

**CITY OF DERBY, CONNECTICUT**

**ANNUAL FINANCIAL REPORT**

June 30, 2025

**RECEIVED**

*By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:02 pm, Apr 01, 2026*

CITY OF DERBY, CONNECTICUT  
JUNE 30, 2025

**TABLE OF CONTENTS**

		<b><u>Page Number</u></b>
<b><u>FINANCIAL SECTION</u></b>		
<b>Independent Auditor's Report</b>		1 - 3
<b>Management's Discussion and Analysis</b>		4a – 4h
<b>Basic Financial Statements:</b>		
<b>Government-Wide Financial Statements:</b>		
	<b><u>Exhibit</u></b>	
Statement of Net Position	A	5
Statement of Activities	B	6
<b>Fund Financial Statements:</b>		
Balance Sheet - Governmental Funds	C	7
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) - Governmental Funds	D	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities	E	9
Statement of Net Position - Proprietary Funds	F	10
Statement of Revenues, Expenses and Changes in Net Position (Deficit) - Proprietary Funds	G	11
Statement of Cash Flows - Proprietary Funds	H	12
Statement of Fiduciary Net Position – Fiduciary Funds	I	13
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	J	14
Notes to the Financial Statements		15 - 59

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:02 pm, Apr 01, 2026

CITY OF DERBY, CONNECTICUT  
JUNE 30, 2025

**TABLE OF CONTENTS**

		<b><u>Page Number</u></b>
<b>Required Supplementary Information:</b>		
Schedule of Revenues, Expenditures and Changes in Fund Balance -Budgetary Basis -Budget to Actual – General Fund	RSI-1	60
Schedule of Changes in Net Pension Liability and Related Ratios - City Pension Plan	RSI-2	61
Schedule of Employer Contributions – City Pension Plan	RSI-3	62
Schedule of Changes in Net OPEB Liabilities and related Ratios	RSI-4	63
Schedule of the City’s Proportionate Share of Net Pension Liability - Connecticut Municipal Employee’s Retirement System	RSI-5	64
Schedule of Employer Contributions – Police System Connecticut Municipal Employee’s Retirement System	RSI-6	65
Schedule of the City’s Proportionate Share of Net Pension Liability - Teachers’ Retirement Plan	RSI-7	66
Schedule of the City’s Proportionate Share of Net OPEB Liability - Teachers’ Retirement Plan	RSI-8	67
<b>Supplemental and Combining Nonmajor Fund Statements and Schedules:</b>		
	<b><u>Schedule</u></b>	
<b>General Fund:</b>		
General Fund Revenues and Other Financing Sources Budget and Actual (Non-GAAP Budgetary Basis)	1	68
General Fund Expenditures and Other Financing Uses - Budget and Actual (Non-GAAP Budgetary Basis)	2	69 - 70
<b>Non-Major Governmental Funds:</b>		
Combining Balance Sheet	3	71 - 72
Combining Statement of Revenues, Expenditures And Changes in Fund Balances (Deficits)	4	73 - 74
<b>Other Schedules:</b>		
Schedule of Property Taxes Levied, Collected and Outstanding	5	75
Schedule of Debt Limitation	6	76

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:02 pm, Apr 01, 2026

# CLERMONT

ACCOUNTANTS • ADVISORS

Clermont & Associates, LLC  
301 Highland Avenue  
Waterbury CT 06708

Main: 203-758-6658  
Fax: 203-758-6758

## INDEPENDENT AUDITOR'S REPORT

Board of Aldermen  
City of Derby, Connecticut  
Derby, CT 06484

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Derby, Connecticut, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Derby, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Derby, Connecticut as of June 30, 2025, and the respective changes in the financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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 of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Derby, Connecticut and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the City of Derby, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:02 pm, Apr 01, 2026

**Auditor’s Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we;

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Derby, Connecticut’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events considered in aggregate, which raise substantial doubt about the City of Derby, Connecticut’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the *management’s discussion and analysis* on pages 4a through 4h and the required supplemental information on pages 60-67, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who consider 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.



**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Derby, Connecticut's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules, the schedule of property taxes levied, collected and outstanding, and the schedule of debt limitation, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2026 reporting on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this 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 Derby, 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 Derby, Connecticut's internal control over financial reporting and compliance.

**CLERMONT & ASSOCIATES LLC**  
Waterbury, Connecticut



February 26, 2026

**RECEIVED**  
By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:02 pm, Apr 01, 2026

CITY OF DERBY, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

This discussion and analysis of the City of Derby, 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, 2025. Please read this MD&A in conjunction with the City's financial statements.

Financial Highlights

- The net position of our governmental activities increased by \$1.3 million.
- The net position of our business-type activities increased by \$659 thousand.  
The General Fund reported a fund balance this year of \$7.1 million; \$1.1 million more than the General Fund balance reported in the prior year.
- An increase of \$1.6 million has been made as a prior period adjustment to the beginning net position and general fund to reclassify the worker's compensation liability to a long-term liability.

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 A and B, respectively) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements are presented in Exhibits C and D. 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 financial statements by providing information about the City's most significant funds. In addition, the City maintains the Water Pollution Control Authority as a proprietary fund (Exhibit G, H, and I). 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 A and B. 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 and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All 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 and changes within them. The City's net position, the difference between assets and liabilities, 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 nonfinancial factors, 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, the City reports its activities as follows:

- *Governmental activities* - The City's basic services are reported here, including general government, public safety, community services, public works, education, public library, and municipal facilities. Property taxes, charges for services and state and federal grants finance most of these activities.
- *Business-type activities* – The Water Pollution Control Authority's activity is reported here.

### Fund Financial Statements

The fund financial statements begin with Exhibit C 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 Board of Aldermen establishes many other funds to help control and manage financial activities for particular purposes or to show that it is meeting legal responsibilities for using grants and other money (like grants received for education from the State and Federal governments). The City's funds are divided into three categories: governmental, proprietary, and fiduciary.

- *Governmental funds (Exhibits C and D)* - 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 into 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 at the bottom of the fund financial statements.
- *Proprietary funds (Exhibits F, G, and H)* - 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. Internal service funds (the 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 Worker's Compensation Internal Service Fund.
- *Fiduciary funds (Exhibits I and J)* - The City is the trustee, or fiduciary, for its employees' pension plans. All the City's fiduciary activities are reported in separate statements of fiduciary net assets 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.

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:02 pm, Apr 01, 2026

CITY OF DERBY, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Government-Wide Financial Analysis

The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental activities and business-type activities. The City's net position for governmental activities increased \$1.04 million from \$21.3 million in 2024 to \$22.3 million in 2025.

**TABLE 1 - NET POSITION**

	<b>Governmental Activities</b>	
	<u>2025</u>	<u>2024, restated</u>
Current and other assets	\$ 19,120,167	18,087,577
Capital assets	85,743,884	86,517,792
Deferred outflows	9,491,681	11,399,640
Total assets & deferred outflows	<u>\$ 114,355,732</u>	<u>116,005,009</u>
Current and other liabilities	\$ 10,267,912	10,518,264
Long-term liabilities	60,528,498	66,984,449
Deferred inflows	21,245,142	17,228,176
Total liabilities & deferred inflows	<u>\$ 92,041,552</u>	<u>94,730,889</u>
Net position:		
Investment in capital assets	\$ 64,354,223	65,880,787
Restricted	2,106,709	1,368,128
Unrestricted	(44,146,752)	(45,974,795)
Total net position	<u>\$ 22,314,180</u>	<u>21,274,120</u>
	<b>Business-type Activities</b>	
	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 6,158,664	8,800,436
Capital assets	21,336,720	20,534,532
Total assets	<u>\$ 27,495,384</u>	<u>29,334,968</u>
Current and other liabilities	\$ 1,761,442	3,410,809
Long-term liabilities	10,946,576	11,796,231
Total liabilities	<u>\$ 12,708,018</u>	<u>15,207,040</u>
Net position:		
Investment in capital assets, net of related debt	\$ 9,540,941	7,891,339
Unrestricted	5,246,425	6,236,589
Total net position	<u>\$ 14,787,366</u>	<u>14,127,928</u>

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:02 pm, Apr 01, 2026

CITY OF DERBY, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

The City's net position for the business-type activities increased \$659 thousand for the fiscal year ending June 30, 2025, which was due to capital contributions. The net position was \$14.8 million at June 30, 2025.

**TABLE 2 - CHANGE IN NET ASSETS**

	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services	\$ 2,347,855	3,024,997
Operating grants and contributions	28,762,308	24,029,576
Capital grants and contributions	418,512	844,638
General revenues:		
Property taxes	37,282,097	33,447,936
Grants and contributions not restricted to specific purposes	3,758,205	5,244,859
Unrestricted investment earnings	656,558	398,189
Other general revenues (and transfers)	825,848	-
Total revenues	\$ 74,051,383	66,990,195
Program expenses:		
General government	\$ 9,315,181	15,511,856
Public safety	7,758,920	2,211,177
Public works	5,796,627	5,298,677
Health and welfare	454,026	3,818,351
Culture and recreation	1,585,381	1,257,802
Education	47,267,862	34,887,929
Interest and fiscal charges	833,326	462,765
Total program expenses	\$ 73,011,323	64,086,845
(Decrease) increase in net position	\$ 1,040,060	2,903,330

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:03 pm, Apr 01, 2026

CITY OF DERBY, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

	Business-type Activities	
	2025	2024
Revenues:		
Operating revenues:		
Charges for services	\$ 3,394,194	3,408,147
Non-operating revenues:		
Capital contributions	1,915,441	1,811,710
Other general revenues (and transfers)	221,503	248,320
Total revenues	\$ 5,531,138	5,468,177
Operating expenses:		
Water pollution control authority	\$ 4,327,256	3,269,020
Non-operating expenses:		
Interest and fiscal charges	544,442	678,794
Total expenses	\$ 4,871,698	3,947,814
(Decrease) increase in net position	\$ 659,440	1,520,363

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:03 pm, Apr 01, 2026

CITY OF DERBY, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

City Funds Financial Analysis

Governmental Funds

As the City completed the year, its governmental funds (as presented in the balance sheet - Exhibit C) reported a combined fund balance of \$7.9 million, which is a \$905 thousand increase from the previous year. Included in this year's total includes an increase of \$1.1 million in general fund balance from operations, a decrease of \$336 thousand in the City's Silo fund and a \$106 thousand increase in Other Governmental Funds. The General Fund surplus was a result of lower than anticipated debt-service costs.

Proprietary Funds

The City reports the Water Pollution Control Authority and Parking Authority as proprietary funds (Exhibit F, G, and H). Under this presentation, the gain was \$659 thousand as the W.P.C.A. builds capital for future capital projects, \$923 thousand loss from operations (before capital income and interest).

General Fund Budgetary Highlights

Exhibit F shows the summary information of budget to actual revenues, expenditures, and changes in undesignated, unreserved fund balance (funds available to be appropriated).

- Investment income was more than expected due to the interest rate increase.
- Tax collections increased from prior year because of a mill rate increase.
- Intergovernmental revenue was greater due to a capital grant used to purchase project as part of an economic investment program.
- The City reclassifies certain expenditures, such as medical insurance expenditures. This is expected to change significantly in the subsequent year because of the City will be moving from a self-insurance program to a state administered issuance program.

Capital Assets

At June 30, 2025, the City's governmental activities had \$105 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and water & sewer lines. In separating the Water Pollution Control Authority and the Parking Authority from the government funds, \$20.8 million and \$554 thousand in capital assets, respectively, which include sewers and parking facilities. The City's total amount represents a net decrease (including additions and deductions) of \$2.05 million, net of depreciation expenses.

