u>	<u>(11,256)</u>	<u>14,158</u>	<u>42,689</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 67,522</u>	<u>\$ 10,149</u>	<u>\$ 2,607</u>	<u>\$ 20,640</u>	<u>\$ 100,918</u>

(Continued on next page)

CITY OF MILFORD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019
(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	\$ 42,689
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 575,781	
Less accumulated depreciation	<u>(215,625)</u>	
Net capital assets		360,156

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	4,884
Interest receivable on property taxes	5,732
Assessments receivable	178
Interest receivable on assessments	116
Deferred outflows related to pensions	3,876
Deferred outflows related to OPEB	91

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.

13,029

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	(172,184)
Accrued interest payable	(930)
Compensated absences	(17,599)
Bond premium	(10,227)
Net pension liability	(72,163)
Total/Net OPEB liability	(337,273)
Deferred inflows related to pensions	(3,852)
Deferred inflows related to OPEB	(61,585)
Deferred charges on refunding	<u>3,641</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ (241,421)</u>
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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, 2019
(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	\$ 180,714	\$	\$	7,967	\$ 188,681
Fines, forfeitures, penalties and interest	1,244			36	1,280
Intergovernmental	20,345	2,354	395	7,282	30,376
Charges for services	4,709	250		6,628	11,587
Investment income	1,263	163		266	1,692
Other	7,267			1,224	8,491
Total revenues	<u>215,542</u>	<u>2,767</u>	<u>395</u>	<u>23,403</u>	<u>242,107</u>
Expenditures:					
Current:					
General government	4,222			1,275	5,497
Administration	3,102				3,102
Public safety	27,688			2,813	30,501
Public services	11,887			818	12,705
Education	122,831			7,949	130,780
Health and welfare	1,713			1,472	3,185
Sewer				6,284	6,284
General charges	25,997				25,997
Grants to agencies	2,651				2,651
Capital outlay		9,393	2,232	2,398	14,023
Debt service	15,937			2,095	18,032
Total expenditures	<u>216,028</u>	<u>9,393</u>	<u>2,232</u>	<u>25,104</u>	<u>252,757</u>
Deficiency of revenues over expenditures	<u>(486)</u>	<u>(6,626)</u>	<u>(1,837)</u>	<u>(1,701)</u>	<u>(10,650)</u>
Other financing sources (uses):					
Issuance of bonds and notes		13,065	4,600	3,622	21,287
Premium on bond issuance	806				806
Transfers in	50	791		444	1,285
Transfers out	(1,131)			(130)	(1,261)
Total other financing sources (uses)	<u>(275)</u>	<u>13,856</u>	<u>4,600</u>	<u>3,936</u>	<u>22,117</u>
Net Change in Fund Balances	(761)	7,230	2,763	2,235	11,467
Fund Balances at Beginning of Year	<u>43,329</u>	<u>(10,011)</u>	<u>(14,019)</u>	<u>11,923</u>	<u>31,222</u>
Fund Balances at End of Year	<u>\$ 42,568</u>	<u>\$ (2,781)</u>	<u>\$ (11,256)</u>	<u>\$ 14,158</u>	<u>\$ 42,689</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, 2019

(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)	\$ 11,467
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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	10,674
Depreciation expense	(12,164)
Special item - write down of capital assets	(47,213)

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	(629)
Property tax interest and lien revenue - accrual basis change	(150)
Sewer assessment receivable and interest - accrual basis change	25
Sewer assessment interest receivable - accrual change	18
Deferred outflows related to pension	(5,674)
Deferred outflows related to OPEB	(14)

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	12,532
Premium on bonds issued	(806)
Issuance of bonds and notes	(21,287)

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	467
Accrued interest	(75)
Amortization of bond premium	833
Total/Net OPEB liability	42,880
Net pension liability	(9,420)
Deferred inflows related to pension	445
Deferred inflows related to OPEB	(45,633)
Deferred charges on refunding	(404)

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.

(246)

Change in Net Position of Governmental Activities (Exhibit II)	\$ <u>(64,374)</u>
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The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2019
(In Thousands)

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service
Assets:		
Current:		
Cash and cash equivalents	\$ 551	\$ 19,502
Receivables, net	24	42
Total current assets	<u>575</u>	<u>19,544</u>
Noncurrent assets:		
Capital assets:		
Not being depreciated	1,681	
Being depreciated, net	566	
Total noncurrent assets	<u>2,247</u>	<u>-</u>
Total assets	<u>2,822</u>	<u>19,544</u>
Liabilities:		
Current:		
Accounts payable and accrued liabilities	34	85
Risk management claims		413
Total current liabilities	<u>34</u>	<u>498</u>
Noncurrent:		
Risk management claims		6,017
Total liabilities	<u>34</u>	<u>6,515</u>
Net Position:		
Invested in capital assets	2,247	
Unrestricted	<u>541</u>	<u>13,029</u>
Total Net Position	<u>\$ 2,788</u>	<u>\$ 13,029</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, 2019
(In Thousands)

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service
Operating revenues:		
Employer contributions	\$	\$ 32,619
Charges for services	331	6,378
Other		2,008
Total operating revenues	<u>331</u>	<u>41,005</u>
Operating expenses:		
Salaries	122	
Operations and supplies	110	
Insurance	53	
Depreciation	22	
Insurance premiums and claims expense		41,251
Total operating expenses	<u>307</u>	<u>41,251</u>
Operating income (loss)	24	(246)
Nonoperating revenue:		
Interest income	<u>4</u>	
Income (loss) before capital contributions and transfers	<u>28</u>	<u>(246)</u>
Capital contributions and transfers:		
Transfers out	<u>(24)</u>	
Total capital contributions and transfers	<u>(24)</u>	
Special item - write down of capital assets	<u>(1,082)</u>	
Change in Net Position	(1,078)	(246)
Total Net Position at Beginning of Year	<u>3,866</u>	<u>13,275</u>
Total Net Position at End of Year	<u>\$ 2,788</u>	<u>\$ 13,029</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, 2019
(In Thousands)

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service
Cash flows from operating activities:		
Cash received from contributions and charges for services	\$ 355	\$ 41,241
Cash paid to employees	(122)	
Cash paid to vendors	(180)	
Cash payments for claims paid		(42,028)
Net cash provided by (used in) operating activities	<u>53</u>	<u>(787)</u>
Cash flows to/from noncapital financing activities:		
Transfers to/from other funds	<u>(24)</u>	
Cash flows from investing activities:		
Interest and dividends received	<u>4</u>	
Net increase (decrease) in cash and cash equivalents	33	(787)
Cash and Cash Equivalents at Beginning of Year	<u>518</u>	<u>20,289</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 551</u></u>	<u><u>\$ 19,502</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 24	\$ (246)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	22	
(Increase) decrease in accounts receivable	(24)	(42)
(Increase) decrease in due from other funds	24	278
Increase (decrease) in accounts payable and accrued liabilities	9	(777)
Increase (decrease) in due to other funds	<u>(2)</u>	
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 53</u></u>	<u><u>\$ (787)</u></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, 2019
(In Thousands)

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	\$ <u>9,299</u>	\$ <u>1,440</u>
Investments:		
Certificate of deposits		68
Corporate bonds	7,162	
U.S. government securities	4,784	
U.S. government agencies	8,718	
Marketable equity securities	113,202	
Alternative investments	146,915	
Exchange traded funds	708	
Mutual funds	69,406	
Total investments	<u>350,895</u>	<u>68</u>
Receivables	<u>8</u>	<u>6</u>
Total assets	<u>360,202</u>	\$ <u><u>1,514</u></u>
Liabilities:		
Accounts and other payables	430	\$
Due to employees and students		<u>1,514</u>
Total liabilities	<u>430</u>	\$ <u><u>1,514</u></u>
Net Position:		
Restricted for Pension and OPEB Benefits	\$ <u><u>359,772</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, 2019

(In Thousands)

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Plan members	\$ 2,893
Employer-current year	14,800
Total contributions	<u>17,693</u>
Miscellaneous	<u>32</u>
Investment income:	
Net change in fair value of investments	20,295
Interest and dividends	2,340
Total investment income	<u>22,635</u>
Less investment expense	<u>3,209</u>
Net investment income	<u>19,426</u>
Total additions	<u>37,151</u>
Deductions:	
Benefit payments and withdrawals	34,168
Administration	57
Total deductions	<u>34,225</u>
Change in Net Position	2,926
Net Position at Beginning of Year	<u>356,846</u>
Net Position at End of Year	<u>\$ 359,772</u>

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(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.

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.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds 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 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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received. 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 post-employment 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.

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 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 post-employment benefits due to City's retirees.

The Agency Funds account for monies from various self-funding school activity programs, inland/wetland bonds and planning and zoning bonds.

The pension and other employee benefit trust funds use the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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.

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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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 \$1,473 has been established as an allowance for uncollectible taxes and interest.

F. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items 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.

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 pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, 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). 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 and special assessments. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

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 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 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.

**CITY OF MILFORD, CONNECTICUT
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JUNE 30, 2019**

(In Thousands)

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.

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.

(In Thousands)

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 \$490 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.
- 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.

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

B. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2019:

	<u>Amount</u>
Major:	
Capital Nonrecurring Fund	\$ 2,781
School Facilities Fund	11,256
Nonmajor:	
Sanitary Sewer Fund	2,497

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.

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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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*, \$29,187 of the City's bank balance of \$38,884 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 25,930
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>3,257</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 29,187</u>

Cash Equivalents

At June 30, 2019, the City's cash equivalents amounted to \$81,939. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard & Poor's</u>
State Short-Term Investment Fund (STIF)	AAA/m

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Investments

As of June 30, 2019, 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	\$ 8,718	\$	\$ 807	\$ 7,911
U.S. Government Securities	4,784	241	1,709	2,834
Corporate bonds	7,162		5,230	1,932
Certificates of deposit *	<u>3,170</u>		<u>3,170</u>	
Total	23,834	\$ <u>241</u>	\$ <u>10,916</u>	\$ <u>12,677</u>
Other investments:				
Equities	113,202			
Exchange Traded Funds	708			
Alternative investments	146,915			
Mutual funds	<u>69,406</u>			
Total Investments	\$ <u>354,065</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, 2019

(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>
Aaa	\$	\$	4,784	\$ 679
Aa2	227			
Aa3			328	
A1			260	
A2	518			
A3	473			
Baa1	797			
Baa2	1,659			
Baa3	1,651			
Ba1	124			
Ba2	207			
Ba3	511			
B1	556			
B2	187			
Unrated	252		7,451	3,170
	<u>\$ 7,162</u>	<u>\$ 4,784</u>	<u>\$ 8,718</u>	<u>\$ 3,170</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, 2019, 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
JUNE 30, 2019

(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, 2019:

	June 30, 2019	Fair Value Measurement		
		Level 1	Level 2	Level 3
Investments by fair value level:				
U.S. Government agencies	\$ 8,718	\$ 8,718	\$	\$
U.S. Government securities	4,784	4,784		
Corporate bonds	7,162	7,162		
Equity securities	113,202	113,202		
Alternative investments	47,925		47,925	
Exchange Traded Funds	708	708		
Mutual funds	69,406	69,406		
Total investments by fair value level	251,905	\$ 203,980	\$ 47,925	\$ -
Investments measured at net asset value (NAV):				
Alternative Investments	98,990			
Certificates of deposit	3,170			
Total Investments	\$ 354,065			

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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Equity Hedge Funds	\$ 11,836		Annually	60 days
Equity Hedge Funds	27,404		Quarterly	60 days
Equity Hedge Funds	4,596		Monthly	185 days
Equity Hedge Funds	12,621		Quarterly	Various
Equity Hedge Funds	14,923	2,175	Various	Various
Equity Hedge Funds	<u>27,610</u>		N/A	

Total Investments Valued at NAV \$ 98,990

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.

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	\$ 12,723	\$	\$	\$ 12,723
Accounts	168		745	913
Special assessments	21			21
Intergovernmental		951	607	1,558
Pension - accrued income			8	8
Planning and zoning bonds			6	6
Gross receivables	<u>12,912</u>	<u>951</u>	<u>1,366</u>	<u>15,229</u>
Less allowance for uncollectibles:	<u>(1,473)</u>			<u>(1,473)</u>
Net Total Receivables	\$ <u>11,439</u>	\$ <u>951</u>	\$ <u>1,366</u>	\$ <u>13,756</u>

The above table does not include interest on sewer assessments of \$116.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments/ Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 49,734	\$ 456	\$	\$ (2,366)	\$ 47,824
Construction in progress	40,567	7,523		(1,564)	46,526
Total capital assets not being depreciated	<u>90,301</u>	<u>7,979</u>	<u>-</u>	<u>(3,930)</u>	<u>94,350</u>
Capital assets being depreciated:					
Buildings and improvements	297,359	350		(12,620)	285,089
Improvements other than buildings	13,054	49		1,290	14,393
Machinery and equipment	47,604	2,296	(1,628)	(1,391)	46,881
Infrastructure	117,083			17,985	135,068
Total capital assets being depreciated	<u>475,100</u>	<u>2,695</u>	<u>(1,628)</u>	<u>5,264</u>	<u>481,431</u>
Less accumulated depreciation for:					
Buildings and improvements	(73,422)	(7,142)		(19,911)	(100,475)
Improvements other than buildings	(2,092)	(881)		(2,893)	(5,866)
Machinery and equipment	(31,784)	(2,271)	1,628	(3,281)	(35,708)
Infrastructure	(49,244)	(1,870)		(22,462)	(73,576)
Total accumulated depreciation	<u>(156,542)</u>	<u>(12,164)</u>	<u>1,628</u>	<u>(48,547)</u>	<u>(215,625)</u>
Total capital assets being depreciated, net	<u>318,558</u>	<u>(9,469)</u>	<u>-</u>	<u>(43,283)</u>	<u>265,806</u>
Governmental Activities Capital Assets, Net	<u>\$ 408,859</u>	<u>\$ (1,490)</u>	<u>\$ -</u>	<u>\$ (47,213)</u>	<u>\$ 360,156</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 1,654	\$	\$	\$ 27	\$ 1,681
Capital assets being depreciated:					
Buildings and system	873			(26)	847
Improvements other than buildings	1,230			4	1,234
Machinery and equipment	693			(5)	688
Total capital assets being depreciated	<u>2,796</u>	<u>-</u>	<u>-</u>	<u>(27)</u>	<u>2,769</u>
Less accumulated depreciation for:					
Buildings and system	(371)	(17)		77	(311)
Improvements other than buildings	(184)	(5)		(1,015)	(1,204)
Machinery and equipment	(544)			(144)	(688)
Total accumulated depreciation	<u>(1,099)</u>	<u>(22)</u>	<u>-</u>	<u>(1,082)</u>	<u>(2,203)</u>
Total capital assets being depreciated, net	<u>1,697</u>	<u>(22)</u>	<u>-</u>	<u>(1,109)</u>	<u>566</u>
Business-Type Activities Capital Assets, Net	<u>\$ 3,351</u>	<u>\$ (22)</u>	<u>\$ -</u>	<u>\$ (1,109)</u>	<u>\$ 2,247</u>