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:03 pm, Apr 01, 2026

CITY OF DERBY, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

**TABLE 3 - CAPITAL ASSETS (Net of Depreciation)**

	Governmental Activities	
	2025	2024
	Land	\$ 6,551,792
Buildings and improvements	57,557,423	59,453,940
Furniture, fixtures, and equipment	1,314,183	1,255,808
Infrastructure	18,236,213	19,256,252
Totals	\$ <u>83,659,611</u>	<u>86,517,792</u>

  

	Business-type Activities	
	2025	2024
	Land	\$ 594,858
Buildings and improvements	20,343,892	19,624,495
Furniture, fixtures, and equipment	225,998	315,180
Totals	\$ <u>21,164,748</u>	<u>20,534,533</u>

The City continues to support economic development through state programs and the improvement of lands and roads as well as balancing this growth with a substantial investment in open space. In the June 30, 2025, fiscal year, the City invested \$863,986 into land purchases for these programs.

**TABLE 4 - OUTSTANDING DEBT**

**Long-Term Liabilities**

At June 30, 2025, the City had \$45.3 million in long term liabilities versus \$41.2 million last year, an increase of 10.0%, as shown in Table 4.

**TABLE 4 – LONG-TERM LIABILITIES**

	2025	2024
Debt obligations	\$ 18,088,056	19,370,136
Other long-term liabilities	43,788,111	49,359,666
Total long-term liabilities	\$ <u>61,876,167</u>	<u>68,729,802</u>

General obligation bonds and bank notes increased by \$674 thousand as the City uses the General Fund surplus and intergovernmental grants to fund major capital projects to maintain the outstanding



CITY OF DERBY, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

debt. Included in the business-type activities is \$4.5 million in notes payable, which was the State of Connecticut's Clean Water Notes for the construction of the new water pollution control facilities.

Other obligations include accrued vacation pay and sick leave and the state administered pension plan for the police. The claims and judgement incurred the largest increase of \$4.9 million. More detailed information about the City's long-term liabilities is presented in Note 8 to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The City's elected and appointed officials considered many factors when setting the fiscal year 2025-2026 budget tax rates. One of those factors is the economy and the benefits of continual development within the City.

These indicators along with a projected modest inflationary increase were considered when adopting the General Fund budget for 2025-2026.

**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 Director of Finance, City of Derby, 1 Elizabeth Street, Derby, Connecticut, 06418.

**RECEIVED**

*By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:03 pm, Apr 01, 2026*

STATEMENT OF NET POSITION  
June 30, 2025

	Governmental Activities	Business-type Activities	Total*
<b>Assets:</b>			
Cash and cash equivalents	\$ 5,181,392	1,040,031	6,221,423
Investments	7,621,364	3,637,677	11,259,041
Receivables, net	6,083,358	1,711,026	7,794,384
Long-term receivables, net	2,084,273		2,084,273
Inventory	3,983		3,983
Internal balances	230,070	(230,070)	-
Capital assets:			
Capital assets, not being depreciated	7,901,792	594,858	8,496,650
Capital assets, being depreciated, net	77,110,378	20,741,862	97,852,240
<b>Total assets</b>	<b>\$ 106,216,610</b>	<b>27,495,384</b>	<b>133,711,994</b>
<b>Deferred outflows of resources:</b>			
Deferred pension expense	\$ 9,491,681	-	9,491,681
<b>Total deferred outflows of resources</b>	<b>\$ 9,491,681</b>	<b>-</b>	<b>9,491,681</b>
<b>Liabilities:</b>			
Accounts payable and other current liabilities	\$ 2,488,550	912,239	3,400,789
Accrued interest	267,145		267,145
Bond anticipation note	3,000,000		3,000,000
Unearned revenue	3,164,548		3,164,548
Noncurrent liabilities:			
Due within one year	1,347,669	849,203	2,196,872
Due in more than one year	62,770,443	10,946,576	73,717,019
<b>Total liabilities</b>	<b>\$ 73,038,355</b>	<b>12,708,018</b>	<b>85,746,373</b>
<b>Deferred inflows of resources:</b>			
Resources from pension	\$ 19,126,039		19,126,039
Deferred lease payments	2,084,273		2,084,273
Advance tax collections	34,830		34,830
<b>Total deferred inflows of resources</b>	<b>\$ 21,245,142</b>	<b>-</b>	<b>21,245,142</b>
<b>Net position:</b>			
Invested in capital assets, net of related debt	\$ 65,706,782	9,540,941	75,247,723
Restricted for:			
Donor's intentions	2,106,709		2,106,709
Unrestricted	(46,388,697)	5,246,425	(41,142,272)
<b>Total net position</b>	<b>\$ 21,424,794</b>	<b>14,787,366</b>	<b>36,212,160</b>

\* After internal balances have been eliminated

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:03 pm, Apr 01, 2026

The notes to the financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2025

Functions/programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 9,005,559	528,364	8,278		(8,468,917)		(8,468,917)
Public safety	7,758,920	1,153,516	126,506		(6,478,898)		(6,478,898)
Public works	5,796,627	333,314	915,000	418,512	(4,129,801)		(4,129,801)
Health and welfare	454,026				(454,026)		(454,026)
Culture and recreation	1,585,381	81,626	65,572		(1,438,183)		(1,438,183)
Education	40,223,095	251,035	20,602,185		(19,369,875)		(19,369,875)
Interest on long-term debt	833,326				(833,326)		(833,326)
<b>Total governmental activities</b>	<b>\$ 65,656,934</b>	<b>2,347,855</b>	<b>21,717,541</b>	<b>418,512</b>	<b>(41,173,026)</b>	<b>-</b>	<b>(41,173,026)</b>
<b>Business-type activities:</b>							
Water Pollution Control Authority	\$ 4,327,256	3,394,194		1,915,441	-	982,379	982,379
Interest on long-term debt	544,442				-	(544,442)	(544,442)
<b>Total business-type activities</b>	<b>\$ 4,871,698</b>	<b>3,394,194</b>	<b>-</b>	<b>1,915,441</b>	<b>-</b>	<b>437,937</b>	<b>437,937</b>
<b>Total primary government</b>	<b>\$ 70,528,632</b>	<b>5,742,049</b>	<b>21,717,541</b>	<b>2,333,953</b>	<b>(41,173,026)</b>	<b>437,937</b>	<b>(40,735,089)</b>
<b>General revenues and transfers:</b>							
Property taxes					\$ 37,282,097		37,282,097
Grants and contributions not restricted for specific programs					3,758,205		3,758,205
Unrestricted investment earnings					656,558		656,558
Other unrestricted income					825,848	221,501	1,047,349
Transfers							-
<b>Total general revenues and transfers</b>					<b>\$ 42,522,708</b>	<b>221,501</b>	<b>42,744,209</b>
<b>Change in net position</b>					<b>\$ 1,349,682</b>	<b>659,438</b>	<b>2,009,120</b>
<b>Net position, beginning</b>					<b>19,701,006</b>	<b>14,127,928</b>	<b>33,828,934</b>
<b>Prior period adjustment</b>					<b>374,106</b>		<b>374,106</b>
<b>Net position, beginning, restated</b>					<b>\$ 20,075,112</b>	<b>14,127,928</b>	<b>34,203,040</b>
<b>Net position, ended</b>					<b>\$ 21,424,794</b>	<b>14,787,366</b>	<b>36,212,160</b>

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:03 pm, Apr 01, 2026

The notes to the financial statements are an integral part of this statement.

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2025

	General	Silo Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,992,027	1,626,324	1,563,041	5,181,392
Investments	6,324,077		1,297,287	7,621,364
Receivables, net	5,648,200		435,158	6,083,358
Due from other funds	795,923	1,220	187,078	984,221
Inventories			3,983	3,983
Prepaid expenses				-
<b>Total assets</b>	<u>\$ 14,760,227</u>	<u>1,627,544</u>	<u>3,486,547</u>	<u>19,874,318</u>
<b>Liabilities:</b>				
Accounts and other payables	\$ 2,099,959	151	388,440	2,488,550
Payments in advance		3,000,000		3,000,000
Deferred revenue	2,826,380		338,168	3,164,548
Due to other funds	110,738	135,505	507,908	754,151
<b>Total liabilities</b>	<u>\$ 5,037,077</u>	<u>3,135,656</u>	<u>1,234,516</u>	<u>9,407,249</u>
<b>Deferred inflows of resources:</b>				
Unavailable receipts	\$ 2,555,008			2,555,008
Tax payments in advance	34,830			34,830
<b>Total deferred inflows of resources</b>	<u>\$ 2,589,838</u>	<u>-</u>	<u>-</u>	<u>2,589,838</u>
<b>Fund balances:</b>				
Nonspendable	\$ -		3,983	3,983
Restricted for:				
Donor's intentions		166,905	2,051,390	2,218,295
Committed for:				
Specific use			320,877	320,877
Unassigned	7,133,312	(1,675,017)	(124,219)	5,334,076
<b>Total fund balances</b>	<u>\$ 7,133,312</u>	<u>(1,508,112)</u>	<u>2,252,031</u>	<u>7,877,231</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 14,760,227</u>	<u>1,627,544</u>	<u>3,486,547</u>	

Amounts reported for governmental activities in the Statement of Net Position (**Exhibit A**) are different because:

<b>Capital assets</b> used in the governmental activities are not financial resources, and therefore, are not reported in the funds.	85,012,170
<b>Other long-term assets, deferred inflows and outflows</b> are not available to pay for current period expenditures, and therefore, are deferred in the funds.	(7,079,349)
<b>Long-term liabilities</b> , including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds.	<u>(64,385,258)</u>
Net position of governmental activities ( <b>Exhibit A</b> )	<u>\$ 21,424,794</u>

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:03 pm, Apr 01, 2026

The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2025

	General	Silo Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property taxes and assessments	\$ 37,069,389			37,069,389
Intergovernmental	17,607,323		8,378,529	25,985,852
Charges for services	2,059,477	29,679	446,753	2,535,909
Investment income	529,683		126,875	656,558
Miscellaneous	604,763		60,279	665,042
<b>Total revenues</b>	<b>\$ 57,870,635</b>	<b>29,679</b>	<b>9,012,436</b>	<b>66,912,750</b>
<b>Expenditures:</b>				
Current:				
General government	\$ 9,007,418		103,999	9,111,417
Public safety	7,555,840		78,204	7,634,044
Public works	5,326,969			5,326,969
Culture and recreation	1,237,587		96,785	1,334,372
Public health	454,026			454,026
Education	30,747,905		8,627,338	39,375,243
Other	119,817			119,817
Capital outlay	402,554	366,101		768,655
Debt service	1,883,342			1,883,342
<b>Total expenditures</b>	<b>\$ 56,735,458</b>	<b>366,101</b>	<b>8,906,326</b>	<b>66,007,885</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 1,135,177</b>	<b>(336,422)</b>	<b>106,110</b>	<b>904,865</b>
<b>Other financing sources (uses):</b>				
Transfer from other funds	\$		50,000	50,000
Transfer (to) other funds			(50,000)	(50,000)
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>\$ 1,135,177</b>	<b>(336,422)</b>	<b>106,110</b>	<b>904,865</b>
<b>Fund balances (deficits) - beginning</b>	<b>4,425,021</b>	<b>(1,171,690)</b>	<b>2,145,921</b>	<b>5,399,252</b>
<b>Prior period adjustment</b>	<b>\$ 1,573,114</b>	<b>-</b>	<b>-</b>	<b>1,573,114</b>
<b>Fund balances (deficits) - beginning, restated</b>	<b>\$ 5,998,135</b>	<b>(1,171,690)</b>	<b>2,145,921</b>	<b>6,972,366</b>
<b>Fund balances (deficits) - ended</b>	<b>\$ 7,133,312</b>	<b>(1,508,112)</b>	<b>2,252,031</b>	<b>7,877,231</b>

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:03 pm, Apr 01, 2026

The notes to the financial statements are an integral part of this statement.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2025

---

Differences in amounts reported for government-wide activities in the Statement of Activities are due to:

Net change in fund balances - total governmental funds ( <b>Exhibit D</b> )	\$ 904,865
Governmental funds report <b>capital outlays</b> as expenditures; however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(1,497,943)
<b>Noncurrent assets</b> previously recognized in the Statement of Activities that provided current financial resources in the current year.	212,710
The issuance of <b>long-term debt</b> (e.g., bonds, leases) provide 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, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>1,730,050</u>
Change in net position of governmental activities ( <b>Exhibit B</b> )	<u>\$ 1,349,682</u>



The notes to the financial statements are an integral part of this statement.