Special item - During fiscal year ending June 30, 2019, the City wrote-down the value of several capital assets by adjusting the accumulated depreciation and salvage value. That change is reflected in the Adjustment/Transfers column.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(In Thousands)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 428
Administration	
Public safety	1,500
Public service	5,106
Education	4,163
Health and welfare	967
Grants to agencies	
	<u> </u>
Total Depreciation Expense - Governmental Activities	\$ <u>12,164</u>
Business-type activities:	
Milford Golf Course	\$ 21
Harbor Management	1
	<u> </u>
Total Depreciation Expense - Business-Type Activities	\$ <u>22</u>

Construction Commitments

The City has active construction projects as of June 30, 2019. 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, 2019</u>
General Capital Improvement	\$ 123,272	\$ 89,331	\$ 6,442	\$ 27,499
Education Capital Improvement	113,459	94,111	1,988	17,360
Sanitary Sewers and Wastewater Facilities	<u>135,992</u>	<u>122,629</u>	<u>526</u>	<u>12,837</u>
Total	\$ <u>372,723</u>	\$ <u>306,071</u>	\$ <u>8,956</u>	\$ <u>57,696</u>

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(In Thousands)

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. At June 30, 2019, the amounts due to and from other funds were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Nonrecurring	\$ 1
Nonmajor Governmental	Capital Nonrecurring	<u>5</u>
Total		<u>\$ 6</u>

Interfund transfers:

	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor Governmental</u>	<u>Transfers Out</u>
Transfers out:				
General Fund	\$	\$ 687	\$ 444	\$ 1,131
Harbor Management		24		24
Nonmajor Governmental	<u>50</u>	<u>80</u>		<u>130</u>
Total	<u>\$ 50</u>	<u>\$ 791</u>	<u>\$ 444</u>	<u>\$ 1,285</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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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	\$ 136,695	\$ 21,045	\$ 10,170	\$ 147,570	\$ 11,490
Bond premium	10,254	806	833	10,227	
Total bonds payable	146,949	21,851	11,003	157,797	11,490
Clean water serial notes payable	26,734		2,278	24,456	2,324
Long-term note payable		242	84	158	78
Claims and judgments	6,754	41,250	41,574	6,430	413
Compensated absences	18,066	707	1,174	17,599	1,144
Net pension liability	62,743	9,420		72,163	
Net OPEB liability - City	178,189		17,772	160,417	
Total OPEB liability - BOE	201,964		25,108	176,856	
Total Governmental Activities Long-Term Liabilities	<u>\$ 641,399</u>	<u>\$ 73,470</u>	<u>\$ 98,993</u>	<u>\$ 615,876</u>	<u>\$ 15,449</u>

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

CITY OF MILFORD, CONNECTICUT
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JUNE 30, 2019

(In Thousands)

General Obligation Bonds

Bonds payable at June 30, 2019 amounted to \$147,570 with interest rates ranging from 2.5% to 5.0% on bonds maturing at various dates through the year 2039. A schedule of government bonds outstanding at June 30, 2019 is presented below:

Description	Date of Issue	Interest Rate (%)	Original Issue	Outstanding June 30, 2019
General purpose:				
2010 - Refunding - General Purpose	02/02/10	3.50-4.00%	\$ 5,346	\$ 1,204
2011 - Refunding - General Purpose	11/01/11	4.00%	2,221	275
2012 - Refunding - General Purpose	02/27/12	2.13-4.00%	4,912	2,811
2012 - Refunding - General Purpose	11/02/12	2.00-4.00%	9,270	6,180
2012 - Refunding - General Purpose	12/13/12	2.00-5.00%	6,384	3,056
2013 - Refunding - General Purpose	11/12/13	3.00-4.00%	1,940	1,296
2014 - General Purpose	11/10/14	2.13-5.00%	3,740	2,980
2014 - Refunding - General Purpose	12/17/14	4.00-5.00%	3,416	3,118
2015 - General Purpose	11/09/15	2.00-5.00%	2,555	2,165
2016 - Refunding - General Purpose	03/03/16	3.00-5.00%	3,822	3,686
2016 - General Purpose	11/07/16	2.00-5.00%	6,497	5,850
2017 - General Purpose	11/06/17	3.00-5.00%	9,345	8,875
2017 - Refunding - General Purpose	12/22/17	3.00-5.00%	3,186	3,186
2018 - General Purpose	11/05/18	3.00-5.00%	13,065	13,065
Total general purpose				<u>57,747</u>
School:				
2010 - Refunding - Schools	02/02/10	3.50-4.00%	3,825	692
2011 - Refunding - Schools	11/01/11	4.00%	2,044	256
2012 - Refunding - Schools	02/27/12	2.13-4.00%	3,179	1,685
2012 - Refunding - Schools	11/02/12	2.00-4.00%	1,804	1,201
2012 - Refunding - Schools	12/13/12	2.00-5.00%	5,032	2,244
2013 - Refunding - Schools	11/12/13	3.00-4.00%	4,096	2,714
2014 - Schools	11/10/14	2.13-5.00%	6,475	5,180
2014 - Refunding - Schools	12/17/14	4.00-5.00	6,083	5,439
2015 - Schools	11/09/15	2.00-5.00%	1,725	1,455
2016 - Refunding - Schools	03/03/16	3.00-5.00%	4,847	4,538
2016 - Schools	11/07/16	2.00-5.00%	6,788	6,110
2017 - Schools	11/06/17	3.00-5.00%	6,285	5,970
2017 - Refunding - Schools	12/22/17	3.00-5.00%	4,533	4,533
2018 - Schools	11/05/18	3.00-5.00%	4,600	4,600
Total schools				<u>46,617</u>
Sewer:				
2010 - Refunding - Sewer	02/02/10	3.50-4.00%	1,379	244
2011 - Refunding - Sewer	11/01/11	4.00%	1,885	235
2012 - Refunding -Sewer	02/27/12	2.13-4.00%	674	264
2012 - Refunding - Sewer	11/02/12	2.00-4.00%	9,976	6,649
2012 - Refunding - Sewer	12/13/12	2.00-5.00%	2,629	305
2013 - Refunding - Sewer	11/12/13	3.00-4.00%	4,204	2,775
2014 - Sewer	11/10/14	2.13-5.00%	3,980	3,200
2014 - Refunding - Sewer	12/17/14	4.00-5.00	5,436	4,783
2015 - Sewer	11/09/15	2.00-5.00%	4,070	3,470
2016 - Refunding - Sewer	03/03/16	3.00-5.00%	7,346	6,711
2016 - Sewer	11/07/16	2.00-5.00%	3,155	2,835
2017 - Sewer	11/06/17	3.00-5.00%	3,105	2,945
2017 - Refunding - Sewer	12/22/17	3.00-5.00%	5,411	5,410
2018 - Sewer	11/05/18	3.00-5.00%	3,380	3,380
Total sewer				<u>43,206</u>
Total			\$	<u>147,570</u>

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(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>
2020	\$ 11,490	\$ 5,344	\$ 16,834
2021	11,105	4,868	15,973
2022	10,930	4,371	15,301
2023	10,815	3,875	14,690
2024	10,395	3,422	13,817
2025-2029	47,095	11,653	58,748
2030-2034	32,750	4,699	37,449
2035-2039	12,990	898	13,888
Total	\$ 147,570	\$ 39,130	\$ 186,700

Clean Water Serial Notes Payable

The City has several State of Connecticut Clean Water serial notes outstanding. The interest rate is 2% and the notes are payable through May 31, 2029. The principal and interest payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,324	\$ 466	\$ 2,790
2021	2,370	420	2,790
2022	2,418	373	2,791
2023	2,467	324	2,791
2024	2,519	273	2,792
2025-2029	12,358	614	12,972
Total	\$ 24,456	\$ 2,470	\$ 26,926

Long-Term Note Payable

The City has a long-term note payable for a new ambulance. The interest rate is 3.79% and the note is payable through October 2, 2020. The principal and interest payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 78	\$ 6	\$ 84
2021	80	3	83
Total	\$ 158	\$ 9	\$ 167

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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, 2019 is \$16,735 and the escrow balance is \$17,082.

Bond Anticipation Notes

Bond anticipation notes, which serve as temporary financing for certain capital projects, were outstanding at June 30, 2019.

	<u>Amount</u>
Notes payable, July 1, 2018	\$ 23,795
Notes issued	23,280
Notes retired	<u>(23,795)</u>
Notes Payable, June 30, 2019	\$ <u>23,280</u>

During the year, the City issued \$23,280 in notes dated November 5, 2018, which matures on November 4, 2019. The note carries an interest rate of 3.00%. These notes serve as temporary financing for various school, public improvements, and sewer projects.

Capital Lease

The City has entered into a multi-year capital lease for a micro grid generation system to power certain critical facilities within the City. Although the lease is dated November 2017, the assets aren't expected to arrive in the City until fiscal year 2020. At that time, the related capital lease financing will be recorded in the accompanying financial statements.

Other Obligations

At June 30, 2019, 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, 2019**

(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	\$ 413,105	\$ 92,163	\$ 320,942
Schools	826,209	65,645	760,564
Sewers	688,508	79,605	608,903
Urban renewal	596,707		596,707
Pension deficit	550,806		550,806

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation (\$1,285,214). The authorized/unissued debt has been reduced by grant proceeds of \$32,074 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 \$65,229 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 FY2019, 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, 2019**

(In Thousands)

The claims liability reported in the Internal Service Fund at June 30, 2019 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,
6/30/2018	\$	195	\$ 1,374	\$ 1,382	\$ 187
6/30/2019		187	1,096	1,171	112

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, 2019 and 2018 were as follows:

<i>In thousands</i>		Liability July 1,	Current Year Claims	Claim Payments	Liability June 30,
6/30/2018	\$	3,065	\$ 2,412	\$ 1,556	\$ 3,921
6/30/2019		3,921	1,068	1,476	3,513

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, 2019, the annual limit on individual medical claims chargeable to the Fund is \$100,000. 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.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(In Thousands)

Changes in the claims liability for the years ended June 30, 2019 and 2018 were as follows:

<i>In thousands</i>		Liability July 1,	Current Year Claims	Claim Payments		Liability June 30,
6/30/2018	\$	2,580	\$ 38,001	\$ 37,935	\$	2,646
6/30/2019		2,646	39,086	38,927		2,805

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. 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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Membership in the plan consisted of the following at July 1, 2018:

	City of Milford Retirement System
Retirees and beneficiaries receiving benefits	798
Terminated employees entitled to benefits but not yet receiving them	26
Active plan members	676
Total	<u>1,500</u>

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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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, 2019:

<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, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.53%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Net Pension Liability

The components of the net pension liability at June 30, 2019, were as follows:

Total pension liability	\$	424,026
Plan fiduciary net position		<u>351,863</u>
Net Pension Liability	\$	<u><u>72,163</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension		82.98%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2018 and measurement date of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	Age related table
Investment rate of return	7.50%
Cost of living adjustments:	
Post-retirement benefit increases	None, except for Police hired after April 6, 1989 - 3%/annum

Mortality rates were based on RP-2014 adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2018. The actuarial method used for calculating the total pension liability was the Entry Age Normal cost method.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2004 to June 30, 2011.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(In Thousands)

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, 2019 (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	4.75%
U.S. Mid/Small Cap Equity	5.50%
International Developed Equity	5.25%
International Emerging Market Equity	6.00%
Core Fixed Income	2.00%
High Yield Fixed Income	3.25%
International Fixed Income	2.50%
REITs	5.00%
Other (hedge fund, etc.)	5.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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, 2019**

(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, 2018	\$ 412,569	\$ 349,826	\$ 62,743
Changes for the year:			
Service cost	8,322		8,322
Interest on total pension liability	30,582		30,582
Changes in benefit terms	509		509
Differences between expected and actual experience	(136)		(136)
Changes in assumptions	(1,071)		(1,071)
Employer contributions		6,881	(6,881)
Member contributions		2,893	(2,893)
Net investment income		19,037	(19,037)
Benefit payments, including refund to employee contributions	(26,749)	(26,749)	-
Administrative expenses		(57)	57
Other changes		32	(32)
Net changes	11,457	2,037	9,420
Balances as of June 30, 2019	\$ 424,026	\$ 351,863	\$ 72,163

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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City Net Pension Liability	\$ 119,575	\$ 72,163	\$ 32,348

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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

For the year ended June 30, 2019, the City recognized pension expense of \$21,530. At June 30, 2019, 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	\$ 5	\$ 1,653
Changes of assumptions	2,535	2,199
Net difference between projected and actual earnings on pension plan investments	<u>1,336</u>	<u></u>
Total	<u>\$ 3,876</u>	<u>\$ 3,852</u>

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

2020	\$ 3,974
2021	(3,647)
2022	(1,410)
2023	1,107

B. 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, 2019 were \$459.

C. 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, 2019**

(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.

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, 2019**

(In Thousands)

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

At June 30, 2019, 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>164,985</u>
Total	\$	<u><u>164,985</u></u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2019, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2019, the City recognized pension expense and revenue of \$18,517 in Exhibit II.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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, 2019**

(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%.

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 target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	21.00%	5.80%
Developed non-U.S. equities	18.00%	6.60%
Emerging markets (non-U.S.)	9.00%	8.30%
Core fixed income	7.00%	1.30%
Inflation linked bond fund	3.00%	1.00%
Emerging market bond	5.00%	3.70%
High yield bonds	5.00%	3.90%
Real estate	7.00%	5.10%
Private equity	11.00%	7.60%
Alternative investments	8.00%	4.10%
Liquidity fund	6.00%	0.40%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that 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.

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.

(In Thousands)

10. OTHER POSTEMPLOYMENT BENEFITS

A. 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. Individual stand-alone statements are not issued. 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. 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	\$14,510 per year
Fire	\$14,157 per year
Police	\$14,157 per year
Post-65:	
BC 65 Low Option	\$1,578 per year
Plan 82	\$2,797 per year
Medicare Part B:	
Actives	\$1,626 per year
Retirees	\$1,626 per year

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

Board of Education Plan

The Board of Education provides certain post-retirement 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 for the participant only. No coverage is offered to spouses. Coverage may be obtained through the Teachers' Retirement Board or other sources.

Para-professionals

Retiree and spouse pay 50% of premium at age 60 with 15 years of service. 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. 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.

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 July 1, 2010 or later who retire before age 65, 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 for the retiree and spouse. Retirement date on or after July 1, 2010, retiree and spouse must pay for dental coverage, regardless of age.