STATEMENT OF NET FUND POSITION  
 PROPRIETARY FUNDS  
 June 30, 2025

	Business-type Activities	
	Water Pollution Control	Parking Authority
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 1,040,031	
Investments	3,637,677	
Receivables, net of allowance	1,711,026	
Due from other funds	1,473	
<b>Total current assets</b>	<u>\$ 6,390,207</u>	<u>-</u>
<b>Noncurrent assets:</b>		
Capital assets, not being depreciated	\$ 212,500	382,358
Capital assets, net of accumulated depreciation	20,569,891	171,971
<b>Total noncurrent assets</b>	<u>\$ 20,782,391</u>	<u>554,329</u>
<b>Total assets</b>	<u>\$ 27,172,598</u>	<u>554,329</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 581,005	
Due to other funds	231,543	
Notes payable - current	849,203	
<b>Total current liabilities</b>	<u>\$ 1,661,751</u>	<u>-</u>
<b>Noncurrent liabilities:</b>		
Claims incurred, but not reported	\$ 331,234	
Notes payable, less current portion	10,946,576	
<b>Total noncurrent liabilities</b>	<u>\$ 11,277,810</u>	<u>-</u>
<b>Total liabilities</b>	<u>\$ 12,939,561</u>	<u>-</u>
<b>Net fund position:</b>		
Invested in capital assets, net of related debt	\$ 8,986,612	554,329
Unrestricted	5,246,425	
<b>Total net fund position</b>	<u>\$ 14,233,037</u>	<u>554,329</u>

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:03 pm, Apr 01, 2026

The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET FUND POSITION (DEFICIT)  
 PROPRIETARY FUNDS  
 For the Year Ended June 30, 2025

	Business-type Activities	
	Water Pollution Control	Parking Authority
<b>Operating revenues:</b>		
Charges for services	\$ 3,032,116	
Interest and lien fees	362,078	
Other	9,929	
<b>Total operating revenues</b>	<u>\$ 3,404,123</u>	<u>-</u>
<b>Operating expenses:</b>		
Salaries and benefits	\$ 1,804,865	
Maintenance and supplies	441,199	
Utilities	181,041	
Depreciation	1,277,607	
Administration and operation	622,544	
<b>Total operating expenses</b>	<u>\$ 4,327,256</u>	<u>-</u>
<b>Operating income (loss)</b>	<u>\$ (923,133)</u>	<u>-</u>
<b>Nonoperating revenues (expenses):</b>		
Capital Income	\$ 1,915,441	
Interest Income	211,574	
Interest expense	(544,442)	
<b>Total nonoperating revenues (expenses)</b>	<u>\$ 1,582,573</u>	<u>-</u>
<b>Change in net fund position</b>	<u>\$ 659,440</u>	<u>-</u>
<b>Net fund position (deficit), beginning</b>	<u>13,573,597</u>	<u>554,329</u>
<b>Net fund position (deficit), ended</b>	<u>\$ 14,233,037</u>	<u>554,329</u>

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:03 pm, Apr 01, 2026

The notes to the financial statements are an integral part of this statement.

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended June 30, 2025

	Business-type Activities	
	Water Pollution Control	Parking Authority
<b>Cash flows from operating activities:</b>		
Receipts from customers and users	\$ 3,751,639	
Payments to suppliers	(1,227,628)	
Payments to employees and benefits	(1,473,631)	
<b>Net cash flows provided by (used in) operating activities</b>	<u>\$ 1,050,380</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>		
Capital fees	\$ 1,915,441	
Purchase of capital assets	(2,079,795)	
Principal payments on capital debt	(2,847,414)	
Interest paid on capital debt	(544,442)	
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>\$ (3,556,210)</u>	<u>-</u>
<b>Cash flows from noncapital and related financing activities:</b>		
Transfer in and payments made through governmental activities	\$ (814,381)	
<b>Net cash provided by (used in) noncapital and related financing activities</b>	<u>\$ (814,381)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>		
Transfer to investments	\$ (3,637,677)	
Gain (loss) on investments	211,574	
<b>Net cash provided by (used in) investing activities</b>	<u>\$ (3,426,103)</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>\$ (6,746,314)</u>	<u>-</u>
<b>Cash and cash equivalents, beginning</b>	<u>7,786,345</u>	<u>-</u>
<b>Cash and cash equivalents, ended</b>	<u>\$ 1,040,031</u>	<u>-</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>		
Operating income (loss)	\$ (923,133)	-
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	1,277,607	
Changes in assets and liabilities:		
Decrease (increase) in receivable accounts	347,516	
Increase (decrease) in accounts payable	17,156	
Increase (decrease) in payments in advance		
Increase (decrease) in claims incurred but not reported	<u>331,234</u>	
<b>Net cash flows from operating activities</b>	<u>\$ 1,050,380</u>	<u>-</u>

The notes to the financial statements are an integral part of this statement.

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:03 pm, Apr 01, 2026

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 June 30, 2025

---

	Pension Trust Fund
<b>Assets:</b>	
Cash and cash equivalents	\$ 348,631
Investments, fair value	<u>21,040,660</u>
<b>Total assets</b>	<u>\$ 21,389,291</u>
<b>Liabilities:</b>	
Due to other funds	\$ -
<b>Total liabilities</b>	<u>\$ -</u>
<b>Net position:</b>	
Held in trust for benefits and other purposes	<u>\$ 21,389,291</u>

The notes to the financial statements are an integral part of this statement.



STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2025

---

	<u>Pension Trust Fund</u>
<b>Additions:</b>	
<b>Contributions:</b>	
Employer contributions	\$ 1,000,000
Employee contributions	110,981
<b>Total contributions</b>	<u>\$ 1,110,981</u>
<b>Investment earnings:</b>	
Net gain (loss) on investments	\$ 1,752,162
Interest and dividends	344,936
less: investment expenses	(18,476)
<b>Total investment earnings</b>	<u>\$ 2,078,622</u>
<b>Total additions</b>	<u>\$ 3,189,603</u>
<b>Deductions:</b>	
Benefits to participants	\$ 1,366,491
<b>Total deductions</b>	<u>\$ 1,366,491</u>
<b>Change in net position</b>	\$ 1,823,112
<b>Net position, beginning</b>	<u>19,566,179</u>
<b>Net position, ended</b>	<u>\$ 21,389,291</u>

The notes to the financial statements are an integral part of this statement.

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:03 pm, Apr 01, 2026

**CITY OF DERBY, CONNECTICUT**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025

---

**Note 1 - Summary of Significant Accounting Policies**Reporting entity

The City of Derby, Connecticut, operates under a Mayor/Board of Alderman and Board of Apportionment and Taxation form of Government and provides services as authorized by its Charter including police and fire protection, education services, recreation and parks, health and welfare services and general administrative services.

The City provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning, and general administrative services to its residents.

Measurement focus, basis of accounting and financial statement presentation

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting board for governmental accounting financial reporting principles. These principles require that the City report government-wide and fund financial statements, which are described below.

**Government-wide financial statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the non-fiduciary activities of the primary government. *Government activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately than *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 of, 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*.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are proprietary fund and fiduciary fund financial statements. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of inter-fund activity, or internal balances, has been eliminated from government-wide financial statements. Exceptions to this rule are the charges between the business-type funds and the various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

---

**Fund financial statements**

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

The 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. Expenditures are generally recorded when a liability has occurred, as under accrual accounting. However, expenditures related to long-term liabilities, such as debt service payments and compensated absences, are recorded only when payment is due.

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real estate taxes are payable in two installments (July 1 and January 1). Personal property taxes are payable annually (July 1) and motor vehicle taxes are due in one single payment on July 1. Liens are filed on delinquent real estate taxes within one year. Revenues from property taxes are recognized when they become available. Available means due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers property tax revenue to be available if it is collected within 60 days of the end of the fiscal year.

Those revenues susceptible to accrual are property taxes, special assessments, and interest revenue. Fines, permits, and charges for services are not susceptible to accrual because generally they are not measurable until received in cash.

Intergovernmental revenues, grants, and similar items are recognized as soon as all eligible requirements imposed by the provider have been met and are collected soon enough to pay liabilities of the current period. For this purpose, grants may be recognized and received after 60 days of the fiscal year end.

When both restricted and unrestricted resources are available for use, it is the City's policy to use the restricted resources first, then then the unrestricted resources as needed.

The City reports the following major governmental funds:

The **general fund** is the general operating fund of the City's government. All unrestricted resources, except those required to be accounted for in another fund, are accounted for in this fund. From this fund are paid general operating expenditures, fixed charges, principal and interest on long-term debt, and capital improvement costs of the City, which were not paid through a special fund.

The **silo fund** is used to account for varies restricted funds as well as bonded capital projects.

**CITY OF DERBY, CONNECTICUT**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

---

The City reports on the following major proprietary funds:

The **Water Pollution Control Authority (W.P.C.A.)** accounts for the operations of the City's wastewater treatment system. The City operates its own sewage treatment plant, sewage pumping stations, and collection system. Its operations are financed from direct charges to the users of the service.

Additionally, the City reports the following fund types:

The **pension trust fund** accounts for the activities of the City's Public Employee Retirement System defined benefit pension plans, which accumulate resources for pension benefit payments to qualified employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and the enterprise funds reported in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their government-wide and propriety fund financial statements subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise and internal service funds include the cost of operations and maintenance, provisions for doubtful accounts, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Assets, liabilities and net assets or equity****Cash and cash equivalents**

The City considers cash on hand, deposits, and short-term investments, with an original maturity of three months or less, to be cash and cash equivalents.

**Investments**

Investments are stated at fair value using quoted market prices.

**Inventories**

Inventories are stated at the lower of cost or market using the consumption method on the first-in, first-out basis for governmental fund types.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

---

**Receivables and payables**

Activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (current portion of interfund loans) or “advances to/from other funds” (noncurrent portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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

All trade and property tax receivables, including those for W.P.C.A. funds, are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts is estimated based on the inherent risk associated with the accounts.

**Capital assets**

Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$20,000 and an estimated useful life in excess of two years.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the net assets 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 the business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Asset</u>	<u>Years</u>
Buildings and improvements	25-50
Infrastructure	10-65
Machinery and equipment	5-20

Capital assets are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

---

**Leases and similar subscription-based information technology arrangement.**

The City is the lessee for non-cancellable leases of equipment and property. The City is also a buyer of cancellable subscription information technology arrangements (similar to a lease) for the right-to-use information technology hardware and software (SBITAs). The City has recognized intangible right-to-use lease assets (lease assets) and Subscription IT assets in the financial statements. The City recognizes lease and SBIT liabilities with an initial, individual value of \$5,000 or more.

The lease assets are measured at the start of the lease as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

At subscription commencement, the City initially measures the subscription IT liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription IT liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription IT liability, less subscription payments made at or before the subscription commencement date, less any vendor incentives received at or before the subscription commencement date, plus the capitalizable implementation costs. Subsequently, the subscription IT asset is amortized into right-to-use amortization expense on a straight-line basis over the shorter of the subscription term or the useful life of the underlying hardware or software.