The Board provides Medicare Part A and B supplemental coverage and life insurance for retirees over 65. The Board of Education does not provide any financial assistance to those teachers who retire prior to age 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 post-employment costs. Life insurance is provided to Union employees as follows: Administrators 100% of salary; Teacher 50% of salary; support or non-certified staff \$10,000 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
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(In Thousands)

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

Pre-65 (for current active members who retire):	<u>As of July 1, 2018:</u>
Board of Ed-Café	\$14,403 per year
Board of Ed-Cust	\$13,449 per year
Board of Ed-Sec	\$14,068 per year
Board of Ed-Para	\$12,800 per year
Administrators	\$12,800 per year
Teachers	\$14,403 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 1/1/19:</u>
Plan 82 only	\$1,022 per year
Hi Option with Plan 82 and Major Medical (\$50,000)	\$5,092 per year
Hi Option with Plan 82 and Major Medical (\$250,000)	\$5,228 per year
Hi Option with Plan 82 and No Rx	\$2,376 per year
Plan F with Rx	\$8,376 per year
Medicare Part B:	
Retirees	\$1,626 per year
Post-65 (for current retirees who are under 65):	
Based on plan selected - Dental plan	\$585 per year

B. Membership

Membership in the plan consisted of the following at July 1, 2018:

	Board of Education Retiree Medical Benefit Plan	City of Milford Retiree Medical Benefit Plan	Total
Number of retirees and eligible surviving spouses	663	576	1,239
Number of active participants	974	490	1,464
Total Participants	1,637	1,066	2,703

CITY OF MILFORD, CONNECTICUT
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(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, 2019:

Asset Class	Target Allocation
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, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 5.23%. 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, 2019. The components of the net OPEB liability of the Town at June 30, 2019 were as follows:

	City of Milford Retiree Medical Benefit Plan
Total OPEB liability	\$ 168,326
Plan fiduciary net position	<u>7,909</u>
Net OPEB Liability	<u>\$ 160,417</u>
Plan fiduciary net position as a percentage of the total OPEB liability	4.70%

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Total OPEB Liability of the City - Board of Education Plan

The City's total OPEB liability of \$176,856 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

Actuarial Assumptions - City Plan

The total OPEB liability at June 30, 2019 was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	Age related table
Investment rate of return	4.33%
Healthcare cost trend rates	7.00% for 2018, decreasing 0.5% per year to an ultimate rate of 4.75% for 2023 and later years

Mortality rates for the City were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018. Fire and Police were based on the RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2018.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2004 - June 30, 2011.

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, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.75%
Salary increases	2.75%, average, including inflation
Discount rate	3.51%
Healthcare cost trend rates	7.00% for 2018, decreasing 0.5% per year to an ultimate rate of 4.75% for 2023 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
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(In Thousands)

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

Mortality rates were based on RP-2014 to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018.

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, 2019 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	4.75%
U.S. Mid/Small Cap Equity	5.50%
International Developed Equity	5.25%
International Emerging Market Equity	6.00%
Core Fixed Income	2.00%
High Yield Fixed Income	3.25%
International Fixed Income	2.50%
Inflation Adjusted Fixed Income	0.25%
Cash	0.25%
Commodities	5.25%
Other (REITs, Alternative Assets, etc.)	5.00%

Discount Rate - City Plan

The discount rate used to measure the total OPEB liability was 4.33%, up from 4.10% 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
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(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, 2018	\$ 185,209	\$ 7,020	\$ 178,189
Changes for the year:			
Service cost	6,430		6,430
Interest on total OPEB liability	7,707		7,707
Differences between expected and actual experience	(8,085)		(8,085)
Changes in assumptions	(15,516)		(15,516)
Employer contributions		7,919	(7,919)
Net investment income (loss)		389	(389)
Benefit payments, including refund to employee contributions	(7,419)	(7,419)	-
Net changes	(16,883)	889	(17,772)
Balances as of June 30, 2019	\$ 168,326	\$ 7,909	\$ 160,417

Change in the Total OPEB Liability - Board of Education Plan

	Total OPEB Liability (a)
Balances as of July 1, 2018	\$ 201,964
Changes for the year:	
Service cost	5,849
Interest on total OPEB liability	7,930
Differences between expected and actual experience	(8,936)
Changes in assumptions	(24,067)
Employee contributions	(5,884)
Net changes	(25,108)
Balances as of June 30, 2019	\$ 176,856

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(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 (3.33%)	Current Discount Rate (4.33%)	1% Increase (5.33%)
City Plan - Net OPEB Liability	\$ <u>181,653</u>	\$ <u>160,417</u>	\$ <u>142,882</u>
	1% Decrease (2.51%)	Current Discount Rate (3.51%)	1% Increase (4.51%)
BOE Plan - Total OPEB Liability	\$ <u>204,826</u>	\$ <u>176,856</u>	\$ <u>154,333</u>

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 (6.00% Decreasing to 3.75%)	Healthcare Cost Trend Rates (7.00% Decreasing to 4.75%)	1% Increase (8.00% Decreasing to 5.75%)
City Plan - Net OPEB Liability	\$ <u>139,641</u>	\$ <u>160,417</u>	\$ <u>186,215</u>
BOE Plan - Total OPEB Liability	\$ <u>152,510</u>	\$ <u>176,856</u>	\$ <u>209,309</u>

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$15,983, of which \$8,076 was reported for the City plan and \$7,907 was reported for the BOE plan. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>BOE</u>		<u>City</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 91	\$ 7,791	\$ -	\$ 7,048	\$ 91	\$ 14,839
Changes of assumptions		27,817		18,720		46,537
Net difference between projected and actual earnings on pension plan investments				209		209
Total	<u>\$ 91</u>	<u>\$ 35,608</u>	<u>\$ -</u>	<u>\$ 25,977</u>	<u>\$ 91</u>	<u>\$ 61,585</u>

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

<u>Year Ending June 30</u>	<u>BOE</u>	<u>City</u>	<u>Total</u>
2020	\$ (5,285)	\$ (5,762)	\$ (11,047)
2021	(5,285)	(5,762)	(11,047)
2022	(5,285)	(5,762)	(11,047)
2023	(5,285)	(5,717)	(11,002)
2024	(5,285)	(2,974)	(8,259)
Thereafter	(9,092)		(9,092)

11. OTHER POSTEMPLOYMENT BENEFITS - CONNECTICUT STATE TEACHERS RETIREMENT PLAN

A. Plan Description

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

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

(In Thousands)

B. 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 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.

C. Eligibility

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

Credited Service

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

Normal Retirement

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

**CITY OF MILFORD, CONNECTICUT
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(In Thousands)

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions (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.

Employees

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

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

At June 30, 2019, 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>32,982</u>
Total	\$	<u>32,982</u>

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

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2019, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2019, the City recognized OPEB expense and revenue of \$(10,956) in Exhibit II.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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 (0.27%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that 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. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

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

H. 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.

I. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the 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 Comprehensive Annual 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
Assets:			
Cash and cash equivalents	\$ 9,274	\$ 25	\$ 9,299
Investments:			
Corporate bonds	7,162		7,162
U.S. government securities	4,784		4,784
U.S. government agencies	8,718		8,718
Marketable equity securities	113,202		113,202
Alternative investments	146,915		146,915
Exchange traded funds		708	708
Mutual funds	62,230	7,176	69,406
Total investments	343,011	7,884	350,895
Receivables	8		8
Total assets	352,293	7,909	360,202
Liabilities:			
Accounts and other payables	430		430
Net Position:			
Restricted for Retirement Benefits	\$ 351,863	\$ 7,909	\$ 359,772

CITY OF MILFORD, CONNECTICUT
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(In Thousands)

Combining Schedules of Changes in Net Position - Trust Funds

	Pension Trust Funds	CITY OPEB Trust Fund	Total
Additions:			
Contributions:			
Plan members	\$ 2,893	\$	\$ 2,893
Employer-current year	6,881	7,919	14,800
Total contributions	<u>9,774</u>	<u>7,919</u>	<u>17,693</u>
Miscellaneous	<u>32</u>		<u>32</u>
Investment income:			
Net change in fair value of investments	20,148	147	20,295
Interest and dividends	2,076	264	2,340
Total investment income	<u>22,224</u>	<u>411</u>	<u>22,635</u>
Less investment expense	<u>3,187</u>	<u>22</u>	<u>3,209</u>
Net investment income	<u>19,037</u>	<u>389</u>	<u>19,426</u>
Total additions	<u>28,843</u>	<u>8,308</u>	<u>37,151</u>
Deductions:			
Benefit payments and withdrawals	26,749	7,419	34,168
Administration	57		57
Total deductions	<u>26,806</u>	<u>7,419</u>	<u>34,225</u>
Net Change	2,037	889	2,926
Net Position at Beginning of Year	<u>349,826</u>	<u>7,020</u>	<u>356,846</u>
Net Position at End of Year	<u>\$ 351,863</u>	<u>\$ 7,909</u>	<u>\$ 359,772</u>

**CITY OF MILFORD, CONNECTICUT
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(In Thousands)

13. FUND BALANCE

Significant encumbrances at June 30, 2019 are contained in the table below in both the assigned and committed categories of the General Fund.

	General Fund	Capital Nonrecurring Fund	School Facilities Fund	Nonmajor Governmental Funds	Total
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$ 28	\$ 28
Prepays	21				21
Restricted for:					
Grants				585	585
School Renovations				191	191
Committed to:					
Compensated absences	1,283				1,283
Sewer operations				5,691	5,691
General government				5,621	5,621
Education				1,368	1,368
Debt service				3,142	3,142
Community development				29	29
Assigned to:					
Subsequent year's budget	9,300				9,300
Debt service	786				786
Encumbrances:					
General government	149				149
Public safety	215				215
Public services	506				506
Health and welfare	34				34
Education	3,272				3,272
Unassigned	<u>27,002</u>	<u>(2,781)</u>	<u>(11,256)</u>	<u>(2,497)</u>	<u>10,468</u>
Total Fund Balances	<u>\$ 42,568</u>	<u>\$ (2,781)</u>	<u>\$ (11,256)</u>	<u>\$ 14,158</u>	<u>\$ 42,689</u>

Major encumbrances are reported in the assigned fund balance of the General Fund of \$4,176.

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.

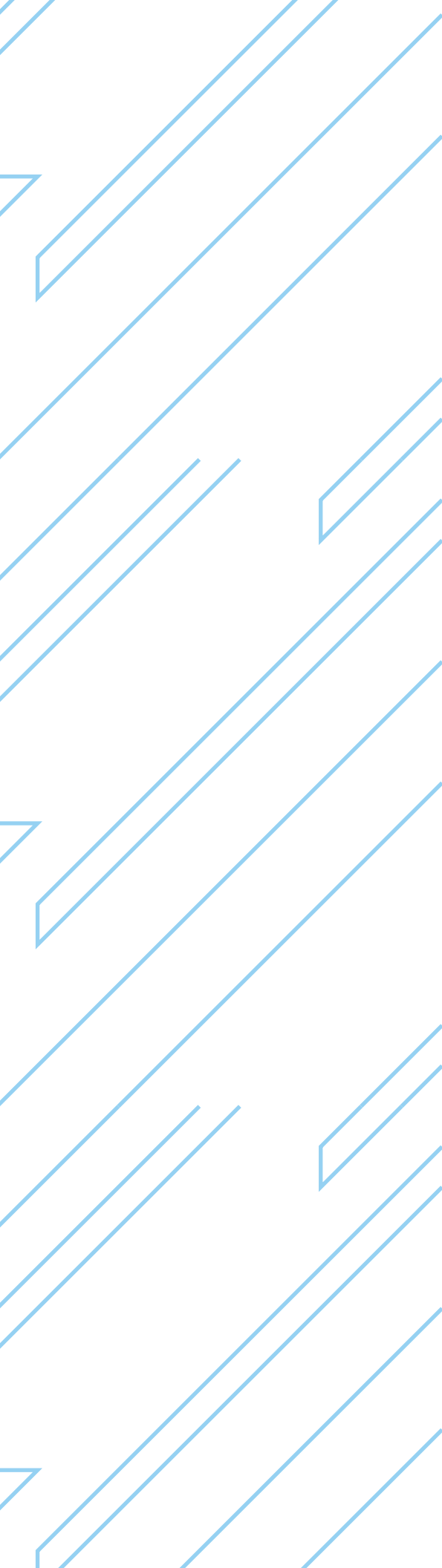
15. SUBSEQUENT EVENTS

On October 23, 2019, the City issued \$9,680 of general obligation bonds with an interest rate varying from 2.00% to 5.00% and maturity date November 1, 2039. In addition, the City issued \$23,635 of bond anticipation notes dated November 4, 2019 maturing November 3, 2020. The bond anticipation notes carry an interest rate of 2.50%.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

The City entered into an Energy Services Agreement (ESA) with a third party that requires the City to purchase 100% of the electricity output of a fuel cell for twenty (20) years following the fuel cell's commencement of operations date (anticipated in the first half of 2020). The ESA also requires the City to purchase natural gas to power the fuel cell throughout the ESA term. The City expects to achieve savings (as compared to costs incurred prior to the fuel cell's commencement of operations date) in each year of the term of the ESA and estimates total savings of over \$3.2 million over the twenty (20) year term. If the fuel cell runs at ninety-five percent (95%) capacity, in the first full year of operations, the City will be required to purchase approximately \$539,000 of electricity output and approximately \$308,000 of natural gas to power the fuel cell power plant.



Required Supplementary Information

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, 2019

(In Thousands)

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
General Property Taxes and Assessments:				
Current taxes	\$ 177,221	\$ 177,221	\$ 179,631	\$ 2,410
Prior year's levies	2,086	2,086	1,060	(1,026)
Suspense collections	15	15	23	8
Total general property taxes and assessments	<u>179,322</u>	<u>179,322</u>	<u>180,714</u>	<u>1,392</u>
Fines, Forfeitures Penalties and Interest:				
Interest and liens	<u>1,525</u>	<u>1,525</u>	<u>1,244</u>	<u>(281)</u>
Federal, State and Local Governments:				
Education cost sharing	10,069	10,069	10,054	(15)
State realty in lieu of tax	282	282	282	-
Pequot State Aid	237	237	237	-
Miscellaneous State Revenue	1,130	1,130	1,130	-
Total disability exemptions			6	6
PILOT - private exemptions	286	286	286	-
Veteran grants	137	137	126	(11)
School debt - principal	17	17	16	(1)
Telephone access grant	110	110	89	(21)
Shellfish Taxes	2	2	2	-
State aid for health	48	48	72	24
OTB Wagering Share	90	90	88	(2)
Additional Special Education	100	100	396	296
Total federal, state and local government	<u>12,508</u>	<u>12,508</u>	<u>12,784</u>	<u>276</u>
Investment Income:				
Investments in idle funds	500	500	1,176	676
Rental of other property	50	50	55	5
Total investment income	<u>550</u>	<u>550</u>	<u>1,231</u>	<u>681</u>
Other Revenue:				
Rental of school property	12	12	26	14
Tuition from others			8	8
PILOT - Water Authority	480	480	477	(3)
Power Plant Settlement	4,700	4,700	4,700	-
Genconn PT	2,025	2,025	2,025	-
Miscellaneous other revenues	30	30	249	219
Inland wetland fees	5	5	4	(1)
Total other revenue	<u>7,252</u>	<u>7,252</u>	<u>7,489</u>	<u>237</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, 2019
(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	\$ 18	\$ 18	\$ 14	\$ (4)
Vending permits	15	15	27	12
Disposal area licenses	50	50	68	18
Recording documents	400	400	324	(76)
Conveyance tax	900	900	1,077	177
General copying fees	75	75	73	(2)
Fire Department fees	1	1	70	69
Paramedic fees	800	800	895	95
Building inspection fees	800	800	1,245	445
Fingerprinting	7	7	9	2
Police fines and forfeits	20	20	72	52
False alarm fees	20	20	26	6
Street opening permits	21	21	32	11
Engineering fees	10	10	10	-
Residential waste fees	190	190	304	114
Health inspection fees	76	76	94	18
Planning and zoning fees	30	30	41	11
Zoning appeals fees	7	7	15	8
Recreation fees	58	58	44	(14)
Walnut Beach parking	65	65	123	58
Parking fines judicial	6	6	21	15
Vehicle violations judicial	20	20	23	3
Mobile fee	3	3	4	1
Sewer assessments	11	11	28	17
Animal shelter redemption	5	5	4	(1)
Dog Fund - City share	8	8	11	3
Sale of Other Property			10	10
Recycling revenues	120	120	55	(65)
PILOT - Federal payments	1	1	1	-
Hunting and angling fees			1	1
Sticker fees			1	1
Bingo permits share	1	1		(1)
Total licenses, permits and other charges	<u>3,738</u>	<u>3,738</u>	<u>4,722</u>	<u>984</u>
Total revenues	204,895	204,895	208,184	3,289
Other financing sources:				
Use of fund balance	<u>5,300</u>	<u>5,790</u>		<u>(5,790)</u>
Total other financing sources	<u>5,300</u>	<u>5,790</u>	<u>-</u>	<u>(5,790)</u>
Total Budgeted Revenues and Other Financing Sources	\$ <u>210,195</u>	\$ <u>210,685</u>	208,184	\$ <u>(2,501)</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, 2019

(In Thousands)

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

18,517

OPEB

(10,956)

Premium on bonds issued

806

Nonbudgetary items and eliminations related to the Compensated Absences Fund

81

Encumbrances for purchases and commitments that were subsequently
cancelled in the next fiscal year

(234)

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

\$ 216,398

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, 2019
(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	\$ 6	\$ -
Elections	105	135	118	17
Registrar of Voters	166	170	164	6
Milford Govt Access Television	25	25	21	4
Mayor's Office	294	294	288	6
General expenses	368	368	346	22
Community Development Department	124	124	124	-
City Clerk	402	402	391	11
Law Department	651	651	568	83
Ethics Commission	1	1		1
Probate Court	17	17	16	1
Board of Finance	1	1	1	-
Planning and Zoning Board	1,066	1,066	957	109
Board of Zoning Appeals	12	12	7	5
Pension Board	4	4	3	1
Flood and Erosion Board	1	1	1	-
Tree Commission	2	2	1	1
Park and Recreation Commission	1	1	1	-
Conservation Commission	1	1		1
Flower memorial commission	6	6	4	2
Open Space	66	68	68	-
Public library	1,172	1,135	1,128	7
Total general government	<u>4,491</u>	<u>4,490</u>	<u>4,213</u>	<u>277</u>
Administration:				
Finance Department	1,898	1,898	1,818	80
Data Processing Department	1,015	1,055	1,046	9
Personnel Department	235	277	265	12
Total administration	<u>3,148</u>	<u>3,230</u>	<u>3,129</u>	<u>101</u>
Public Safety:				
Police Department	13,312	13,261	13,044	217
Fire Department	12,017	12,435	12,322	113
Civil Preparedness	103	103	98	5
Animal Control	337	337	316	21
Lighting hydrant water	1,902	1,939	1,910	29
Total public safety	<u>27,671</u>	<u>28,075</u>	<u>27,690</u>	<u>385</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, 2019

(In Thousands)

	Budgeted Amounts		Expenditures and	Uncommitted
	Original	Amended	Encumbrances	Balance
Public Services:				
Public Works Office	\$ 390	\$ 395	\$ 385	\$ 10
Highway-parks division	2,750	2,485	2,479	6
Building maintenance division	3,083	3,008	2,923	85
Engineering division	399	411	405	6
General garage division	1,369	1,509	1,471	38
Solid waste operations	4,198	4,401	4,397	4
Total public services	12,189	12,209	12,060	149
Board of Education:				
Private School textbooks	20	20	20	-
Educational audit fees	22	22	22	-
Employee benefits	1,200	1,193	1,059	134
Educational operations	93,315	93,315	93,315	-
Educational Contribution Health Insurance Fund	19,266	19,266	19,266	-
Educational School Nurses	1,316	1,311	1,301	10
Total board of education	115,139	115,127	114,983	144
Health and Welfare:				
Health Department	920	920	910	10
Recreation Department	864	816	800	16
Total health and welfare	1,784	1,736	1,710	26
General Charges:				
Employee benefits - general	23,681	23,681	23,655	26
Insurance and bonds	1,784	1,784	1,769	15
Claims and refunds	615	511	375	136
Benefits and salary reserve	126	64	64	-
Unallocated contingency	20			-
Total general charges	26,226	26,040	25,863	177
Grants to Agencies:				
Milford Council on Aging	1,369	1,369	1,363	6
Milford Fine Arts Council	70	70	70	-
CMED	77	77	61	16
Regional Mental Health Board	3	3	3	-
Borough of Woodmont	233	233	233	-
Milford Transit District	345	345	345	-
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, 2019****(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Expenditures and Encumbrances</u>	<u>Uncommitted Balance</u>
	<u>Original</u>	<u>Amended</u>		
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	1	-
Visiting Nurses Association	12	12	1	11
Cemetery Association	9	9	9	-
Boys and Girls Club	75	75	75	-
Homeless Shelter/CPAC	85	85	85	-
Literacy Volunteers	5	5	5	-
Total grants to agencies	<u>2,686</u>	<u>2,686</u>	<u>2,653</u>	<u>33</u>
Debt Service:				
Public Debt Service	11,195	10,973	10,973	-
School Debt	5,231	5,194	4,957	237
Total debt service	<u>16,426</u>	<u>16,167</u>	<u>15,930</u>	<u>237</u>
Other Financing Uses:				
Transfers out	<u>435</u>	<u>925</u>	<u>1,131</u>	<u>(206)</u>
Total	<u>\$ 210,195</u>	<u>\$ 210,685</u>	209,362	<u>\$ 1,323</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

18,517

OPEB

(10,956)

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

(3,074)

Prior year encumbrances reported in the current year for financial reporting purposes

3,307

Change in Board of Education's Summer Payroll originally charged to subsequent years budget for budgetary purposes

(164)

Nonbudgetary items and eliminations related to the Compensated Absences Fund

167

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

\$ 217,159

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total pension liability:						
Service cost	\$ 7,087	\$ 7,299	\$ 7,809	\$ 7,979	\$ 8,023	\$ 8,322
Interest	27,046	27,998	28,604	29,924	29,952	30,582
Changes of benefits terms		(1,759)				509
Differences between expected and actual experience		(908)	(2,281)	14	(1,654)	(136)
Changes of assumptions		9,513	7,100	248	(2,253)	(1,071)
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>
Net change in total pension liability	<u>12,271</u>	<u>19,086</u>	<u>17,207</u>	<u>13,448</u>	<u>8,851</u>	<u>11,457</u>
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>
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>
Plan fiduciary net position:						
Contributions - employer	2,225	3,925	4,525	5,203	5,984	6,881
Contributions - member	2,169	2,332	2,672	2,736	2,788	2,893
Net investment income (loss)	44,193	(2,192)	(3,210)	35,184	32,666	19,037
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>
Administrative expense	<u>(48)</u>	<u>(76)</u>	<u>(143)</u>	<u>(47)</u>	<u>(56)</u>	<u>(57)</u>
Other	<u>11</u>	<u>20</u>	<u>47</u>	<u>23</u>	<u>167</u>	<u>32</u>
Net change in plan fiduciary net position	<u>26,688</u>	<u>(19,048)</u>	<u>(20,134)</u>	<u>18,382</u>	<u>16,332</u>	<u>2,037</u>
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>
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>
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>
Plan fiduciary net position as a percentage of the total pension asset	100.09%	89.86%	80.74%	82.61%	84.79%	82.98%
Covered payroll	\$ 42,773	\$ 43,811	\$ 43,811	\$ 45,923	\$ 47,748	\$ 49,449
Net pension (asset) liability as a percentage of covered payroll	-0.74%	86.32%	171.55%	152.92%	131.40%	145.93%

*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
LAST TEN FISCAL YEARS
(In Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$	\$	\$ 342	\$ 324	\$ 2,225	\$ 5,871	\$ 6,348	\$ 7,351	\$ 9,519	\$ 10,554
Contributions in relation to the actuarially determined contribution			342	324	2,225	3,925	4,525	5,203	5,984	6,881
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,946	\$ 1,823	\$ 2,148	\$ 3,535	\$ 3,673
Covered payroll	\$ 40,550	\$ 40,622	\$ 41,597	\$ 43,010	\$ 42,773	\$ 43,811	\$ 44,587	\$ 45,923	\$ 47,748	\$ 49,449
Contributions as a percentage of covered payroll	0.00%	0.00%	0.82%	0.75%	5.20%	8.96%	10.15%	11.33%	12.53%	13.92%

Notes to Schedule

Valuation date: July, 1 2018
Measurement date: June 30, 2019

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	2.75%
Salary increases	Age related table
Investment rate of return	7.50%
Retirement age	Age related table
Mortality	Non-Disabled - Based on RP-2014 adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2018 Disabled - Based on RP-2014 adjusted to 2006 Disabled Mortality Table, projected to the valuation date with Scale MP-2018

**CITY OF MILFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST SIX FISCAL YEARS***

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

*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 FIVE FISCAL YEARS*
(In Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's proportion of the net pension liability	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	<u>131,584</u>	<u>142,361</u>	<u>180,837</u>	<u>171,408</u>	<u>164,985</u>
Total	<u>\$ 131,584</u>	<u>\$ 142,361</u>	<u>\$ 180,837</u>	<u>\$ 171,408</u>	<u>\$ 164,985</u>
City's covered payroll	\$ 49,466	\$ 49,287	\$ 49,376	\$ 49,316	\$ 49,972
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%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%	57.69%

Notes to Schedule

Changes in benefit terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary.
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	17.6 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.00%, net of investment related expense

*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 NET OPEB LIABILITY AND RELATED RATIOS
CITY OPEB PLAN
LAST THREE FISCAL YEARS*

(In Thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB liability:			
Service cost	\$ 5,653	\$ 6,568	\$ 6,430
Interest	7,351	7,150	7,707
Differences between expected and actual experience	(1,017)	(596)	(8,085)
Changes of assumptions	11,890	(8,754)	(15,516)
Benefit payments	<u>(6,664)</u>	<u>(7,468)</u>	<u>(7,419)</u>
Net change in total OPEB liability	17,213	(3,100)	(16,883)
Total OPEB liability - beginning	<u>171,096</u>	<u>188,309</u>	<u>185,209</u>
Total OPEB liability - ending	<u>188,309</u>	<u>185,209</u>	<u>168,326</u>
Plan fiduciary net position:			
Contributions - employer	7,164	7,968	7,919
Contributions - member			
Net investment income (loss)	564	463	389
Benefit payments	(6,664)	(7,468)	(7,419)
Administrative expense			
Other		1	
Net change in plan fiduciary net position	<u>1,064</u>	<u>964</u>	<u>889</u>
Plan fiduciary net position - beginning	<u>4,992</u>	<u>6,056</u>	<u>7,020</u>
Plan fiduciary net position - ending	<u>6,056</u>	<u>7,020</u>	<u>7,909</u>
Net OPEB Liability - Ending	<u>\$ 182,253</u>	<u>\$ 178,189</u>	<u>\$ 160,417</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.22%	3.79%	4.70%
Covered payroll	\$ 38,282	\$ 39,335	\$ 39,225
Net OPEB liability as a percentage of covered payroll	476.08%	453.00%	408.97%

*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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution (1)	\$ 14,070	\$ 14,774	\$ 14,081	\$ 14,785	\$ 12,248	\$ 12,455	\$ 12,103	\$ 12,321	\$ 15,745	\$ 16,033
Contributions in relation to the actuarially determined contribution	4,976	5,078	8,112	6,424	6,407	6,498	7,086	7,164	7,968	7,919
Contribution Deficiency	\$ 9,094	\$ 9,696	\$ 5,969	\$ 8,361	\$ 5,841	\$ 5,957	\$ 5,017	\$ 5,157	\$ 7,777	\$ 8,114
Covered payroll	\$ 32,996	\$ 33,986	\$ 34,856	\$ 35,901	\$ 35,442	\$ 36,506	\$ 37,258	\$ 38,282	\$ 39,335	\$ 39,225
Contributions as a percentage of covered payroll	27.56%	28.53%	17.12%	23.29%	16.48%	16.32%	13.47%	13.47%	19.77%	20.69%

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

Notes to Schedule

Valuation date: July, 1 2018
Measurement date: June 30, 2019

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	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Healthcare cost trend rates	7.00% initial, decreasing 0.5% per year to an ultimate rate of 4.75%
Salary increases	Age related table
Investment rate of return	4.33%: Prior: 4.10%
Retirement age	In the 2018 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience
Mortality	City: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018. Fire and Police: RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2018.

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

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

*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 TWO FISCAL YEARS*

(In Thousands)

	<u>2018</u>	<u>2019</u>
Total OPEB liability:		
Service cost	\$ 5,946	\$ 5,849
Interest	7,395	7,930
Differences between expected and actual experience	120	(8,936)
Changes of assumptions	(8,972)	(24,067)
Benefit payments	<u>(6,223)</u>	<u>(5,884)</u>
Net change in total OPEB liability	(1,734)	(25,108)
Total OPEB liability - beginning	<u>203,698</u>	<u>201,964</u>
Total OPEB Liability - Ending	<u>\$ 201,964</u>	<u>176,856</u>
Covered payroll	\$ 65,131	\$ 64,617
Net OPEB liability as a percentage of covered payroll	310.09%	273.70%

*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 TWO FISCAL YEARS*
(In Thousands)

	<u>2018</u>	<u>2019</u>
City's proportion of the net OPEB liability	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>
Total	<u>\$ 44,119</u>	<u>\$ 32,982</u>
City's covered payroll	\$ 49,316	\$ 49,972
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%

Notes to Schedule

Changes in benefit terms	Effective July 1, 2018, Medicare Advantage Plan was added to available options, changed the base plan to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amounts, and introduced a two-year waiting period for re-enrollment in a System-sponsored Plan for those who cancel their coverage or choose not to enroll after the effective date.
Changes of assumptions	<p>The expected rate of return on assets was changed from 2.75% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments.</p> <p>Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2018 was updated to equal the Municipal Bond Index Rate as of June 30, 2018. The System selected the 3.87% discount rate used to measure the Total OPEB Liability as of the June 30, 2018 measurement date.</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2018.</p> <p>The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated to better reflect the expected differences between the Medicare Supplement and Medicare Advantage Plan amounts as part of the plan change that became effective on July 1, 2018.</p> <p>Long-term health care cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods.</p> <p>The percentage of retired members who are not currently participating in the Plan, but are expected to elect coverage for themselves and their spouses under a System-sponsored health care plan option in the future, was updated to better reflect anticipated plan experience.</p> <p>The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options, as well as the portion who are expected to migrate to the Medicare Advantage Plan over the next several years, were updated to better reflect anticipated plan experience after the plan change that became effective on July 1, 2018.</p> <p>The post-disability mortality table was updated to extend the period of projected mortality improvements from 2017 to 2020. This change was made to better reflect anticipated post-disablement plan experience.</p> <p>The percentages of deferred, vested members who will become ineligible for future health care benefits because they are expected to withdraw their contributions from the System was updated to better reflect anticipated plan experience.</p>
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	4.25%, net of investment related expense including price inflation

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



Combining and Individual Fund Statements and Schedules



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, 2019 AND 2018
(In Thousands)**