Lease and SBITA assets are reported with capital assets on the Statement of Net Position.

**Deferred outflows/inflows of resources**

The Statement of Net Position (Exhibit A) reports a separate section for deferred outflows of resources. This separate financial element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until a future period. The City reports borrowing costs as well as a deferred charge on refunding as a result from the differences in the carrying value of the refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the related debt. A deferred outflow of resources related to pension and other post-employment benefits other than pension ("OPEB") results from differences between expected and actual experience and earnings, changes in proportionate share, and other factors. These amounts are deferred and will be included as pension expenses in a systematic and rational manner.

The Statement of Net Position (Exhibit A) and the Balance Sheet for the government funds (Exhibit C) report a separate section for deferred inflows of resources. This separate financial element represents the addition of net position or fund balance that applies to a future period and will not be recognized as revenue until that time. The City reports advance tax collections in the Statement of Net Position and the Balance Sheet for the government funds. If applicable, the City reports a deferred inflow of resources related to pensions in the Statement of Net Position.

A deferred inflow of resources related to pension and OPEB can result from differences between expected and actual experience and other inputs. These amounts are deferred and will be included in pension expenses in a systematic and rational manner, if applicable. The government funds report unavailable revenue, which arises only under the modified accrual basis of accounting because it does not meet the measurable and available criteria for recognition in the current period.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

---

**Compensated absences**

Under the terms of its various union contracts, City and Board of Education employees are granted vacation and sick time in varying amounts based on length of service. Certain employees may also carry over a limited number of unused vacation days to subsequent years based on the terms of an employment or union contract. In the event of termination, these employees are reimbursed for accumulated vacation. The City recognizes liability in the government-wide financial statements for the vested portion, as well as the unvested portion to the extent expected to be paid, as compensated absences.

**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.

**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.

**Long-term obligations**

In the government-wide financial statements and proprietary fund types in 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the terms of the related debt.

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 the debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF DERBY, CONNECTICUT**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

---

**LEASES** — The City determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position. Lease assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, and less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the City.

**Fund equity and net position**

In the government-wide financial statements, net position is classified in the following categories:

***Investment in capital assets, net of related debt*** - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

The ***restricted net position*** represents amounts of external restrictions imposed by creditors, grantors, contributors, and laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The ***unrestricted net position*** represents the net position of the City which is not restricted for any project or other purpose.

In the fund financial statements, fund balances of governmental funds are classified into five separate categories. The five categories and their general meanings are as follows:

The ***nonspendable*** are those net assets that are not in expendable form or are legally or contractually required to be maintained.

The ***restricted fund balances*** are defined in the same manner as for the restricted government-wide net assets.

***Committed fund balances*** are those balances that can only be used for a specific purpose as a result of constraints imposed by formal action of the government's highest level of decision-making authority. For the City of Derby, which was considered to be the Board of Aldermen.

***Assigned fund balances*** are amounts that are contained by the government's intent to be used for a specific purpose.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

---

**Unassigned fund balance** is defined as the residual classification for the general fund and includes those remaining balances that cannot be categorized in the above four categories.

**Fair value of financial instruments**

In accordance with GASB 72, the City is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

**Level 1:** Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

**Level 2:** Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets;
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the assets or liabilities;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

**Level 3:** Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

*Observable inputs* reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. Investments are carried at fair value based on quoted market prices and are presented in Note 4.

**Note 2 - Budgets and Budgetary Accounting**

The City establishes its budget in accordance with provisions of the Connecticut General Statutes and its Charter. The Charter requires that the Board of Apportionment and Taxation shall lay such taxes as may be required upon the Grand List of the City, which shall have been made according to law, next before the laying of such tax. Each board of the City government and each officer of the City under whose control money is expended shall, on or before the first day of April of each year, submit to said Board an estimate of the amount of money required by such board or such officer for the next ensuing year, giving details as far as practicable. The Board of Apportionment and Taxation, at a meeting thereof to be held in May of each year, shall prepare an estimate of the amounts required by each department of the City government for the ensuing year, giving particulars as far as possible and recommending appropriations for all these expenditures for said year and shall cause such estimates forthwith to be published in a newspaper published in New Haven County and having a circulation in said City. The Board of Apportionment and Taxation shall hold a meeting in May in each year, and may adjourn the same from time to time to a day not later than the last business day of May and at said meeting, or any adjournment thereof, it shall hear all parties who may desire to be heard relative to any alterations in such estimates and appropriations, and may make any alterations in such estimates and appropriations and may make such additional appropriations as it shall deem proper.

**CITY OF DERBY, CONNECTICUT**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

The Board of Apportionment and Taxation, having made such alterations as it may determine, shall prepare a statement of appropriations and tax rates which it proposes to make and levy, and cause the same to be published in a newspaper published in New Haven County and having a circulation in said City, not later than three days after the last business day in May in said year.

The Board of Apportionment and Taxation is authorized to make appropriations and lay taxes for all City purposes and for all other purposes required by law and may fix the time when any tax laid by it shall become due and payable. The budget for the current year was adopted by the Board of Apportionment and Taxation and transfers and supplemental appropriations were approved during the year in accordance with provisions of the Connecticut General Statutes and the Charter of the City of Derby. Annual budgets are prepared and employed for management control for the General Fund. Appropriations typically lapse at year end, except appropriations for capital projects which continue until completion of the project.

The level of control for the General Fund is the legally adopted budget at the department/major activity level which is authorized by Charter. The level of control for Capital Projects Funds is the appropriation at the project level. Total expenditures cannot exceed total appropriations at the department/major activity level or the project authorization over the length of the project.

The City's formal budgeting system is employed as a management control device only for the General Fund and requires accounting for certain transactions to be on a basis other than generally accepted accounting principles (GAAP) basis. The General Fund budget is prepared on budgetary basis of accounting. The major differences between the budget and GAAP basis are the requirement of the City to report on behalf contributions made by the State of Connecticut to the Connecticut Teacher's Retirement System and State Teacher's OPEB, whereas on a budgetary basis these on-behalf payments are not reflected as expenditures and the recording of revenue as the reduction of expenses. A reconciliation between the accounting treatment for these items (the combined Statements of Revenues, Expenditures, and Changes in Fund Balance), and the budgetary basis (the Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-General Fund) is as follows:

	<u>Revenues</u>	<u>Expenditures and Encumbrances</u>
<b>Balance, budgetary basis</b>	\$ 53,611,792	52,476,615
<b>State Teachers' Retirement</b> "on-behalf" payment, not recognized for budgetary purposes	4,949,360	4,949,360
In accordance with State Statutes, the City's Board of Education recognizes the following receipts net of expenses for budgetary purposes:		
<b>Excess costs grants</b>	784,298	784,298
<b>Health insurance premiums</b> withheld from employees and recorded as revenues for budgetary purposes	<u>(1,474,815)</u>	<u>(1,474,815)</u>
<b>Balance, GAAP basis</b>	<u>\$ 57,870,635</u>	<u>56,735,458</u>

**CITY OF DERBY, CONNECTICUT**

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

Special revenue funds

The City does not have legally adopted annual budgets for the special revenue funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets carry over until completion of the grants, and therefore, may comprise more than one fiscal year.

Capital projects funds

Legal authorization for expenditures of the capital projects funds is provided by the related bond ordinances and/or intergovernmental grant agreements or Connecticut State Statutes. Capital appropriations do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned.

**Note 3 - Reconciliation of Government-Wide and Financial Fund Statements**

Explanation of certain differences between the government fund Balance Sheet and the government-wide Statement of Net Position

The details of the components included in Exhibit C are as follows:

**Capitalized assets** are expensed in the fund financial statements in the period the expense is incurred while the expense is incurred over the useful life of the related asset in the government-wide financial statements:

Land	\$	7,901,792
Net capital assets being depreciated		<u>77,110,378</u>
Net adjustment to increase fund balance to arrive at net position of government activities	\$	<u>85,012,170</u>

**Long-term liabilities**, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds. The detail of this difference is as follows:

Long-term debt	\$	(18,052,974)
Deferred bond premium		(950,186)
Accrued interest on debt		(267,146)
Lease liabilities		(35,082)
Compensated absences		(3,874,784)
WC Incurred but not reported		(1,385,820)
Net obligations on retirement plans		(12,331,035)
Net obligations on other post-employment benefits		(27,310,568)
Post-closure landfill obligations		<u>(177,663)</u>
Net adjustment to reduce fund balance to arrive at net position of government activities	\$	<u>(64,385,258)</u>

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

**Other long-term assets, deferred outflows, and deferred inflows** are not available to pay for current period expenditures, and therefore, are deferred in the funds. This amount includes the following:

Delinquent property tax and interest	\$ 2,555,007
Deferred outflows (inflows) related to pension and OPEB	<u>(9,634,358)</u>
Net adjustment to increase fund balance to arrive at net position of government activities	\$ <u>(7,079,349)</u>

Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Acquisitions	\$ 1,953,691
Depreciation	<u>(3,451,634)</u>
Net adjustment to increase net changes in fund balances to arrive at changes in net position of governmental activities	\$ <u>(1,497,943)</u>

Another element of that reconciliation states that "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, however, 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 deferred and amortized in the Statement of Activities." The details of this difference are as follows:

Payments of debt	\$ 1,482,019
Amortization of bond premium	108,951
Net change in net obligation on retirement plans	(71,953)
Net change in net obligation on OPEB plans	(235,498)
Accrued interest	(267,146)
Net change in insurance reserves	(186,813)
Net change in compensated absences	881,610
Net change in landfill obligation	<u>18,880</u>
Net adjustment to reduce net changes in fund balances to arrive at changes in net position of governmental activities	\$ <u>1,730,050</u>

**CITY OF DERBY, CONNECTICUT**

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

Other long-term assets, deferred outflows, and deferred inflows previously recognized in the State of Activities that provided current financial resources in the current fiscal year:

Net adjustment to increase net changes in fund balances to arrive at changes in net position of governmental activities	\$ <u>212,710</u>
	\$ <u>212,710</u>

**Note 4 - Deposits and Investments**

The City's deposits and investments are presented in the accompanying balance sheets as follows:

	<u>Deposit</u>	<u>Investments</u>	<u>Total</u>
<b>Cash and cash equivalents:</b>			
Governmental activities	\$ 5,181,392		5,181,392
Business-type activities	1,040,031		1,040,031
Fiduciary	348,631		348,631
<b>Investments:</b>			
Governmental activities		7,621,364	7,621,364
Business-type activities		3,637,677	3,637,677
Fiduciary		21,040,660	21,040,660
<b>Total deposits and investments</b>	<b>\$ <u>6,570,054</u></b>	<b><u>32,299,701</u></b>	<b><u>38,869,755</u></b>

**Custodial credit risk**

As of June 30, 2025, the carrying amount of the City's deposits had bank balances of approximately \$. The amount of the bank balance covered under federal depository insurance was approximately \$750,000. The remaining deposits were uninsured; however, provisions of the Connecticut General Statutes provide for protection against loss in excess of deposit insurance by requiring all qualified public depositories to maintain segregated collateral for public deposits. As of June 30, 2025, approximately \$700,000 of uninsured deposits were collateralized under the provision.

Investments

As of June 30, 2025, the City held the following investments:

<u>Investment Type</u>	<u>Fund</u>	<u>Fair Value (Level 1 hierarchy)</u>	<u>Weighted Average to Maturity (years)</u>	<u>Risk</u>
State Investment Fund	General Fund	\$ 6,324,077	.2	N/A
State Investment Fund	W.P.C.A.	3,637,677	.2	N/A
Mutual Funds	Library	1,297,287	.2	N/A
Money Market	Pension	916,623	.2	N/A
Mutual Funds	Pension	3,051,779	.2	N/A
Common Stocks	Pension	13,281,188	.2	N/A
Alternative Investments	Pension	<u>3,791,070</u>	.2	N/A
<b>Total investments</b>		<b>\$ <u>32,299,701</u></b>		

**CITY OF DERBY, CONNECTICUT**

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

**Interest rate risk**

The interest rate risk is the risk that changes in the market interest rates which will adversely affect the fair value of an investment. The City has no formal policy specifically related to interest rate risk. The City minimizes its exposure to interest rate risk by investing its operating funds in short-term investments.

**Credit risk**

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the City’s policy to invest only in securities that meet the ratings requirements set by General State Statute Chapter 112, Section 7-400, which is described below in the Investment policies of the City.

**Investment policies**

The City maintains an investment policy, which excludes certain private purpose fund investments. The City’s investment policy strictly prohibits all funds to invest in investments not included in Chapter 12, Section 7-400 of the State of Connecticut’s General Statutes, which permits municipalities to invest in (a) obligations of the United States and its agencies, (b) highly rated obligations of any state of the United States or of any political subdivision, authority of agency thereof, and (c) shares of interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligation. Other provisions of the Statutes regarding the investment of such funds are generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

**Note 5 - Receivables, Deferred Revenue and Payables**

Receivables

The receivables as of June 30, 2025, for the City’s individual major funds and non-major, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	Government Activities		
	General Fund	Non-major Funds	Total
Property taxes and interest	\$ 2,581,966		2,581,966
Blight receivables	2,661,068		2,661,068
Intergovernmental	435,000	435,158	870,158
Accounts	190,166		190,166
Allowance for delinquent accounts	(220,000)		(220,000)
<b>Total net receivables</b>	<b>\$ 5,648,200</b>	<b>435,158</b>	<b>6,083,358</b>

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

The business-type activities receivable was as follows:

	<u>W.P.C.A.</u>
Accounts	\$ 811,813
Capital Fees	535,263
Interest and lien fees	483,950
Allowance for doubtful accounts	<u>(120,000)</u>
<b>Total net receivables</b>	<b>\$ <u>1,711,026</u></b>

Payments unavailable and unearned

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities in the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the fiscal year the components of deferred revenue and unearned revenues reported in the governmental fund were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
<b>General fund:</b>		
Delinquent property taxes and interest	\$ 2,555,008	
Delinquent accounts	2,661,068	
Advanced payment of taxes		34,539
Other advanced payments		165,603
<b>Other governmental funds:</b>		
Grants paid in advance		<u>338,168</u>
<b>Total unavailable &amp; unearned revenue</b>	<b>\$ <u>5,216,076</u></b>	<b><u>538,310</u></b>

Payables

Payables as of June 30, 2025, for the City's individual major funds and non-major funds were as follows:

	<u>Vendors</u>	<u>Payroll</u>	<u>Total</u>
General fund	\$ 2,036,308	63,651	2,099,959
Silo Funds	151		151
Non-major funds	<u>388,440</u>		<u>388,440</u>
<b>Total governmental funds</b>	<b>\$ 2,424,899</b>	<b>63,651</b>	<b>2,488,550</b>
W.P.C.A.	<u>912,239</u>		<u>912,239</u>
Total payables	<b>\$ <u>3,337,138</u></b>	<b><u>63,651</u></b>	<b><u>3,400,789</u></b>

**CITY OF DERBY, CONNECTICUT**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued**Note 6 - Inter-fund Receivables, Payables and Transfers**Inter-funds receivables and payables

Inter-fund receivables and payables at June 30, 2025, consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Silo Fund	\$ 135,505
General fund	Nonmajor – Capital Projects	151,736
General fund	Nonmajor – Special Revenue	274,653
General fund	W.P.C.A.	231,543
Silo Fund	W.P.C.A.	1,474
Nonmajor – Special Revenue	Silo Fund	1,220
Nonmajor – Special Revenue	Nonmajor – Special Revenue	81,519
Nonmajor – Capital projects	General fund	106,779
	Total	<u>\$ 984,429</u>

Inter-fund transfers

The following inter-fund payments were also made:

- The Blight Fund subsidized \$50,000 for a school playground in the education activities.

**CITY OF DERBY, CONNECTICUT**

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:04 pm, Apr 01, 2026

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2025, Continued

**Note 7 - Capital Assets**

Capital assets activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 6,551,792	1,350,000		7,901,792
Total capital assets not being deprec.	<u>\$ 6,551,792</u>	<u>1,350,000</u>	<u>-</u>	<u>7,901,792</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 89,494,898	313,622		89,808,520
Machinery and equipment	15,485,883	287,510		15,773,393
Infrastructure	40,154,862			40,154,862
Total capital assets being deprec.	<u>\$ 145,135,643</u>	<u>601,132</u>	<u>-</u>	<u>145,736,775</u>
Less: accumulated depreciation:				
Buildings and improvements	\$ 31,141,058	1,981,905		33,122,963
Machinery and equipment	13,137,654	449,689		13,587,343
Infrastructure	20,898,610	1,020,039		21,918,649
Total accumulated depreciation	<u>\$ 65,177,322</u>	<u>3,451,633</u>	<u>-</u>	<u>68,628,955</u>
Intangible right to assets				
Assets	\$ 192,719		2,930	189,789
Subscription-based IT assets	56,876		56,876	
Total Intangible right to assets	<u>\$ 249,595</u>	<u>-</u>	<u>59,806</u>	<u>189,789</u>
Less accumulated amortization				
Assets	185,040	5,121	2,930	187,231
Subscription-based IT assets	56,876		56,876	
Total accumulated depreciation	<u>\$ 241,916</u>	<u>5,121</u>	<u>59,806</u>	<u>187,231</u>
<b>Net capital assets being depreciated/amortized</b>	<u>\$ 79,966,000</u>	<u>(2,855,622)</u>	<u>-</u>	<u>77,110,378</u>
<b>Total capital assets, governmental</b>	<u>\$ 86,517,792</u>	<u>(1,505,622)</u>	<u>-</u>	<u>85,012,170</u>

Depreciation and amortization expense was charged to functions of the primary government as follows:

<b>Governmental activities:</b>	
General government	\$ 1,135,451
Education	1,444,457
Public works	305,795
Public safety	320,041
Culture and recreation	251,010
<b>Total depreciation/amortization expense governmental activities</b>	<u>\$ 3,456,754</u>

**CITY OF DERBY, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2025, Continued

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 594,858	-	-	594,858
Capital assets being depreciated:				
Buildings and improvements	\$ 33,445,809	2,079,793		35,525,602
Sewers	2,230,570			2,230,570
Total capital assets being depreciated	\$ 35,676,379	2,079,793	-	37,756,172
Less: accumulated depreciation:				
Buildings and improvements	\$ 13,821,314	1,195,316		15,016,630
Sewers	1,915,390	82,291		1,997,681
Total accumulated depreciation	\$ 15,736,704	1,277,607	-	17,014,311
<b>Net capital assets being depreciated</b>	<b>\$ 19,939,675</b>	<b>802,186</b>	<b>-</b>	<b>20,741,861</b>
<b>Total capital assets, business-type</b>	<b>\$ 20,534,533</b>	<b>802,186</b>	<b>-</b>	<b>21,336,719</b>

**Note 8 - Long-Term Liabilities**

Long-term liabilities activity for the year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Due In One Year</u>
<b>Governmental activities:</b>					
Long-term debt:					
General obligation bonds	\$ 14,745,000		1,070,000	13,675,000	1,050,000
Notes Payable	4,625,136		247,162	4,377,974	264,847
Capital Lease	200,053		167,228	32,825	32,823
Lease Payable	7,565		5,306	2,259	2,259
Bond Premium	1,059,137		108,951	950,186	
Other long-term liabilities:					
Net pension obligation	12,839,940		508,905	12,331,035	
OPEB Obligation	30,300,035		2,989,467	27,310,568	
Compensated absences	4,756,394		881,610	3,874,784	
Landfill Post-Closure	196,542		18,879	177,663	
WC Incurred but not reported	1,199,008	186,812		1,385,820	
Total governmental activities long-term liabilities	\$ 69,928,810	186,812	5,997,508	64,118,114	1,347,670
<b>Business-type activities:</b>					
General obligation bonds	\$ 12,560,000		810,000	11,750,000	810,000
Capital Leases	83,612		37,517	46,095	39,113
WC Incurred but not reported		331,234		331,234	
Total business-type activities long-term liabilities	\$ 12,643,612		847,517	11,796,095	849,113
	\$ 82,572,422	518,046	6,845,025	75,914,209	2,196,783

**CITY OF DERBY, CONNECTICUT**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, ContinuedGeneral obligation bonds**Government Activities**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities and are direct obligations and pledge the good faith and credit of the government. Certain general obligation bonds are to be repaid by revenues of the enterprise funds. These bonds generally are issued as 5 year and 10-year serial bonds with equal amounts of principal maturing each year. As of June 30, 2025, the outstanding general obligation bonded indebtedness of the City was as follows:

	Issue Date	Interest Rate (%)	Original Balance	Balance Outstanding June 30, 2025
G.O Bond Refunding	2015	2.00-5.00	\$ 12,460,000	2,130,000
General obligation	2018	3.125-5.00	12,580,000	\$ 2,090,000
G.O Tax exempt, series A	2019	3.00-5.00	11,005,000	2,180,000
G.O Taxable, series B	2019	2.05-3.10	11,690,000	<u>7,275,000</u>
			Total general obligation bonds	\$ <u>13,675,000</u>

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

Year Ended, June 30	Governmental Activity	
	Principal	Interest
2026	\$ 1,050,000	401,201
2027	1,030,000	376,246
2028	1,010,000	350,751
2029	990,000	325,004
2030	970,000	299,281
2031-2035	4,600,000	1,067,313
2036-2040	<u>4,025,000</u>	<u>313,114</u>
<b>Total</b>	\$ <u>13,675,000</u>	<u>3,132,910</u>

**CITY OF DERBY, CONNECTICUT**

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

**Business-Type Activities**

	Issue Date	Interest Rate (%)	Original Balance	Balance Outstanding June 30, 2025
General obligation	2018	3.125-5.00	12,580,000	\$ 5,150,000
G.O. Tax exempt, series A	2019	3.00-5.00	11,005,000	6,600,000
				\$ <u>11,750,000</u>

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

Year Ended, June 30	Governmental Activity	
	Principal	Interest
2026	\$ 810,000	442,825
2027	810,000	409,725
2028	810,000	376,625
2029	810,000	343,294
2030	810,000	309,500
2031-2035	4,040,000	1,048,444
2036-2040	<u>3,660,000</u>	<u>284,000</u>
<b>Total</b>	<u>11,750,000</u>	<u>3,214,413</u>

**Bonds authorized but unissued**

Under regulations issued by the Internal Revenue Service, effective March 2, 1992, in order for capital projects to be funded through tax-exempt debt, all projects must be appropriated and designated as being funded through debt prior to any expenditure on these projects.

The City has authorized but unissued bonds relating to capital projects at June 30, 2025, as follows:

Sewer	\$ 13,600,000
General purpose	3,000,000
Schools	<u>380,212</u>
<b>Total</b>	\$ <u>16,980,212</u>

A portion of bonds authorized and unissued will be reduced by grants received.

Bank Promissory Note

**Government activities**

The City has an outstanding balance of \$4,377,974 on a bank promissory note due to TD Bank, NA. The note was issued on April 9, 2020, and requires seventeen annual payments of principal and interest (rate of 3.04%). The note fully matures on March 1, 2037.