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 52,959	\$ 44,415
Investments	3,102	3,061
Property taxes receivable, net of allowance for doubtful accounts of \$836 and \$630 in 2019 and 2018, respectively	5,518	5,891
Property taxes interest receivable, net of allowance for doubtful accounts of \$637 and \$654 in 2019 and 2018, respectively	5,732	5,882
Assessments receivable	21	24
Accounts receivable	168	156
Due from other governments		
Due from other funds	1	8,930
Prepaid item	<u>21</u>	<u>21</u>
Total Assets	\$ <u>67,522</u>	\$ <u>68,380</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 12,301	\$ 11,587
Due to other funds		630
Due to other governments	899	808
Unearned revenue	<u>70</u>	<u>113</u>
Total liabilities	<u>13,270</u>	<u>13,138</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	4,884	5,513
Unavailable revenue - property taxes interest	5,732	5,882
Unavailable revenue - special assessments	17	24
Advance property tax collections	<u>1,051</u>	<u>494</u>
Total deferred inflows of resources	<u>11,684</u>	<u>11,913</u>
Fund balances:		
Nonspendable	21	21
Committed	1,283	1,368
Assigned for encumbrances	4,176	4,643
Assigned for debt service	786	1,757
Assigned for subsequent year's budget	9,300	5,300
Unassigned	<u>27,002</u>	<u>30,240</u>
Total fund balances	<u>42,568</u>	<u>43,329</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>67,522</u>	\$ <u>68,380</u>

**CITY OF MILFORD, CONNECTICUT
GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2019**
(In Thousands)

Grand List	Uncollected Taxes July 1, 2018	Current Levy	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2019
			Additions	Deductions			Tax	Interest Liens	Total	
2017	\$	\$ 182,170 *	\$ 340	\$ (1,147)	\$ (8)	\$ 181,355	\$ 178,970	\$ 503	\$ 179,473	\$ 2,385
2016	2,133		18	(510)	(45)	1,596	657	223	880	939
2015	969		2	(9)	(44)	918	325	131	456	593
2014	642		1	(4)	(36)	603	159	85	244	444
2013	538			(3)	(33)	502	123	86	209	379
2012	445			(2)	(35)	408	111	104	215	297
2011	340				(46)	294	52	42	94	242
2010	243				(63)	180	6	8	14	174
2009	213				(49)	164	5	5	10	159
2008	195				(58)	137	4	3	7	133
2007	172				(30)	142	1	6	7	141
2006	164				(22)	142	5	5	10	137
2005	139		3	(3)	(22)	117			-	117
2004	124				(14)	110		1	1	110
2003	110				(5)	105	1	16	17	104
Total	\$ 6,427	\$ 182,170	\$ 364	\$ (1,678)	\$ (510)	\$ 186,773	180,419	1,218	181,637	\$ 6,354
Suspense collections							23	26	49	
Total collections							180,442	\$ 1,244	\$ 181,686	
Property taxes receivable considered available:										
June 30, 2018							(378)			
June 30, 2019							634			
Total Property Tax Revenue							\$ 180,698			

*Includes motor vehicle supplement in the amount of \$1,829

**CITY OF MILFORD, CONNECTICUT
BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 2019**

(In Thousands)

	<u>Final Appropriations</u>	<u>Expenditures and Encumbrances</u>	<u>Unexpended Balance</u>
Certified administrative salaries	\$ 4,775	\$ 4,775	\$ -
Certified teachers salaries	45,197	45,197	-
Homebound tutor	154	154	-
Administrative substitute	104	104	-
Summer school	313	313	-
Substitutes - certified salaries	821	821	-
Curriculum work	157	157	-
Coaches/advisors	730	730	-
Non-certified supervisor salaries	671	671	-
Non-certified staff salaries	2,226	2,226	-
Custodian/maintenance	3,982	3,982	-
Teacher aides hourly	314	314	-
Library aides	472	472	-
Paraprofessionals	3,208	3,208	-
General aide salaries	162	162	-
Overtime salaries	420	420	-
Non-certified clerical	155	155	-
Non-certified professional	1,444	1,444	-
Retirements	1,001	1,001	-
Life insurance	571	571	-
Worker's compensation insurance	826	826	-
Social security	736	736	-
Unemployment compensation	39	39	-
Blue Cross/Blue Shield	3,716	3,716	-
Para pension	168	168	-
Education reimbursement	59	59	-
Adult education services	60	60	-
Substitute teaching services	227	227	-
Marine science education	18	18	-
Professional evaluation	58	58	-
Psychotherapy services	13	13	-
Other pupil personnel services	223	223	-
Special education work study	13	13	-
Consultation services	14	14	-
Audit services	3	3	-
Negotiation services	235	235	-
Arch/Eng services	38	38	-

(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, 2019**

(In Thousands)

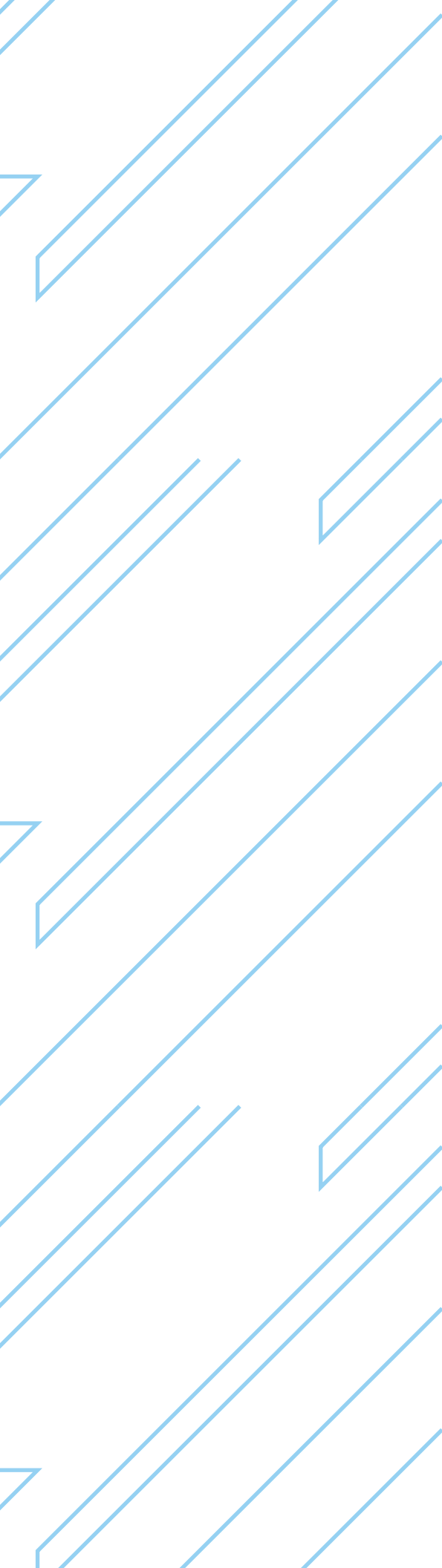
	<u>Final Appropriations</u>	<u>Expenditures and Encumbrances</u>	<u>Unexpended Balance</u>
Security services	\$ 378	\$ 378	\$ -
Contracted services	837	837	-
Management information systems	75	75	-
Electricity	1,049	1,049	-
Heat energy - gas	723	723	-
Water/sewage	103	103	-
Energy conservation services	48	48	-
Contracted maintenance	680	680	-
Repairs to grounds	142	142	-
Repairs to buildings	143	143	-
Repairs to equipment	282	282	-
Preventative maintenance	85	85	-
Building projects	824	824	-
Grounds projects	298	298	-
Gasoline maintenance	44	44	-
Maintenance supplies	320	320	-
Custodial supplies	167	167	-
Transportation regular	2,086	2,086	-
Transportation special education	1,048	1,048	-
Transportation special education - public	172	172	-
Transportation special education - private	642	642	-
Transportation - athletics	223	223	-
Transportation - TAG/ECA/AQUA	81	81	-
Transportation - field trips	33	33	-
Gasoline - buses	114	114	-
Transportation - non-public	303	303	-
Transportation - special education aide	211	211	-
Transportation - supplies	1	1	-
Van driver	127	127	-
Property liability insurance	458	458	-
Athletic insurance	39	39	-
Uninsured coverage	25	25	-
Postage	34	34	-
Telephone	201	201	-
Advertising	2	2	-
Printing expense	10	10	-

(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, 2019**

(In Thousands)

	<u>Final Appropriations</u>	<u>Expenditures and Encumbrances</u>	<u>Unexpended Balance</u>
Tuition - public	\$ 618	\$ 618	\$ -
Tuition - non-public	3,346	3,346	-
Tuition - ECA program	152	152	-
Tuition - AQUA	74	74	-
Tuition - Vo-Ag	177	177	-
Tuition - gifted students	26	26	-
Tuition - Bridgeport	135	135	-
Travel mileage	52	52	-
Non-instructional supplies	190	190	-
Instructional supplies	614	614	-
Health and medical	14	14	-
Graduation expense	30	30	-
Textbooks	10	10	-
Text adoptions	65	65	-
Library books	62	62	-
Periodicals	15	15	-
Testing expense	142	142	-
A/V materials	1	1	-
Other educational supplies	3	3	-
Computer software	409	409	-
Equipment	229	229	-
Furniture and fixtures	461	461	-
Computers	339	339	-
Lease/purchase	19	19	-
Capital equipment	52	52	-
Dues and fees	80	80	-
Professional development	307	307	-
Student activities	87	87	-
Student athletics	54	54	-
Athletics - equipment repair	14	14	-
Athletics - supplies	65	65	-
Athletics - equipment	40	40	-
Athletics - uniforms	42	42	-
Miscellaneous - misc other	10	10	-
Athletics - game operations	50	50	-
Total	<u>\$ 93,315</u>	<u>\$ 93,315</u>	<u>\$ -</u>



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 Resource Development	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

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, 2019
(In Thousands)

	Special Revenue Funds									
	Park and Playground	Human Resource Development	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	\$ 861	\$ 4,398	\$ 52	\$ 71	\$ 664	\$ 337	\$ 645	\$ 488	\$ 6,153
Accounts receivable		4	476					3		196
Due from other governments		1	493						113	
Due from other funds			5							
Inventory									28	
Total Assets	<u>\$ 2</u>	<u>\$ 866</u>	<u>\$ 5,372</u>	<u>\$ 52</u>	<u>\$ 71</u>	<u>\$ 664</u>	<u>\$ 337</u>	<u>\$ 648</u>	<u>\$ 629</u>	<u>\$ 6,349</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable and accrued liabilities	\$	\$ 9	\$ 923	\$ 23	\$	\$	\$	\$ 400	\$	\$ 448
Unearned revenue			14							
Bond anticipation notes payable										
Other liabilities										
Total liabilities	<u>-</u>	<u>9</u>	<u>937</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>-</u>	<u>448</u>
Deferred inflows of resources:										
Unavailable revenue - special assessments										161
Advance sewer collections										49
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210</u>
Fund balances:										
Nonspendable									28	
Restricted							337	248		
Committed	2	857	4,435	29	71	664			601	5,691
Unassigned	<u>2</u>	<u>857</u>	<u>4,435</u>	<u>29</u>	<u>71</u>	<u>664</u>	<u>337</u>	<u>248</u>	<u>629</u>	<u>5,691</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2</u>	<u>\$ 866</u>	<u>\$ 5,372</u>	<u>\$ 52</u>	<u>\$ 71</u>	<u>\$ 664</u>	<u>\$ 337</u>	<u>\$ 648</u>	<u>\$ 629</u>	<u>\$ 6,349</u>

(Continued on next page)

CITY OF MILFORD, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019
(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	Debt Service	School Renovations	Sanitary Sewer Fund	
ASSETS								
Cash and cash equivalents	\$ 103	\$ 107	\$ 110	\$ 39	\$ 3,142	\$ 494	\$ 1,655	\$ 19,321
Accounts receivable								679
Due from other governments								607
Due from other funds								5
Inventory								28
Total Assets	<u>\$ 103</u>	<u>\$ 107</u>	<u>\$ 110</u>	<u>\$ 39</u>	<u>\$ 3,142</u>	<u>\$ 494</u>	<u>\$ 1,655</u>	<u>\$ 20,640</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$	\$	\$	\$	\$ 3	\$ 43	\$ 1,849
Unearned revenue								14
Bond anticipation notes payable						300	3,760	4,060
Other liabilities							349	349
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303</u>	<u>4,152</u>	<u>6,272</u>
Deferred inflows of resources:								
Unavailable revenue - special assessments								161
Advance sewer collections								49
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210</u>
Fund balances:								
Nonspendable								28
Restricted						191		776
Committed	103	107	110	39	3,142			15,851
Unassigned							(2,497)	(2,497)
	<u>103</u>	<u>107</u>	<u>110</u>	<u>39</u>	<u>3,142</u>	<u>191</u>	<u>(2,497)</u>	<u>14,158</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 103</u>	<u>\$ 107</u>	<u>\$ 110</u>	<u>\$ 39</u>	<u>\$ 3,142</u>	<u>\$ 494</u>	<u>\$ 1,655</u>	<u>\$ 20,640</u>

CITY OF MILFORD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	Special Revenue Funds									
	Park and Playground	Human Resource Development	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	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 7,967
Fines, forfeitures, penalties and interest										36
Intergovernmental		485	2,153	456				3,195	993	
Charges for services		1	4,111	12		1,023			1,311	127
Investment income		18	2		1	1		8,000		159
Other revenues		11					196			900
Total revenues	-	515	6,266	468	1	1,024	196	3,203	2,304	9,189
Expenditures:										
Current:										
General government			1,275							
Public safety			2,813							
Public services			350	468						
Education			731			1,317	338	3,203	2,346	
Health and welfare		708	764							
Sewer										6,284
Capital outlay			242							
Debt service			84							1,560
Total expenditures	-	708	6,259	468	-	1,317	338	3,203	2,346	7,844
Excess (deficiency) of revenues over expenditures	-	(193)	7	-	1	(293)	(142)	-	(42)	1,345
Other financing sources (uses):										
Issuance of bonds and notes			242							
Transfers in		443	10							
Transfers out				(9)						(130)
Total other financing sources (uses):	-	443	252	(9)	-	-	-	-	-	(130)
Net Change in Fund Balances	-	250	259	(9)	1	(293)	(142)	-	(42)	1,215
Fund Balances at Beginning of Year	2	607	4,176	38	70	957	479	248	671	4,476
Fund Balances at End of Year	\$ 2	\$ 857	\$ 4,435	\$ 29	\$ 71	\$ 664	\$ 337	\$ 248	\$ 629	\$ 5,691

(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, 2019
(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	Debt Service	School Renovations	Sanitary Sewer Fund	Interfund Eliminations	
Revenues:									
Property taxes and assessments	\$	\$	\$	\$	\$	\$	\$	\$	7,967
Fines, forfeitures, penalties and interest									36
Intergovernmental									7,282
Charges for services					43				6,628
Investment income		2	1	1	73				266
Other revenues	58				59				1,224
Total revenues	58	2	1	1	175	-	-	-	23,403
Expenditures:									
Current:									
General government									1,275
Public safety									2,813
Public services									818
Education	14					-			7,949
Health and welfare									1,472
Sewer									6,284
Capital outlay						23	2,133		2,398
Debt service					451				2,095
Total expenditures	14	-	-	-	451	23	2,133	-	25,104
Excess (deficiency) of revenues over expenditures	44	2	1	1	(276)	(23)	(2,133)	-	(1,701)
Other financing sources (uses):									
Issuance of bonds and notes							3,380		3,622
Transfers in								(9,000)	444
Transfers out								9,000	(130)
Total other financing sources (uses):	-	-	-	-	-	-	3,380	-	3,936
Net Change in Fund Balances	44	2	1	1	(276)	(23)	1,247	-	2,235
Fund Balances at Beginning of Year	59	105	109	38	3,418	214	(3,744)	-	11,923
Fund Balances at End of Year	\$ 103	\$ 107	\$ 110	\$ 39	\$ 3,142	\$ 191	\$ (2,497)	\$ -	\$ 14,158



Nonmajor Enterprise Funds

NONMAJOR ENTERPRISE FUNDS

The Milford Golf Course Fund accounts for the activity of the municipal golf course

The Harbor Management Fund is used to account for the activity of Harbor area.