**CITY OF DERBY, CONNECTICUT**

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

The note debt service requirements until maturity are as follows:

Year Ended, June 30	Governmental Activity	
	Principal	Interest
2026	\$ 264,847	133,090
2027	283,420	125,039
2028	302,920	116,423
2029	323,385	107,214
2030	344,859	97,383
2031-2035	2,035,562	315,457
2036-2040	822,979	36,448
<b>Total</b>	<b>\$ 4,377,972</b>	<b>931,054</b>

Lease obligations

The City was obligated, as a lessee, under various capital leases for the acquisition of fire truck, other heavy equipment, and computers. The following is a schedule of future minimum lease obligations and the present net value of these minimum payments.

Year Ended June 30,	Governmental Activities Payments	Business-type Activities Payments
2026	\$ 34,140	40,976
2027		6,829
	\$ 34,140	47,805
Less amount represented as interest	(1,315)	(1,710)
Net present value of lease payments	\$ 32,825	46,095

In the government activities, property and equipment carried at a cost of \$1,340,458 with accumulated amortization of \$ 447,582 has been acquired under capital lease arrangements.

In the business-type activities property and equipment carried at a cost of \$338,151 with accumulated amortization of \$131,504 has been acquired under capital lease arrangement.

Right to Use Leases (ROU)

The City leases equipment for various terms under long-term, noncancellable lease agreements. The leases expire in 2026.

	Governmental Activities Payments
Year ended June 30, 2026	\$ 2,258
Less amount represented as interest	17
Net present value of lease payments	\$ 2,275

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

---

**Subscription-Based Information Technology Arrangements Liability**

The City leases subscription-based technology arrangements under non-cancelable agreements. Those agreements in the current year have expired as of the year ended June 30, 2023. All payments for the leased subscriptions have been made as of June 30, 2023. Subsequent to the year-end numerous subscription-based technology arrangements have been signed most of which are single fiscal year terms with one contract being a two-year term starting July 1, 2025 resulting in total SBITA lease payments of \$104,585. Subscription assets are comprised of software purchases.

**Note 9 - Commitments and Contingencies**

Lawsuits

There were several personal injuries, negligence, and personnel related lawsuits pending against the City. The outcome and eventual liability of the City, if any in these cases, is not known at this time. Based upon consultation with counsel, the City's management estimates that potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial position of the City.

The City received federal and state grants for specific purposes and is subject to review and audit by the grantor agency for compliance and disallowed expenses under the grant. Management believes that such disallowances, if any, will not be material to the financial position of the City.

Municipal solid waste management services contract

The City entered into a municipal three-year solid waste management services contract on July 1, 2024, with City Carting Inc. The Contracts minimum future payment requirements is as follows:

Fiscal year ending June 30, 2026	\$ 1,075,254
Fiscal year ending June 30, 2027	1,134,393

Waste Water Facilities administrative order

The Connecticut Department of Energy and Environmental Protection (DEEP) has issued an administrative order to the City of Derby requiring the upgrade of the wastewater pollution Controls (WPCA) facilities. Unless an alternative date is approved by the Deep Commissioner, the order, as amended, requires the facility upgrade to be completed December 13, 2026. Although the City has completed the plan for the upgrade, the accrual cost to complete the facility cannot be estimated.

Lease Agreements (lessor)

The City has entered into a non-cancelable lease agreement with a private business for the right to use certain City-owned property. The lease commenced during a prior fiscal year and expires in 2037. The agreement requires annual lease payments of \$250,000.

In accordance with applicable governmental accounting standards, the City has recognized a lease receivable and a deferred inflow of resources at the present value of future lease payments expected to be received over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

The present value of the lease payments, discounted at the interest rate implicit in the lease (or the City’s incremental borrowing rate, if applicable), is \$2,089,273 as of June 30, 2025

Lease revenue is recognized over the term of the lease. Future minimum lease payments to be received under the lease agreement are as follows:

Fiscal year	Balance
2026	\$ 200,000
2027	200,000
2028	200,000
2029	200,000
2030	200,000
Thereafter	1,100,000
Total	\$ 2,100,000
Less amount representing interest	515,727
Net value of lease	\$ <u>2,084,273</u>

**Five-Year Real Property Assessment Implementation**

Pursuant to Section 12-62c of the General Statutes of Connecticut, the City’s legislative body adopted an ordinance providing for the phased implementation of the most recent real property revaluation.

Under the ordinance, increases in assessed values resulting from the revaluation are being recognized incrementally over a five-year period beginning with the October 1, 2025, assessment date. Each year, one-fifth of the total increase in assessed value for applicable properties is added to the tax roll until the full revaluation amount is reflected. Decreases in assessed value are recognized in accordance with statutory requirements.

The phased implementation affects the timing of changes to the City’s taxable grand list and related property tax revenues during the five-year period but does not alter the total long-term assessed valuation resulting from the revaluation.

Risk management and self-insurance

The City is exposed to various risks of loss including torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters. The City generally obtains commercial insurance for these risks but has chosen to retain the risks for workers’ compensation, including heart and hypertension, and physical damage of the City’s vehicles.

The worker’s compensation fund purchases a self-insured retention worker’s compensation excess policy for claims exceeding \$500,000. All other claims are funded by the General Fund. Payments to the fund are estimated based on payroll amounts, job classification rates, experience, and second injury fund assessments.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

Under Public Act 9-342, health insurance for retired teachers, subsidy equal to the equivalent's flat dollar premium amount of Blue Cross 65/Blue Shield 65 is paid by the State directly to the local school districts. Where it is applied to reduce premium payments of the retired members' 1% supplemental contributions, since July 1, 1989, have been directly applied to a dedicated health insurance fund. There is no cost to the City.

Changes in the balance of claim liabilities for the worker's compensation and health insurance were as follows:

	Year Ended	
	June 30, 2025	June 30, 2024
Amount of claims liabilities at the beginning of the fiscal year	\$ 1,929,774	2,552,465
Incurred claims	7,245,959	5,469,591
Payments on claims	6,818,652	6,092,282
Amount of claims liabilities at the end of the fiscal year	\$ 2,357,081	1,929,774

**Note 10 - Employee Retirement Plans**

City Employees' Retirement Plan

**Basis of Accounting**

Financial statements are prepared on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and when the City has made a formal commitment to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**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 description** - Substantially all full-time employees of the City of Derby and its related agencies, except teachers, who are covered by the State Teacher's Retirement Fund and police employees who are covered by the State Municipal Employees Retirement Fund. The Public Employee Retirement System is the administrator of a single-employer pension plan that was established by the City in accordance with the City charter and state statutes.

As of July 1, 2023, employee membership data related to the pension plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	82
Inactive plan members or beneficiaries currently not receiving benefits	75
Active plan members	66
	<u>223</u>

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

**Benefit provisions** – The Retirement Plan for Employees of the City of Derby covers employees who work at least 30 hours per week and 40 weeks per year after completion of 6 months of service. Effective July 1, 2001, Derby Paraprofessionals participate in and are covered by the plan. Employees of the Police department and members of the Teachers’ Retirement system are excluded. Plan provisions are summarized as follows:

Normal Pension	Eligibility: Earlier of age 65 and 5 years of service or age 55 and 25 years of service Benefit: Normal pension accrued to date
Disability Pension	Eligibility: 15 years of service Benefit: Normal pension accrued to date, less workers compensation payments. Minimum 50% of pay.
Vesting	Eligibility: 5 years Benefit: 100% of normal pension accrued to date, payable at normal retirement eligibility  Eligibility Commencement: 2 years Benefit: Return of employee contributions with interest
Deferred Retirement	None
Pre-Retirement Death	Eligibility: Completion of 5 years of service. Must be married for at least 12 months prior to death. Benefit: Surviving spouse receives 50% of normal pension accrued to date.
Normal Form of Benefit	50% Joint & Survivor Annuity Cost of Living Increases Retirees: Ad hoc as approved by Pension board. Last date was January 1, 2002 Terminated Vested: None
Employee Contributions	3.5% of pay; No interest is credited

**Funding Policy/Contributions**

Employees of the City are required to pay 3.5% of their gross earnings to the pension plan. The payments are deducted from the employee’s wages or salary and remitted by the City to the Public Employee Retirement System on a monthly basis. If an employee leaves the City employment before 25 years of service, the accumulated contributions plus earned interest are refunded to the employee or the employee’s designated beneficiary. For the year ended June 30, 2025, the City’s contribution was \$1,000,000.

**CITY OF DERBY, CONNECTICUT****NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025, Continued****Investments****Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2015.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US large cap (public)	31.31 %	5.25 %
US small cap (public)	8.23	5.50
Int'l large cap (public)	5.06	7.50
Int'l small cap (public)	1.65	7.75
Emerging large cap (public)	3.16	8.25
US Fixed Income	5.77	2.60
Illiquid equity (VC, shipping)	11.96	8.25
Private real estate (leasing)	9.50	4.80
Illiquid fixed income (CLO, distressed, private)	6.78	6.60
Hedge fund	6.01	5.80
Cash	6.57	2.70
<b>Total</b>	<b>100.00 %</b>	

**Rate of Return**

For the year ended June 30, 2025, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 10.75%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension**

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, calculated based on the discount rate and actuarial assumptions, and was then projected forward to the measurement date.

The components of the net pension liability of the City at June 30, 2025 were as follows:

Total pension liability	\$ 24,760,275
Plan fiduciary net position	<u>(21,389,291)</u>
City net pension liability	<u>\$ 3,049,358</u>
Plan fiduciary net position as a percentage of total pension liability	<u>87.52%</u>

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

**Actuarial Assumptions**

Actuarial assumptions used in the July 1, 2023; the most recent, actuarial report are as follows:

Actuarial cost method	Entry Age Normal Method
Asset valuation method	Market Value
Amortization method	Level percentage of projected payroll
Municipal bond interest rate	5.20% per year
Salary increases	3.50% per year.
Inflation	2.40% per year
Retirement	30% are assumed to retire by age 62. 100% are assumed to retire by age 70 or 28 years of service; 10% are assumed to retire at all other ages.

Mortality rates were based on the PubS-2010 Mortality Table with generational projection per the MP-2021 Ultimate scale.

The actuarial assumptions used in the July 1, 2023 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. A full experience study has not been completed.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.50%. 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. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net position. (b)	Net Pension Liability (a)-(b)
Balance, June 30, 2024	\$ 23,760,275	19,566,179	4,194,096
Changes for the year:			
Service costs	\$ 510,947		510,947
Interest	1,533,918		1,533,918
Effect of economic/demographic gains or losses			
Change in assumptions			
Benefit payments	(1,366,491)	(1,366,491)	-
Contributions – employer		1,000,000	(1,000,000)
Contributions – member		110,981	(110,981)
Net investment income		2,078,622	(2,078,622)
Administrative expenses			
Net changes	\$ 678,374	1,823,112	(1,144,738)
Balance, June 30, 2025	\$ 24,438,649	21,389,291	3,049,358

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

**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 discount rate of 6.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (5.50%) or 1% higher (7.50%) than the current rate:

	1% Lower (5.50%)	Current Discount Rate (6.50%)	1% Higher (7.50%)
Net pension liability	\$ 5,722,300	3,049,358	776,118

**Pension Trust Fund**

The City maintains a pension trust fund to account for its fiduciary responsibility. The following schedules present the net position held in trust for pension benefits at June 30, 2025 and the changes in net position for the year then ended.

**Schedule of Net Position**

Assets:	
Cash and cash equivalents	\$ 348,631
Investments	21,040,660
Total assets	\$ 21,389,291
Net assets held in trust for pension benefits	\$ 21,389,291

**Schedule of Changes in Net Position**

Additions:	
Contributions:	
Employer	\$ 1,000,000
Employee	110,981
Total contributions	\$ 1,110,981
Investment income:	
Net appreciation (depreciation) in fair value of investments	\$ 1,752,162
Interest and dividends	344,936
Net investment income	\$ 2,097,098
Total additions	\$ 3,208,079
Deductions:	
Benefits	\$ 1,366,491
Administrative expenses	18,476
Total deductions	\$ 1,384,967
Net increase (decrease) in net position	\$ 1,823,112
Net position at beginning of year	19,566,179
Net position at end of year	\$ 21,389,291

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension**

For the fiscal year ended June 30, 2025, the City recognized pension expense of (\$208,738) and reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	(115,249)
Change in assumptions	12,799	-
Net difference between projected and actual earnings on pension plan investments	-	(528,039)
Total	<u>\$ 12,799</u>	<u>(643,288)</u>

The differences between projected and actual earnings are amortized over 5 years. Differences between expected and actual experience and changes in assumptions are amortized over the average remaining service period of active and inactive.

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

<u>Year ended June 30,</u>	
2026	\$ 87,616
2027	(305,766)
2028	(249,341)
2029	(162,998)
2030	-
Thereafter	-
Total	<u>\$ (630,489)</u>

Connecticut municipal employees' retirement system – defined benefit plan

**Plan description**

The City's police officers participate in Connecticut's Municipal Employees' Retirement System (CMERS), a cost-sharing, multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement, disability, and death benefits to the employees and beneficiaries of participating municipalities. Title 7, Chapter 113 of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions.

**CITY OF DERBY, CONNECTICUT**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

---

CMERS is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 165 Capital Ave, Hartford, Connecticut 06106, by calling 860-702-3480, or by visiting the State's website [www.ct.gov](http://www.ct.gov).

**Summary of significant accounting policies**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and expense information about CMERS net position and additions to/deductions from CMERS net position have been determined on the same basis they are reported by CMERS. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Benefit provisions**

The benefits provided by CMERS to its participants include retirement, disability, and death benefits.

*General Employees:* Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service. Employees under the age of fifty-five are eligible to retire with 25 years of service.

*Police Officers and Firefighters:* Compulsory retirement age for police and fire members is age 65.

*Normal Retirement:* Members not covered by social security receive a benefit of 2% of the average final compensation times years of service. Members covered by social security receive a benefit of 1.5% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service.

The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.

*Early Retirement:* Employees are eligible after 5 years of active continuous service or 15 years of active aggregate service. The benefit is calculated based on average final compensation and service to date of termination. Deferred to normal retirement age or an actuarially reduced allowance may begin at the time of separation.

*Disability Retirement:* Employees are eligible for service-related disability benefits from being permanently or totally disabled from engaging in the service of the municipality, provided such disability has arisen out of and in the course of employment with the municipality. Disability due to hypertension or heart disease, in the case of police officers and firefighters, who began employment prior to July 1, 1996, is presumed to have been suffered in the line of duty. Benefits are calculated based on compensation and service to the date of the disability with a minimum benefit of 50% of compensation at the time of disability.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

---

Non-service-related disability benefits are provided to employees with 10 years of service and being permanently or totally disabled from engaging in gainful employment in the service of the municipality. Disability benefits are calculated based on compensation and service to the date of the disability.

*Pre-Retirement Death Benefit:* The Plan also offers a lump-sum return of contributions with interest or if vested and married, the surviving spouse will receive a lifetime benefit.

**Contribution requirements**

Contributions are established by State Statutes as follows:

Employer

The City, as a participating municipality, makes annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of CMERS not met by member contributions. There is also an annual administrative fee per active and retired members.

The current rate is 22.45% of the annual covered payroll. The contribution requirements of the City are established and may be amended by the State Retirement Commission. The City's contributions to CMERS for the years ended June 30, 2025, 2024 and 2023 were \$996,080, \$1,040,399, and \$874,574 respectively, equal to the required contributions for each year.

Employee

Plan members not covered by social security are required to contribute 5% of compensation. Employees covered by social security are required to contribute 2.25% of compensation up to the social security taxable wage base plus 5% of compensation, if any, in excess of such base.

**Pension liabilities (assets), pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

At June 30, 2025, the City reported an asset for its proportionate share of the net pension liability (asset) in the government-wide statement of net position. The amount recognized by the City for its proportionate share of the net pension liability (asset) was \$6,509,249 based on the City's allocation percentage of 5.911597%.

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The changes in assumptions that affected the measurement of the total pension liability since the prior measurement date, were updating rates of inflation, real investment return mortality, withdrawal, disability, retirement, and salary increase to more closely reflect actual and anticipated experience.

The City recognized its proportionate share of the collective pension expense in the amount of \$1,420,648 for the year ended June 30, 2025.

**CITY OF DERBY, CONNECTICUT**

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:05 pm, Apr 01, 2026

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025, Continued**

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to CMERS pension benefits as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ 1,082,033	(153,293)
Change of assumptions	870,723	
Change in proportionate share	193,474	(268,263)
Net difference between employers expected and actual experience		
<b>Total</b>	<b>\$ 2,146,230</b>	<b>(421,556)</b>

Net deferred outflows and inflows of resources for pensions are amortized and recognized in the net pension expense each year as follows:

Year Ended June 30,	Net Pension Expense Increase
2025	\$ 449,587
2026	951,083
2027	246,350
2028	51,075
Thereafter	26,579
	<b>\$ 1,724,674</b>

**Actuarial assumptions**

The total pension liability is based upon the June 30, 2025 actuarial valuation. The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017. The key actuarial assumptions used in the valuation were as follows:

Inflation	2.50%
Salary increase	3.50-9.50%, including inflation
Long-term investment rate of return	7.00%, net of pension plan investment expense, including inflation

For the period after retirement and for dependent beneficiaries, mortality rates were based on the RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used. The static projection produces sufficient margin in the mortality rates to reflect future improvement in actuary judgment.

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



NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

**Long-term rate of return**

The long-term expected rate of return on pension plan investments was determined using statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class as of June 30, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	37 %	6.8 %
Public Credit	2	2.9
Core fixed income	13	0.4
Liquidity fund	1	-0.4
Risk mitigation	5	0.1
Private equity	15	11.2
Private credit	10	6.1
Real estate	10	6.3
Infra. & natural resources	7	7.7
<b>Total</b>	100 %	

**Discount rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarial determined rates in 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 following presents the net pension liability (asset) of the City calculated using the discount rate of 7.00%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability/(asset)	\$ 9,343,673	6,509,249	4,156,248

**CITY OF DERBY, CONNECTICUT**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

---

Teachers' retirement

All City of Derby Board of Education certified employees participate in the State of Connecticut Teachers' Retirement System ("TRS" or the "Plan") under Section 10.183 of the General Statutes of the State of Connecticut.

**Plan description**

Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut State Teachers' Retirement System – a cost sharing, multiemployer, defined benefit pension plan administered by the Teachers' Retirement Board. Title 10, Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the State Teachers' Retirement

Board ("TRB"). The State Treasurer is responsible for investing Teachers' Retirement System funds for the exclusive benefit of the TRS members.

The Teachers' Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 165 Capitol Avenue, Hartford, Connecticut 06106, by calling 860-702-3480, or by visiting the State's website [www.ct.gov](http://www.ct.gov).

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

In addition, amounts derived from the accumulation of the 6% contributions made prior to July 1, 1989, and voluntary contributions are payable.

*Early Retirement:* Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefits are reduced for those retiring before the normal retirement age.

*Minimum Benefit:* Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full-time Connecticut service at retirement.

**CITY OF DERBY, CONNECTICUT**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

---

*Disability Retirement:* Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the Plan, but not less than 15%, nor more than 50%. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75% of the average annual salary.

A plan member who leaves service and has attained 10 years of service will be entitled to 100% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement deductions are based on the number of years of service the members would have had if they had continued work until age 60.

*Pre-Retirement Death Benefit:* The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

**Contributions**State of Connecticut

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 amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

Employer (School Districts)

School district employers are not required to make contributions to the Plan.

Employees

Effective July 1, 1992, participants are required to contribute 6.00% of their pensionable salary to the pension System as required by CGS Section 10-183b (7). Effective January 1, 2018, the required contribution increased to 7.00% of pensionable salary. For the year ended June 30, 2025, \$4,150,348 mandatory contributions were deducted from the salaries of teachers who were participants in the System. The estimated covered payroll for the City was \$0.

**Administrative expenses**

Administrative expenses of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

**Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

The State has a statutory requirement to pay 100% of the required plan contribution, therefore as of June 30, 2025; the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows. 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 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>42,106,300</u>
<b>Total net pension liability</b>	<b>\$</b>	<b><u>42,106,300</u></b>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

For the year ended June 30, 2025, the City has recognized, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$4,829,683 as payments made by the State of Connecticut on behalf of the City for teachers' pension.

**Actuarial assumptions**

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

Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the State of CT General Assembly

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages eighty-two and above), projected generationally with MP-2019 for the period after service retirement. The PubT-2010 Disabled Retiree Table projected generationally with the MP-2019 was used for the period after disability retirement. The PubT-2010 Contingent Survivor Table projected generationally with MP-2019 and set forward 1 year for both males and females was used for survivors and beneficiaries. The PubT-2010 Employee Table projected generationally with MP-2019 was used for active members.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

Future Cost-of-Living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on

January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

**Long-term rate of return**

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

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
Global Equity	37	%	6.8	%
Public Credit	2		2.9	
Core Fixed Income	13		0.4	
Liquidity Fund	1		-0.4	
Risk Mitigation	5		0.1	
Private Equity	15		11.2	
Private Credit	10		6.1	
Real Estate	10		6.2	
Infrastructure and Natural Resource	7		7.7	
<b>Total</b>	<b>100</b>	<b>%</b>		

**Discount rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in 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. Any change in the discount rate would only have an effect on the amount recorded by the State of Connecticut.

**Note 11 - Other Post-Employment Benefit Plan**

City employee retirement OPEB plan

**Plan Description**

The City provides post-employment health benefits to eligible retirees and their spouses through a single-employer, contributory, defined benefit healthcare OPEB plan. An actuarial valuation is made to determine whether the contributions are sufficient to meet plan obligations. The latest actuarial valuation was made July 1, 2024. The OPEB plan does not issue a separate, stand-alone, financial report.

**Classes of Employees Covered**

As of July 1, 2024, the plans' membership consisted of:

Active employees	307
Retired employees, spouse, and beneficiaries	55
Dependents of retirees	<u>16</u>
Total	<u><u>378</u></u>

**Funding Policy**

The City's OPEB plan is unfunded. The City's OPEB benefits are paid by the City on a pay-as-you-go basis. The Plan uses the alternate measurement method, and an annual required contribution is not actuarially determined. The City's general fund paid \$637,286 for OPEB benefits for the fiscal year ended June 30, 2025.

**Benefit Provisions**

The City provides medical benefits based upon union contracts. A summary of these is below:

**Eligibility**

Any full-time employee of the City on or after the age of fifty-five that has served for a continuous period of at least 25, 20, or 10 years, enrolled dependents and widow/widowers of the retiree are eligible for police, public works/WPCA, or city/BOE employees, respectively.

**Benefit Types**

The City provides and pays for the Aetna self-insured medical, dental and vision plans.



NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

**Duration of Coverage**

The same coverage provided to active employees is also provided to all retirees until they reach 55 years of age. Each retiree’s enrolled dependents, widows/widowers, and enrolled dependents of the widows/widowers who are under the age of fifty-five also receive the same coverage as active employees, even if the retiree is age 55 or older.

Each retiree, enrolled dependents of the retiree, and widow/widower of the retiree who is age 65 or older is provided supplemental B of Medicare, Connecticut Blue Cross 65 and CMS 65, Plan A, or comparable coverage.

**Net OPEB Liability**

During the year, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefit Plans Other than Pensions* (OPEB). This statement requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan’s fiduciary net position.