CITY OF MILFORD, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2019
(In Thousands)

	Milford Golf Course	Harbor Management	Total
Assets:			
Current:			
Cash and cash equivalents	\$ 159	\$ 392	\$ 551
Accounts receivable	24		24
Total current assets	<u>183</u>	<u>392</u>	<u>575</u>
Noncurrent assets:			
Capital assets:			
Not being depreciated	570	1,111	1,681
Being depreciated, net	<u>535</u>	<u>31</u>	<u>566</u>
Total noncurrent assets	<u>1,105</u>	<u>1,142</u>	<u>2,247</u>
Total assets	<u>1,288</u>	<u>1,534</u>	<u>2,822</u>
Liabilities:			
Current:			
Accounts payable and accrued liabilities	<u>10</u>	<u>24</u>	<u>34</u>
Net Position:			
Invested in capital assets	1,105	1,142	2,247
Unrestricted	<u>173</u>	<u>368</u>	<u>541</u>
Total Net Position	<u>\$ 1,278</u>	<u>\$ 1,510</u>	<u>\$ 2,788</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, 2019
(In Thousands)

	Milford Golf Course	Harbor Management	Total
Operating revenues:			
Charges for services	\$ 90	\$ 241	\$ 331
Operating expenses:			
Salaries		122	122
Operations and supplies	46	64	110
Insurance		53	53
Depreciation	21	1	22
Total operating expenses	67	240	307
Operating income	23	1	24
Nonoperating revenue:			
Interest income	3	1	4
Income before capital contributions and transfers	26	2	28
Capital contributions and transfers:			
Transfers out		(24)	(24)
Special item - write down of capital assets	(949)	(133)	(1,082)
Change in Net Position	(923)	(155)	(1,078)
Total Net Position at Beginning of Year	2,201	1,665	3,866
Total Net Position at End of Year	\$ 1,278	\$ 1,510	\$ 2,788

CITY OF MILFORD, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	Business-Type Activities		
	Milford Golf Course	Harbor Management	Total
Cash flows from operating activities:			
Cash received from contributions and charges for services	\$ 114	\$ 241	\$ 355
Cash paid to employees		(122)	(122)
Cash paid to vendors	(68)	(112)	(180)
Net cash provided by (used in) operating activities	<u>46</u>	<u>7</u>	<u>53</u>
Cash flows to/from noncapital financing activities:			
Transfers to/from other funds		(24)	(24)
Cash flows from investing activities:			
Interest and dividends received	<u>3</u>	<u>1</u>	<u>4</u>
Net increase (decrease) in cash and cash equivalents	49	(16)	33
Cash and cash equivalents at beginning of year	<u>110</u>	<u>408</u>	<u>518</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 159</u></u>	<u><u>\$ 392</u></u>	<u><u>\$ 551</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 23	\$ 1	\$ 24
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	21	1	22
(Increase) decrease in accounts receivable	(24)		(24)
(Increase) decrease in due from other funds	24		24
Increase (decrease) in accounts payable and accrued liabilities	2	7	9
Increase (decrease) in due to other funds		(2)	(2)
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 46</u></u>	<u><u>\$ 7</u></u>	<u><u>\$ 53</u></u>



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, 2019
(In Thousands)

	Health Insurance Fund	Workers' Compensation Fund	Property and Casualty Fund	Total
Assets:				
Cash and cash equivalents	\$ 12,645	\$ 3,527	\$ 3,330	\$ 19,502
Accounts receivable	32	3	7	42,000
Total assets	<u>12,677</u>	<u>3,530</u>	<u>3,337</u>	<u>19,544</u>
Liabilities:				
Accounts payable and accrued liabilities	1	4	80	85
Accrued claims				
Current	114	287	12	413
Noncurrent	2,691	3,226	100	6,017
Total liabilities	<u>2,806</u>	<u>3,517</u>	<u>192</u>	<u>6,515</u>
Net Position:				
Unrestricted	<u>9,871</u>	<u>13</u>	<u>3,145</u>	<u>13,029</u>
Total Net Position	<u>\$ 9,871</u>	<u>\$ 13</u>	<u>\$ 3,145</u>	<u>\$ 13,029</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, 2019
(In Thousands)

	Health Insurance Fund	Workers' Compensation Fund	Property and Casualty Fund	Total
Operating revenues:				
Employer contributions	\$ 30,474	\$ 1,280	\$ 865	\$ 32,619
Employee contributions	6,378			6,378
Other	1,535	311	162	2,008
Total operating revenues	<u>38,387</u>	<u>1,591</u>	<u>1,027</u>	<u>41,005</u>
Operating expenses:				
Insurance premiums and claims expense	<u>39,086</u>	<u>1,068</u>	<u>1,097</u>	<u>41,251</u>
Net income (loss)	(699)	523	(70)	(246)
Net Position at Beginning of Year	<u>10,570</u>	<u>(510)</u>	<u>3,215</u>	<u>13,275</u>
Net Position at End of Year	<u>\$ 9,871</u>	<u>\$ 13</u>	<u>\$ 3,145</u>	<u>\$ 13,029</u>

CITY OF MILFORD, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(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	\$ 38,582	\$ 1,623	\$ 1,036	\$ 41,241
Cash payments for claims paid	<u>(39,337)</u>	<u>(1,479)</u>	<u>(1,212)</u>	<u>(42,028)</u>
Net cash provided by (used in) operating activities	<u>(755)</u>	<u>144</u>	<u>(176)</u>	<u>(787)</u>
Net increase (decrease) in cash and cash equivalents	(755)	144	(176)	(787)
Cash and cash equivalents at beginning of year	<u>13,400</u>	<u>3,383</u>	<u>3,506</u>	<u>20,289</u>
Cash and Cash Equivalents at End of Year	<u>\$ 12,645</u>	<u>\$ 3,527</u>	<u>\$ 3,330</u>	<u>\$ 19,502</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (699)	\$ 523	\$ (70)	\$ (246)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in accounts receivable	(32)	(3)	(7)	(42)
(Increase) decrease in due from other funds	227	35	16	278
Increase (decrease) in accounts payable and accrued liabilities	<u>(251)</u>	<u>(411)</u>	<u>(115)</u>	<u>(777)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (755)</u>	<u>\$ 144</u>	<u>\$ (176)</u>	<u>\$ (787)</u>



Fiduciary Funds

AGENCY FUNDS

- Student Activities - to account for receipts and disbursements related to student programs and extracurricular activities.
- Inland/Wetland Bonds - to account for deposits held to ensure that planning and zoning permit conditions have been met.
- Planning and Zoning Bonds - to account for deposits held to ensure that planning and zoning permit conditions have been met.

CITY OF MILFORD, CONNECTICUT
COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 2019
(In Thousands)

	<u>Student Activities</u>	<u>Inland/ Wetland Bonds</u>	<u>Planning and Zoning Bonds</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 616	\$ 307	\$ 517	\$ 1,440
Investments	68			68
Receivables		6		6
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>684</u>	\$ <u>313</u>	\$ <u>517</u>	\$ <u>1,514</u>
Liabilities:				
Due to employees, students and others	\$ <u>684</u>	\$ <u>313</u>	\$ <u>517</u>	\$ <u>1,514</u>
Total Liabilities	\$ <u>684</u>	\$ <u>313</u>	\$ <u>517</u>	\$ <u>1,514</u>

CITY OF MILFORD, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Student Activities				
Assets:				
Cash and cash equivalents	\$ 607	\$ 1,489	\$ 1,480	\$ 616
Investments	<u>70</u>	<u>5</u>	<u>7</u>	<u>68</u>
Total Assets	<u>\$ 677</u>	<u>\$ 1,494</u>	<u>\$ 1,487</u>	<u>\$ 684</u>
Liabilities:				
Due to Employees, Students and Others	<u>\$ 677</u>	<u>\$ 1,494</u>	<u>\$ 1,487</u>	<u>\$ 684</u>
Inland/Wetland Bonds				
Assets:				
Cash and cash equivalents	\$ 269	\$ 82	\$ 44	\$ 307
Accounts receivable	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Total Assets	<u>\$ 269</u>	<u>\$ 88</u>	<u>\$ 44</u>	<u>\$ 313</u>
Liabilities:				
Due to employees, students and others	<u>\$ 269</u>	<u>\$ 88</u>	<u>\$ 44</u>	<u>\$ 313</u>
Total Liabilities	<u>\$ 269</u>	<u>\$ 88</u>	<u>\$ 44</u>	<u>\$ 313</u>
Planning and Zoning Bonds				
Assets:				
Cash and Cash Equivalents	<u>\$ 530</u>	<u>\$ 30</u>	<u>\$ 43</u>	<u>\$ 517</u>
Liabilities:				
Due to Employees, Students and Others	<u>\$ 530</u>	<u>\$ 30</u>	<u>\$ 43</u>	<u>\$ 517</u>
Total - All Funds				
Assets:				
Cash and cash equivalents	\$ 1,406	\$ 1,601	\$ 1,567	\$ 1,440
Investments	<u>70</u>	<u>5</u>	<u>7</u>	<u>68</u>
Accounts receivable	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Total Assets	<u>\$ 1,476</u>	<u>\$ 1,612</u>	<u>\$ 1,574</u>	<u>\$ 1,514</u>
Liabilities:				
Due to employees and others	<u>\$ 1,476</u>	<u>\$ 1,612</u>	<u>\$ 1,574</u>	<u>\$ 1,514</u>
Total Liabilities	<u>\$ 1,476</u>	<u>\$ 1,612</u>	<u>\$ 1,574</u>	<u>\$ 1,514</u>



Statistical Section

Statistical Section Information

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

Statistical section information is presented in the following categories:

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

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

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

TABLE 1

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities:										
Net investments in capital assets	\$ 158,106	\$ 215,426	\$ 203,122	\$ 194,944	\$ 174,139	\$ 166,869	\$ 153,422	\$ 145,526	\$ 132,115	\$ 143,992
Unrestricted	(399,527)	(392,473)	(135,453)	(107,907)	(83,172)	(71,768)	(48,669)	(36,008)	(14,990)	(14,831)
Total Governmental Activities Net Position	(241,421)	(177,047)	67,669	87,037	90,967	95,101	104,753	109,518	117,125	129,161
Business-type activities:										
Investments in capital assets	2,247	3,351	3,400	3,444	3,361	3,126	3,163	3,200	3,238	3,284
Unrestricted	541	515	474	510	569	513	708	642	653	605
Total Business-Type Net Position	2,788	3,866	3,874	3,954	3,930	3,639	3,871	3,842	3,891	3,889
Primary government:										
Net investments in capital assets	160,353	218,777	206,522	198,388	177,500	169,995	156,585	148,726	135,353	147,276
Unrestricted	(398,986)	(391,958)	(134,979)	(107,675)	(82,603)	(71,551)	(47,961)	(35,366)	(14,517)	(14,226)
Total Primary Government Net Position	\$ (238,633)	\$ (173,181)	\$ 71,543	\$ 90,713	\$ 94,897	\$ 98,444	\$ 108,624	\$ 113,360	\$ 120,836	\$ 133,050

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.
- (4) 2019 net investments in capital assets includes a \$47,213 restatement primarily from a change in depreciation methods and fixed asset useful lives.

TABLE 2

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
General government	\$ 19,328	\$ 20,608	\$ 22,007	\$ 22,299	\$ 13,004	\$ 9,770	\$ 8,068	\$ 11,142	\$ 10,844	\$ 7,542
Administration	3,814	3,206	3,505	3,280	3,882	3,803	4,018	4,147	3,769	3,625
Public safety	44,567	36,630	39,698	38,986	38,754	38,410	41,506	38,471	37,014	35,817
Public services	18,639	27,502	20,819	21,776	18,586	27,538	25,314	27,673	27,911	31,252
Education	157,377	173,258	172,388	159,930	149,823	142,617	138,265	132,771	131,342	124,894
Health and welfare	3,319	2,449	3,825	4,054	4,183	5,503	5,728	5,929	5,906	5,313
Sewer**	6,285	5,116	5,964	5,783						
General charges *										
Grants to agencies					3,073	9,072	4,051	3,889	3,938	3,656
Interest on long-term debt	5,230	5,087	4,834	2,810	4,653	2,711	2,703	2,085	1,972	3,226
Total governmental activities expenses	258,559	273,856	273,040	258,918	235,958	239,424	229,653	226,106	222,696	215,325
Business-type activities:										
Milford Golf Course	67	69	78	81	64	64	69	88	68	115
Harbor Management	240	256	250	234	235	242	230	287	307	335
Total business-type activities expenses	307	325	328	315	299	306	299	375	375	450
Total primary government expenses	258,866	274,181	273,368	259,233	236,257	239,730	229,952	226,481	223,071	215,775
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	2,137	1,956	1,798	1,858	1,779	1,125	1,562	977	1,131	1,178
Public service	1,084	1,469	1,399	1,778	1,432	1,627	1,639	802	61	1,385
Education	2,334	2,491	2,301	2,672	2,435	1,627	1,702	2,705	2,754	2,682
Sewer**	127	56	98							
Other	5,947	5,519	4,614	4,100	4,166	3,374	3,410	2,766	2,616	2,006
Operating grants and contributions	23,621	39,562	39,753	31,072	29,527	36,980	29,867	29,730	27,489	28,258
Capital grants and contributions	4,568	6,149	4,453	18,527	3,046	115	1,753	3,426		454
Total governmental activities program revenues	39,818	57,202	54,416	60,007	42,385	44,848	39,933	40,406	34,051	35,963
Business-type activities:										
Charges for services:										
Golf fees	90	89	89	87	85	84	80	74	73	70
Harbor fees	241	260	253	248	242	249	252	267	252	249
Operating grants and contributions				26					60	38
Capital grants and contributions			5		272					
Total business-type activities program revenues	331	349	347	361	599	333	332	341	385	357
Total primary government program revenues	40,149	57,551	54,763	60,368	42,984	45,181	40,265	40,747	34,436	36,320

(Continued on next page)

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net (expense) revenue:										
Governmental activities	\$ (218,741)	\$ (216,654)	\$ (218,624)	\$ (198,911)	\$ (193,573)	\$ (194,576)	\$ (189,720)	\$ (185,700)	\$ (188,645)	\$ (179,362)
Business-type activities	24	24	19	46	300	27	33	(34)	10	(93)
Total primary government net expense	<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>	<u>(188,635)</u>	<u>(179,455)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	189,182	191,359	187,587	185,435	180,864	174,885	170,870	161,252	160,134	152,330
Grants and contributions not restricted to specific programs	2,247	9,340	10,965	9,125	8,321	8,693	11,327	14,103	13,665	13,040
Unrestricted investment earnings	1,692	1,045	402	188	49	72	1,735	1,600	1,716	1,080
Other general revenues	8,435	136	202	210	195	718	926	1,301	905	809
Transfers in	24	35	100	23	10	260	4	17	9	3
Gain on sale of capital assets							93			
Special item - write down of capital assets	(47,213)									
Total governmental activities	<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>	<u>176,429</u>	<u>167,262</u>
Business-type activities:										
Unrestricted investment earnings	4							2	1	2
Transfers out	(24)	(35)	(100)	1	(10)	(260)	(4)	(17)	(9)	(3)
Contributed assets				(23)						
Special item - write down of capital assets	(1,082)									
Total business-type activities	<u>(1,102)</u>	<u>(32)</u>	<u>(99)</u>	<u>(22)</u>	<u>(9)</u>	<u>(259)</u>	<u>(4)</u>	<u>(15)</u>	<u>(8)</u>	<u>(1)</u>
Total primary government	<u>153,265</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>	<u>176,421</u>	<u>167,261</u>
Change in Net Position:										
Governmental activities	(64,374)	(14,739)	(19,368)	(3,930)	(4,134)	(9,948)	(4,765)	(7,427)	(12,216)	(12,100)
Business-type activities	(1,078)	(8)	(80)	24	291	(232)	29	(49)	2	(94)
Total Primary Government	<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>	<u>\$ (12,214)</u>	<u>\$ (12,194)</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.

TABLE 3

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 3,341
Unreserved										14,462
Nonspendable	21	21	21	21	21	21	21	21	438	
Committed	1,283	1,368	1,383	1,090	1,055	1,054	1,033	1,212	2,699	
Assigned	14,262	11,700	9,748	8,094	7,696	6,959	7,875	4,198	7,545	
Unassigned	27,002	30,240	25,605	20,668	16,336	14,814	14,945	15,638	12,841	
Total General Fund	\$ <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>	\$ <u>17,803</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 19,801
Unreserved, reported in:										
Special revenue funds										7,174
Debt service funds										4,387
Capital projects funds										(19,566)
Nonspendable	28	38	23	30	41	71	84	77	23	
Restricted	776	941	360	358	468	3,845	3,802	3,364	2,090	
Committed	15,851	14,688	13,949	14,224	18,508	19,068	28,863	18,297	28,103	
Assigned						86	4,165	3,802		
Unassigned	(16,534)	(27,774)	(19,123)	(10,919)	(16,238)	(24,557)	(35,789)	(31,896)	(33,171)	
Total All Other Governmental Funds	\$ <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>	\$ <u>(2,955)</u>	\$ <u>11,796</u>

Notes:

1. Schedule prepared on the modified accrual basis of accounting.
2. The City began to report new fund categories when it implemented GASB Statement No. 54 in fiscal year 2011

TABLE 4

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Property taxes and assessments	\$ 188,681	\$ 189,054	\$ 187,082	\$ 184,213	\$ 178,740	\$ 173,069	\$ 171,708	\$ 162,014	\$ 159,555	\$ 151,428
Fines, forfeitures, penalties and interest	1,280	1,783	1,687	1,293	1,239	1,058	1,632	1,487	1,654	993
Intergovernmental	30,376	46,686	47,341	51,231	34,119	39,265	37,519	41,805	33,206	36,907
Charges for services	11,587	9,460	8,362	8,299	7,744	6,737	7,310	6,079	6,925	7,609
Investment income	1,692	1,045	457	243	98	117	149	113	174	231
Other	8,491	10,677	10,056	10,145	8,979	8,503	7,615	8,458	9,133	6,117
Total revenues	<u>242,107</u>	<u>258,705</u>	<u>254,985</u>	<u>255,424</u>	<u>230,919</u>	<u>228,749</u>	<u>225,933</u>	<u>219,956</u>	<u>210,647</u>	<u>203,285</u>
Expenditures:										
General government	5,497	4,676	5,012	4,775	4,219	4,672	4,827	7,304	7,084	4,981
Administration	3,102	2,747	2,772	2,493	2,496	2,529	2,492	2,435	2,462	2,397
Public safety	30,501	29,269	27,921	27,503	27,137	25,937	25,129	24,562	24,317	23,712
Public services	12,705	12,569	12,586	12,582	12,058	12,238	12,235	17,591	17,901	19,949
Education	130,780	142,027	140,613	135,818	128,303	130,942	126,127	122,074	118,811	115,871
Health and welfare	3,185	3,358	4,062	3,826	3,479	3,733	3,687	3,930	3,864	3,554
Sewer**	6,284	6,271	6,116	5,783						
General charges	25,997	25,112	24,697	23,832	23,635	21,961	19,324	21,295	15,453	15,948
Other	2,651	2,628	2,611	2,606	2,651	2,642	2,640	2,626	2,646	2,504
Capital outlay	14,023	33,991	31,237	24,231	19,395	31,345	30,914	31,606	25,528	14,423
Debt service - principal	12,532	12,137	11,088	8,910	10,804	8,825	8,373	8,831	7,562	6,745
Debt service - interest	5,500	5,342	5,146	6,569	5,028	3,823	3,566	3,182	3,364	3,303
Total expenditures	<u>252,757</u>	<u>280,127</u>	<u>273,861</u>	<u>258,928</u>	<u>239,205</u>	<u>248,647</u>	<u>239,314</u>	<u>245,436</u>	<u>228,992</u>	<u>213,387</u>
Excess of Revenue Under Expenditures	<u>(10,650)</u>	<u>(21,422)</u>	<u>(18,876)</u>	<u>(3,504)</u>	<u>(8,286)</u>	<u>(19,898)</u>	<u>(13,381)</u>	<u>(25,480)</u>	<u>(18,345)</u>	<u>(10,102)</u>
Other Financing Sources (Uses):										
Lease principal receipts										
Issuance of bonds	21,287	18,735	16,440	8,350	14,195	16,000	23,405	15,329	13,240	59,246
Issuance of refunding bonds		13,130		16,015	14,935		14,045	8,765		16,087
Payment to refunded bond escrow agent		(14,948)		(18,698)	(17,312)		(15,469)	(9,332)		(15,899)
Premium on issuance of debt	806	3,741	736	3,391	3,004		1,566	692		
Sale of capital assets							116	11		98
Transfers in	1,285	911	2,402	3,165	1,344	2,968	2,968	4,121	2,998	2,333
Transfers out	(1,261)	(891)	(2,302)	(3,040)	(1,354)	(2,964)	(2,964)	(4,198)	(2,687)	(2,330)
Total other financing sources	<u>22,117</u>	<u>20,678</u>	<u>17,276</u>	<u>9,183</u>	<u>14,812</u>	<u>16,004</u>	<u>23,667</u>	<u>15,388</u>	<u>13,551</u>	<u>59,535</u>
Net Change in Fund Balances	<u>\$ 11,467</u>	<u>\$ (744)</u>	<u>\$ (1,600)</u>	<u>\$ 5,679</u>	<u>\$ 6,526</u>	<u>\$ (3,894)</u>	<u>\$ 10,286</u>	<u>\$ (10,092)</u>	<u>\$ (4,794)</u>	<u>\$ 49,433</u>
Debt Service as a Percentage of Noncapital Expenditures	7.4%	6.9%	6.6%	6.5%	7.0%	5.8%	5.7%	5.6%	5.37%	5.05%

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.

TABLE 5

CITY OF MILFORD, CONNECTICUT
NINE YEAR SUMMARY OF AUDITED REVENUES AND EXPENDITURES, NEXT FISCAL YEAR BUDGET
FISCAL YEAR 2010-2019

(In Thousands)

	Adopted Budget 2019-20	Actual 6/30/2019	Actual 6/30/2018	Actual 6/30/2017	Actual 6/30/2016	Actual 6/30/2015	Actual 6/30/2014	Actual 6/30/2013	Actual 6/30/2012	Actual 6/30/2011	Actual 6/30/2010
Revenues:											
Property taxes and assessments	\$ 180,313	\$ 180,714	\$ 181,284	\$ 179,444	\$ 177,034	\$ 171,858	\$ 165,899	\$ 164,236	\$ 155,213	\$ 153,080	\$ 146,157
Intergovernmental revenue	12,214	20,345	33,542	34,484	25,086	24,254	27,759	26,789	26,930	22,384	22,212
Fines, forfeitures, penalties and interest	1,700	1,244	1,732	1,624	1,244	1,199	1,058	1,632	1,487	1,654	993
Investment income	850	1,263	806	356	191	89	75	64	62	113	152
Other	21,473	11,976	11,703	10,979	11,089	8,962	8,236	8,236	8,907	9,215	6,129
Total revenues	<u>216,550</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>	<u>186,446</u>	<u>175,643</u>
Expenditures:											
General government	4,554	4,222	4,147	4,212	3,951	3,930	3,885	3,894	3,869	3,968	3,419
Administration	3,252	3,102	2,747	2,772	2,493	2,496	2,529	2,492	2,435	2,462	2,397
Public safety	28,624	27,688	26,464	25,662	25,376	24,393	23,686	23,142	22,837	22,654	22,448
Public services	12,364	11,887	11,621	11,742	11,832	11,272	11,691	11,527	11,455	11,696	11,401
Education	117,960	122,831	133,893	131,763	124,576	119,634	123,068	119,070	114,635	109,306	106,657
Health and welfare	1,794	1,713	1,573	1,725	1,640	1,615	1,645	1,576	1,656	1,695	1,629
General charges	26,899	25,997	25,112	24,697	23,832	23,635	21,961	19,324	21,295	15,453	15,948
Grants to agencies	3,133	2,651	2,628	2,611	2,606	2,651	2,642	2,640	2,626	2,646	2,504
Debt service	17,970	15,937	15,342	14,153	13,466	13,839	12,648	11,939	12,013	10,926	10,048
Total expenditures	<u>216,550</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>	<u>180,806</u>	<u>176,451</u>
Excess of revenues over (under) expenditures	\$ <u>-</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>	<u>5,640</u>	<u>(808)</u>
Other financing sources (uses):											
Issuance of refunding bonds			13		16,015	14,935		14045	8765		15,470
Payment to refunded bond escrow agent			(15)		(18,698)	(17,312)		(15,469)	(9,332)		(15,899)
Premium on issuance of debt		806	3,741	736	3,391	3,004		1566	692		617
Sale of capital assets								116	11		98
Transfers in		50		44			1327	21	596	456	545
Transfers out		(1,131)	(891)	(1,446)	(815)	(1,264)	(1,625)	(2,827)	(2,964)	(2,002)	(1,466)
Net other financing uses		<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>	<u>(1,546)</u>	<u>(635)</u>
Net change in fund balances		(761)	6,572	6,884	4,765	2,260	(1,026)	2,805	(2,454)	4,094	(1,443)
Fund equity, beginning year, as restated*		<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>	<u>19,429</u>	<u>19,246</u>
Fund Equity, End of Year	\$ <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>	\$ <u>17,803</u>	
Reserve for encumbrances	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	3,319
Reserved for other purposes											22
Reserve for subsequent years											2,000
Unreserved - undesignated											12,462
Nonspendable		21	21	21	21	21	21	21	21	438	
Committed		1,283	1,368	1,383	1,090	1,055	1,054	1,033	1,212	2,699	
Assigned		14,262	11,700	9,748	8,094	7,696	6,959	7,875	4,198	7,545	
Unassigned		<u>27,002</u>	<u>30,240</u>	<u>25,605</u>	<u>20,668</u>	<u>16,336</u>	<u>14,814</u>	<u>14,945</u>	<u>15,638</u>	<u>12,841</u>	
Fund Equity	\$ <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>	\$ <u>17,803</u>	

**CITY OF MILFORD, CONNECTICUT
CAPITAL IMPROVEMENT PROGRAM
2019-2023**

(In Thousands)

	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>Total</u>
Proposed Projects:					
Education	\$ 15,250	\$ 10,900	\$ 12,850	\$ 6,800	\$ 45,800
Sewers	1,150				1,150
Fire			750		750
Police	30,000				30,000
Roads/Drainage	2,000	2,000	2,000	2,000	8,000
Buildings		515	572	1,695	2,782
Erosion/Flood control	35				35
Recreation	330	2,000	450	10,000	12,780
Total	<u>\$ 48,765</u>	<u>\$ 15,415</u>	<u>\$ 16,622</u>	<u>\$ 20,495</u>	<u>\$ 101,297</u>
Proposed Funding:					
Pay-As-You-Go	\$ 185	\$ 150	\$ 150	\$ 150	\$ 635
Bonds	42,403	11,132	12,396	18,944	84,875
Grants	6,177	4,133	4,076	1,401	15,787
Total	<u>\$ 48,765</u>	<u>\$ 15,415</u>	<u>\$ 16,622</u>	<u>\$ 20,495</u>	<u>\$ 101,297</u>

TABLE 7

**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								
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	51.14%
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	51.22%
2011	2009	5,463,457	1,374,411		378,586	327,437	7,543,891	2,112,969	5,430,922	28.44	10,603,075	50.99%
2010	2008	5,379,222	1,388,800		401,345	326,530	7,495,897	2,118,534	5,377,363	27.50	10,546,040	50.71%

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

TABLE 8

**CITY OF MILFORD, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
FY 2019 and FY2010
(In Thousands)**

Taxpayers	Nature of Business	2019		Percentage of Net Taxable Assessed Value	2010		Percentage of Net Taxable Assessed Value
		Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Connecticut Post Limited Partnership	Regional Shopping Mall	\$ 149,099	1	2.27%	\$ 176,390	1	3.28%
Connecticut Light and Power Company	Utility	102,773	2	1.56%	91,423	2	1.70%
Milford Crossing Investors LLC	Retail	62,947	3	0.96%	78,051	3	1.45%
Wolff	Office/Retail/Apartments	48,509	4	0.74%			
JP Construction Company/Avalon Bay	Apartments	29,812	6	0.45%	25,372	8	0.47%
Crown Milford, LLC	Office Park	21,027	9	0.32%	33,430	7	0.62%
Smith Craft Real Estate, ETALS	Real Estate Developer	31,147	5	0.47%	59,235	4	1.10%
Schick Manufacturing Inc.	Manufacturer - Razors	24,963	7	0.38%	36,417	6	0.68%
Devon Power	Utility	22,949	8	0.35%	52,500	5	0.98%
Iroquois Gas Transmission SYS LP	Utility	20,923	10	0.32%			
D'Amato Investments, LLC	Real Estate Development				25,274	9	0.47%
Keystone Milford LLC	Retail (Stop & Shop)				20,661	10	0.38%
Total		\$ 514,149		7.83%	\$ 598,753		11.13%

Source: City of Milford, Office of Tax Assessor

TABLE 9

**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 (6/30/19)	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2019	27.74	\$ 182,170	\$ 178,970	98.24%	\$ N/A	\$ 178,970	98.24%
2018	27.79	183,139	178,854	97.66%	657	178,854	97.66%
2017	27.84	179,148	175,991	98.24%	2,159	175,991	98.24%
2016	27.88	178,307	174,556	97.90%	3,535	174,556	97.90%
2015	27.22	173,728	169,954	97.83%	2,471	172,074	99.05%
2014	26.28	168,390	164,519	97.70%	1,493	165,704	98.40%
2013	25.60	163,674	160,911	98.10%	2,163	162,868	97.76%
2012	28.89	156,123	153,158	97.76%	2,517	155,579	99.04%
2011	28.44	154,259	150,811	98.13%	1,809	152,594	99.40%
2010	28.23	146,895	144,148	97.62%	2,984	147,103	99.55%

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

Fiscal Year	Governmental Activities	Long-Term Notes Payable	Capital Leases	Ratio of Debt to Taxable Assessed Value	Debt Per Capita
	General Obligation Bonds				
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
2011	89,100	41,476	44	1.64	1,594
2010	82,985	43,426	44	1.54	1,484

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, 2019
(In Thousands)

Total tax collections (including interest and lien fees) received by Treasurer for year ended June 30, 2018					\$	183,602
Reimbursement for revenue loss on:						
Tax relief for the elderly						-
Base					\$	<u>183,602</u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Bonds	
Debt Limitation:						
2-1/4 times base	\$ 413,105	\$	\$	\$	\$	
4-1/2 times base		826,209				
3-3/4 times base			688,508			
3-1/4 times base				596,707		
3 times base						550,806
Total debt limitation	<u>413,105</u>	<u>826,209</u>	<u>688,508</u>	<u>596,707</u>		<u>550,806</u>
Indebtedness:						
Bonds payable	57,747	46,617	43,206			
CWF project loan obligation			24,456			
Long-term note payable	158					
Authorized, unissued debt	<u>34,258</u>	<u>19,028</u>	<u>11,943</u>			
Total indebtedness	<u>92,163</u>	<u>65,645</u>	<u>79,605</u>	<u>-</u>		<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ <u>320,942</u>	\$ <u>760,564</u>	\$ <u>608,903</u>	\$ <u>596,707</u>	\$	<u>550,806</u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$1,285,214).

Note 2: The authorized/unissued debt has been reduced by grant proceeds of \$32,074 relative to general purpose and school construction projects.

TABLE 12

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt limit	\$ 1,285,214	\$ 1,266,440	\$ 1,264,165	\$ 1,243,025	\$ 1,201,025	\$ 1,166,046	\$ 1,162,238	\$ 1,097,880	\$ 1,081,668	\$ 1,029,147
Total net debt applicable to limit	<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>	<u>201,730</u>	<u>188,550</u>
Legal Debt Margin	<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>	<u>\$ 879,938</u>	<u>\$ 840,597</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.47%	19.16%	20.92%	19.49%	17.41%	18.97%	18.48%	16.86%	18.65%	18.32%

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, 2019
(In Thousands)

Long-term bonded (1)		
Bonds:		
Public Improvement	\$	57,905
Schools		46,617
Sewers		43,206
Clean Water		<u>24,456</u>
Total long-term bonded debt		172,184
Short-term debt:		
Bond Anticipation Notes		<u>23,280</u>
Total Direct Debt	\$	<u><u>195,464</u></u>

Note: The City has no overlapping or underlying debt.

Population (2)	53,120
Net Taxable Grand List (10/01/17)	\$ 6,567,168
Estimated Full Value (70%)	\$ 9,381,667
Equalized Grand List (10/1/16) (3)	\$ 9,699,877
Money Income Per Capita (2010) (4)	\$ 43,408

	Total Direct Debt	Total Net Direct Debt
Per Capita	\$ 3,679.67	\$ 3,679.67
Ratio to net Taxable Grand List	2.98%	2.98%
Ratio to Estimated Full Value	2.08%	2.08%
Ratio to Equalized Grand List	2.02%	2.02%
Debt per Capita to Money Income per Capita	8.48%	8.48%

*Presented in thousands

(1) Excludes capital leases

(2) U.S. Department of Commerce, Fiscal Year 2019 estimate based on the April 1, 2010 Census.

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

(4) U.S. Census Bureau/American Community Survey 2013-2017, used for FY2019 calculations.

TABLE 14

**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)					
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	2.47	1.73	52,759	2,983.64	7.49
2014	2012	6,418,236	9,168,908	155,520	2.42	1.70	52,759	2,947.74	7.40
2013	2011	6,399,852	9,142,646	148,010	2.31	1.62	52,759	2,805.40	7.32
2012	2010	5,410,069	10,578,868	112,669	2.08	1.07	52,759	2,015.29	5.25
2011	2009	5,430,922	10,603,075	128,728	2.37	1.21	55,907	2,302.54	7.99
2010	2008	5,377,363	10,578,868	80,622	1.50	0.76	55,907	1,442.07	4.99

(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, Fiscal Year 2019 estimate based on the April 1, 2010 Census.

(5) Money Income Per Capita: \$43,408, U.S. Census Bureau/American Community Survey 2013-2017, used for FY2019 calculations.

The FY2011 net long term debt has a significant increase due to the addition of \$41.5 million of long term Clean Water Fund Notes.

**CITY OF MILFORD, CONNECTICUT
AUTHORIZED BUT UNISSUED DEBT
JUNE 30, 2019**

Project	Total Amount of Authorization	Bonds Issued	Statutory Paydown	Grants	Note Payable Due 11/4/2019	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	2,570,500	2,250			77,250		
Various Public Improvements (Feb 04)	2,483,065	2,406,765				76,300		
Various Public Improvements (Nov 04)	3,347,500	3,175,200		68,053		104,247		
Various Public Improvements (Mar 05)	1,134,500	1,112,200	150			22,150		
Road Resurfacing	715,000	704,000				11,000		
Various Public Improvements (Feb 07)	4,620,300	3,984,185		361,092		275,023		
Various Public Improvements (Apr 08)	3,715,559	3,231,450			60,000	424,109		
Various Public Improvements (Feb 10)	6,292,000	5,843,600		12,725		435,675		
Various Public Improvements (Feb 11)	6,588,000	5,707,500			4,000	876,500		
Various Public Improvements (Apr 11)	1,685,000	1,432,000				253,000		
Eastside Firehouse	4,950,000	4,398,000				552,000		
Woodmont Beach FEMA (Mar 12)	534,000	123,000		402,112		8,888		
Various Public Improvements (Feb 12)	6,088,600	2,696,000		614,291		2,778,309		
Various Public Improvements (Feb 13)	7,533,000	6,605,000				928,000		
Various Public Improvements (Feb 14)	8,717,500	5,125,000		209,050	470,000	2,913,450		
Various Public Improvements (Feb 15)	10,307,230	4,126,000		844,551	1,051,000	4,285,679		
Various Public Improvements (Feb 16)	12,889,500	7,303,000		772,013	1,092,000	3,722,487		
Various Public Improvements (Jan 17)	9,671,200	8,363,000			366,000	942,200		
April 2017 Gulf Street Road Construction	3,300,000			2,488,920	200,000	611,080		
Naugatuck Ave Drainage Imp Phase 2: Sep. 2015	3,759,266	645,000		1,413,976	619,000	1,081,290		
Various Public Improvements (Feb. 2018)	6,875,000	842,500			2,508,000	3,524,500		
Various Public Improvements (Feb. 2019)	10,065,000					10,065,000		
General Public Improvements	1,775,538	1,751,800				23,738		
Subtotal General Improvement	123,271,758	75,454,400	2,400	7,186,784	6,370,000	34,258,174	-	-
Various School Improvements (Feb 07)	18,489,511	12,591,600		5,327,250			570,661	
Various School Improvements (Apr 08)	1,440,000	1,197,300		232,883			9,817	
J. Law Phase III Construction (Aug 09)	4,050,000	2,500,000		1,332,513			217,487	
Various School Improvements (Feb 10)	9,640,000	6,121,400		2,976,430			542,170	
Various School Improvements (Feb 12)	12,002,883	5,770,000		5,298,629			934,254	
Various School Improvements (Feb 13)	9,449,948	4,552,000		4,218,629			679,319	
Various School Improvements (Feb 14)	3,456,229	2,367,000		828,379			260,850	
Various School Improvements (Feb 15)	10,308,000	4,611,200		1,761,771	984,700		2,950,329	
Various School Improvements (Feb 16)	6,599,500	2,358,000		1,666,327			2,575,173	
Various School Improvements (Jan 17)	23,779,989	8,695,500		1,244,294	11,065,000		2,775,195	
Various School Improvements (Feb 18)	3,828,000				1,100,300		2,727,700	
Various School Improvements (Feb 19)	4,785,000						4,785,000	
Subtotal Schools	107,829,060	50,764,000	-	24,887,104	13,150,000	-	19,027,956	-

(Continued on next page)

**CITY OF MILFORD, CONNECTICUT
AUTHORIZED BUT UNISSUED DEBT (CONTINUED)
JUNE 30, 2019**

Project	Total Amount of Authorization	Bonds Issued	Statutory Paydown	Grants	Note Payable Due 11/4/2019	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 Point Pump Stations Feb 2015	6,934,670	4,195,000			2,150,000			589,670
Sewer Darina Place February 2015	550,000	431,000						119,000
Indian River Interceptor Phase 3 Feb. 2015	1,869,321	1,665,000						204,321
Edgefield Ave Sewer Pipe Lining Feb. 2016	2,291,050	1,023,000			65,000			1,203,050
Beaver Brook Wastewater Plant Feb. 2016	700,150	565,000			45,000			90,150
Edgefield Ave - Seabreeze Ave Sewer Feb. 2016	455,000	296,000						159,000
Viscount Drive Sanitary Sewer (Feb. 2018)	2,600,000	18,000			1,500,000			1,082,000
Housatonic Wastewater Facility (Feb. 2019)	550,000							550,000
Sewer Force Main-Repair -Various (Feb. 2019)	880,000							880,000
Subtotal Sewers	76,430,465	60,727,800	-	-	3,760,000	-	-	11,942,665
Totals	\$ 307,531,283	\$ 186,946,200	\$ 2,400	\$ 32,073,888	\$ 23,280,000	\$ 34,258,174	\$ 19,027,956	\$ 11,942,665

**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)
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
2010	55,907	28,882	1,614,705,974	39.4	7,166	8.6

(1) Source: U.S. Department of Commerce, Fiscal Year 2019 estimate based on the April 1, 2010 Census.
of Public Health

(2) Source: U.S. Census Bureau/American Community Survey 2013-2017, used for FY2019 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)

TABLE 17

**CITY OF MILFORD, CONNECTICUT
PRINCIPAL EMPLOYERS
2019 AND 2010**

Business Name	Nature of Business	2019			2010		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
City of Milford Board of Education	Municipal School System	1,298	1	4.34%	1,140	1	4.05%
Subway World Headquarters	Corporate Headquarters - Food Franchiser	1,016	2	3.40%	654	3	2.32%
City of Milford	Municipal Government	534	3	1.79%	561	5	1.99%
Bridgeport Hospital Milford Campus	Healthcare	500	4	1.67%	831	2	2.95%
Schick (Edgewell Personal Care)	Manufacturer-Razors	400	5	1.34%	627	4	2.23%
ShopRite of Milford	Grocery Store	275	6	0.92%	247	9	0.88%
Costco	Warehouse Store	259	7	0.87%	243	10	0.86%
Inline Plastics Corp	Manufacturer-Healthcare	251	8	0.84%			
Neopost Hasler, Inc	Postage Meter Company	248	9	0.83%	350	6	1.24%
Walmart	Retail Department Store	245	10	0.82%			
Stop & Shop Stores Combined	Grocery Store				337	7	1.20%
Macy's	Retail Department Store				277	8	0.98%
Total		5,026		16.82%	5,267		18.71%
Total Employment		29,882			28,158		

Source: City of Milford, Office of Community Development

TABLE 18

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	136	109	135	119	130	128	126	118	127	127
Police	140	138	133	137	129	127	128	127	130	130
Fire	112	113	117	121	121	121	123	126	127	127
Refuse collection	19	21	22	27	29	31	30	31	33	33
Other public works	74	102	76	79	74	77	79	79	84	85
Wastewater	30	31	31	31	31	31	31	31	29	27
Parks and recreation	6	6	5	6	6	6	6	6	7	7
Library	18	19	19	19	19	20	19	19	19	19
Education	<u>1033</u>	<u>1038</u>	<u>1039</u>	<u>1069</u>	<u>1086</u>	<u>1076</u>	<u>1106</u>	<u>1112</u>	<u>1121</u>	<u>1162</u>
Total	<u>1568</u>	<u>1577</u>	<u>1577</u>	<u>1608</u>	<u>1625</u>	<u>1616</u>	<u>1648</u>	<u>1649</u>	<u>1677</u>	<u>1717</u>

Source: Various City Departments

TABLE 19

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

Function/Program	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government:										
Building permits issued	92	90	63	71	60	71	67	35	52	68
All other permits	1,264	1,395	1,244	1,246	1,019	994	1,179	3,377	2,966	2,826
Building inspections conducted	6,617	6,794	6,381	5,756	4,994	5,923	5,201	4,878	4,750	5,878
Police:										
Physical arrests	1,454	1,286	1,339	1,541	988	1,267	1,251	2,806	2,773	1,900
Parking violations	1,947	1,758	1,108	1,337	1,270	900	1,748	3,622	4,299	4,673
Traffic violations	3,185	4,260	4,401	2,899	4,112	2,260	2,221	9,277	8,341	8,224
Fire:										
Emergency responses	8,850	8,042	8,500	7,900	7,854	7,617	7,951	8,108	7,749	7,819
Fires extinguished	114	143	140	259	148	140	126	201	180	150
Refuse collection:										
Refuse collected (tons per day)	16,843	16,723	15,757	16,595	14,611	15,597	16,192	11,154	15,224	15,590
Recyclables collected (tons per day)	3,981	4,131	4,317	4,090	3,946	4,224	4,354	4,273	2,557	2,575
Other public works:										
Street resurfacing (miles)	11.50	21.00	20.00	12.68	8.30	4.70	3.3	2.50	2.26	5.84
Parks and recreation:										
Athletic field permits issued	1,385	1,260	1,260	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Community Center admissions	6,860	6,235	6,235	5,939	5,939	5,939	5,939	5,939	5,939	5,939
Library:										
Volumes in collection	125,278	125,032	130,394	125,852	129,341	127,773	128,182	126,055	126,118	124,590
Total volumes borrowed	243,240	184,232	172,909	171,632	183,797	193,511	195,902	198,276	211,825	220,213
Wastewater:										
Average daily sewage treatment (thousands of gallons)	9,750	8,562	7,452	6,876	7,235	8,700	8,700	10,000	10,000	8,700

Source: Various City Departments

TABLE 20

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

Function/Program	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicular patrol units	41	42	42	43	42	42	40	40	40	40
Fire stations	4	4	4	6	4	4	4	5	5	5
Refuse collection:										
Collection trucks	16	15	15	13	13	13	13	15	11	11
Other public works:										
Streets (miles)	205	204	204	204	199	199	199	199	199	199
Traffic signals	48	132	137	137	136	136	136	135	134	134
Parks and recreation:										
Open space parks	8	8	8	8	8	8	8	8	8	8
Ball/Soccer/Football fields	40	40	40	38	38	38	38	38	38	38
Playgrounds	20	20	20	20	20	20	19	19	23	23
Swimming pools	2	2	2	2	2	2	2	2	2	2
Splash pad	1	1								
Tennis courts	25	25	25	25	25	25	25	25	25	25
Pickel ball courts	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	1,426	1,426	1,425	1,689	1,415	1,404	1,410	1,407	1,402	1,397
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	262	262	260	260	260	260
Treatment capacity (thousands of gallons)	11,300	14,250	14,250	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	9

Source: Various City Departments

TABLE 21

**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*
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
2011	34	5,799	5	1,755	2,979	45,933	3,018	53,487
2010	50	8,735	9	5,228	1,067	36,720	1,126	50,683

(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.