The components of the net OPEB liability at June 30, 2025 were as follows:

Total OPEB liability	\$ 27,310,568
Plan fiduciary net position	<u>-</u>
Net OPEB liability	<u>\$ 27,310,568</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>

The Plan is not prefunded; no assets are set aside in trust to pay current or future benefits. The City pays benefits on a pay-as-you-go basis; therefore, the City’s Plan has no fiduciary net position. The net OPEB liability is calculated using the Alternative Measurement Method in accordance with GASB methodology.

**Actuarial Assumptions and Actuarial Cost Method**

Per Capita Cost Development: Per capita costs were based on the fully insured premium rates effective June 30, 2025. Actuarial factors were applied to the premium to estimate individual retiree and spouse cost by age and gender.

Measurement date: June 30, 2025  
Discount rate: 5.20%  
Actuarial cost method: Entry age  
Projected salary increases: 4.00%  
Amortization period: 20 years

Mortality rates were based on the Pub-2010 Public Safety Mortality Table with generational projection the MP-2021 (prior MP-2019) ultimate scale, with employee rates before commencement and healthy annuitant rates after benefit commencement; this assumption includes a margin for mortality improvement beyond the valuation date.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

Health Care Cost Trend Rates measure the anticipated overall rate at which health plan costs are expected to decrease in future years. The rates are 3.00% for vision, 3.50% decreasing to 3.00% for dental, and 7.00% decreasing to 4.40% for medical. These rates are “net” and are applied to the net per capita costs shown below.

Participation and Coverage Election: 100% of active employees with coverage are assumed to elect retiree coverage.

**Discount Rate**

The discount rate is based on the long-term earnings potential of any investments set up in a trust to prefund these benefits. Because the benefits are not prefunded, the discount rate is based on expected earnings of the City’s general fund. The discount rate as of the June 30, 2025 valuation is 5.20%.

**Changes in the Net OPEB Liability**

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability (a)-(b)
Balances as of June 30, 2024	\$ 30,300,034	-	30,300,034
Changes for the year:			
Service cost	\$ 1,689,525		1,689,525
Interest on total OPEB liability	1,244,787		1,244,787
Difference between expected and actual experience	(1,275,950)		(1,275,950)
Effect of assumption changes or inputs	(4,010,542)		(4,010,542)
Benefit payments	(637,286)		(637,286)
Net changes	\$ (2,989,466)	-	(2,989,466)
Balances as of June 30, 2025	\$ 27,310,568	-	27,310,568

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 5.20%, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (4.20%) or 1 percent higher (6.20%) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Net OPEB liability	\$ 31,384,849	27,310,568	23,955,890

**CITY OF DERBY, CONNECTICUT**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability of the City, calculated using the healthcare trend rate 1% higher than, and 1% lower than the current healthcare trend rates:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Net OPEB liability	\$ 23,196,631	27,310,568	32,523,980

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

For the year ended June 30, 2025, the City recognized OPEB net expense of \$872,784. In accordance with GASB 75, under the Alternative Measurement Method, deferred outflows and deferred inflows of resources related to differences between actual and expected experience regarding economic or demographic factors or changes in assumptions and other inputs should not be used. These items should be recognized in OPEB expense in the year affected.

As of June 30, 2025, there are \$7,332,652 deferred outflows and (\$18,061,195) deferred inflows of resources related to OPEB.

Teachers' retirement OPEB plan

All City of Derby Board of Education certified employees participate in the State of Connecticut Teachers' Retirement System ("TRS" or the "Plan") under Section 10.183 of the General Statutes of the State of Connecticut.

**Plan description**

Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut State Teachers' Retirement System – a cost sharing, multiemployer, defined benefit pension plan administered by the Teachers' Retirement Board. Title 10, Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the State Teachers' Retirement Board ("TRB"). The State Treasurer is responsible for investing Teachers' Retirement System funds for the exclusive benefit of the TRS members.

The Teachers' Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 165 Capitol Ave, Hartford, Connecticut 06106, by calling 860-702-3480, or by visiting the State's website [www.ct.gov](http://www.ct.gov).

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued**Benefit provisions**

The plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member currently receiving retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School district Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School district Coverage.

Any member that 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, any remaining portion is used to offset the City's cost. The subsidy amount is set by statute and has not increased since July of 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 or Medicare without cost and contributes at least \$220 per month towards coverage under a local school district plan.

Any member that 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 Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

The choices and premiums charged as of July 1, 2023 are as follows:

- Medicare Supplement with Prescriptions
- Medicare Supplement with Prescriptions and Dental
- Medicare Supplement with Prescriptions, Dental, Vision, and Hearing Included

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

*Normal Retirement:* Eligible after age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

*Early Retirement:* Eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service.

*Proratable Retirement:* Eligible after age 60 with 10 years of credited service.

**CITY OF DERBY, CONNECTICUT**

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:06 pm, Apr 01, 2026

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

---

*Disability Retirement: Eligible* after 5 years of credited service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.

*Termination of Employment:* Eligible after 10 or more years of credited service.

**Contributions**

State of Connecticut

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 is amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State pays for one third of the plan costs through annual appropriation in the General Fund.

Employer (School Districts)

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

Employees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows:

- Active teachers pay 1.25% of annual salaries in excess of \$500,000.
- Retired teachers pay one third of the Plan costs through monthly premiums.

For the year ended June 30, 2025, \$58,109 mandatory contributions were deducted from the salaries of active teachers who were participants in the System. The estimated covered payroll for the City was \$0.

**Administrative expenses**

Administrative expenses of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

**OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB**

The State has a statutory requirement to pay 100% of the required plan contribution; therefore, as of June 30, 2025, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows. 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 associated with the City were as follows:

City's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the City		8,637,450
Total net OPEB liability	\$	<u>8,637,450</u>

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

For the year ended June 30, 2024, the City has recognized, in the General Fund, intergovernmental revenue and education expenditures related to OPEB in the amount of \$119,677 as payments made by the State of Connecticut on behalf of the City for teachers' OPEB.

**Actuarial assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Long-term investment rate of return	3.00%, net of pension plan investment expense, including inflation
Real wage growth	0.50%
Wage inflation	3.00%
Municipal bond index rate	3.54%, (2.16% at prior measurement date)
Single equivalent interest rate	3.53% net of OPEB plan investment expense, including inflation (2.17% at prior measurement date)
Healthcare cost trend rates	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.50% by 2031
Administrative expenses	\$0 assumption as expenses are paid for by the State of CT General Assembly
Year fund net position will be depleted	2028

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages eighty-two and above), projected generationally with MP-2019 for the period after service retirement. The PubT-2010 Disabled Retiree Table projected generationally with the MP-2019 was used for the period after disability retirement. The PubT-2010 Contingent Survivor Table projected generationally with MP-2019 and set forward 1 year for both males and females was used for survivors and beneficiaries. The PubT-2010 Employee Table projected generationally with MP-2019 was used for active members.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

---

**Long-term rate of return**

The long-term expected rate of return on 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 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 weighing the expected future real rates of return by the target asset allocation percentage and by 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 target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Treasuries (cash equivalents)	100.0%	3.00%

**Discount rate**

The discount rate used to measure the total OPEB was 3.93%. The projection of cash flows used to determine the discount rate assumed that plan member 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 have been made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination.

**Sensitivity of the net OPEB liability to changes in the discount rate**

The City's proportionate share of the net OPEB liability is \$0. Any change in the health care cost trend rate or the discount rate would only have an effect on the amount recorded by the State of Connecticut.

**CITY OF DERBY, CONNECTICUT**

**RECEIVED**

*By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:07 pm, Apr 01, 2026*

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025, Continued

**Note 12 - Fund Balance and Net Position**

Restricted Fund Balance

The City has the following restricted and committed fund balances at June 30, 2025,

	<u>Restricted</u>	<u>Committed</u>
<b>Restricted for donor's intentions</b>		
School Lunch	\$ 482,638	
Community development	123,786	
Board of Education Activities	163,536	
Special Education	12,332	
Police Grants	525	
Library Activities	1,257,103	
Field House	11,470	
<b>Committed by governing body</b>		
Blight Ordinance		41,900
Library		69,907
Middle School Construction		175,122
Land Acquisition		33,948
<b>Total</b>	<b>\$ <u>2,051,390</u></b>	<b><u>320,877</u></b>

Fund deficits

The City has the following fund deficits at June 30, 2025, and expects to eliminate the deficits in the future as follows:

<u>Fund</u>	<u>Amount</u>	<u>Explanation</u>
Silo Fund	\$ 1,675,017	Bond issuance authorized and to be issued in the subsequent year
School Roof Project	124,219	School construction project expected to be closed by the state of Connecticut
Total	<u>\$ 1,799,236</u>	

**Note 13 - Subsequent Events**

Management has evaluated events subsequent to the date of the financial statements through February 28, 2026, the date the financial statements were available to be issued. No other events have occurred subsequent to the Statement of Net Position date through February 28, 2026, that would require readjustment to the financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 37,093,234	37,093,234	37,069,387	(23,847)
Intergovernmental	10,939,263	13,194,641	11,873,665	(1,320,976)
Charges for services	2,073,600	2,073,600	2,059,477	(14,123)
Investment income	275,000	275,000	529,683	254,683
Other revenues	2,805,252	3,075,024	2,079,580	(995,444)
<b>Total revenues</b>	\$ 53,186,349	55,711,499	53,611,792	(2,099,707)
<b>Expenditures:</b>				
Current:				
General government	\$ 16,147,804	18,468,933	17,849,143	619,790
Public safety	5,913,013	6,030,776	5,857,385	173,391
Public works	4,580,751	4,850,523	4,512,395	338,128
Health and welfare	387,336	387,336	384,599	2,737
Culture and recreation	1,496,063	1,386,063	1,048,341	337,722
Education	20,281,949	20,448,449	20,359,026	89,423
Capital outlay	412,718	425,387	402,554	22,833
Other	728,598	475,915	179,830	296,085
Debt service:				
Principal retirements	3,238,117	3,238,117	1,883,342	1,354,775
<b>Total expenditures</b>	\$ 53,186,349	55,711,499	52,476,615	3,234,884
<b>Revenues over (under) expenditures</b>	\$ -	-	1,135,177	1,135,177
<b>Revenues over expenditures and other financing sources (uses)</b>	\$ -	-	1,135,177	1,135,177
Unassigned fund balance, July 1, 2024			\$ 4,425,021	
Add: Prior period adjustment			1,573,114	
Unassigned fund balance, July 1, 2024, restated			\$ 5,998,135	
Unassigned fund balance, June 30, 2025			\$ 7,133,312	

**CITY OF DERBY, CONNECTICUT**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - PENSION PLAN**  
Last Eight Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018
Total pension liability:								
Service cost	\$ 510,947	620,314	599,337	671,797	649,080	676,977	654,084	776,874
Interest	1,533,918	1,503,138	1,448,717	1,520,990	1,449,718	1,403,388	1,334,277	1,431,319
Changes in benefit terms								
Differences between expected and actual experience		(233,349)		(1,756,038)		(655,805)		(526,463)
Changes in assumptions				524,691		1,067,879		(1,967,488)
Benefit payments, including refund of member contributions	(1,366,491)	(1,249,770)	(1,214,326)	(1,055,983)	(1,074,958)	(997,055)	(1,049,921)	(908,031)
Net change in total pension liability	\$ 678,374	640,333	833,728	(94,543)	1,023,840	1,495,384	938,440	(1,193,789)
Total pension liability - beginning	23,760,275	23,119,942	22,286,214	22,380,757	21,356,917	19,861,533	18,923,093	20,116,882
Total pension liability - ended	\$ 24,438,649	23,760,275	23,119,942	22,286,214	22,380,757	21,356,917	19,861,533	18,923,093
Plan fiduciary net position:								
Contributions - employer	\$ 1,000,000	500,000	1,000,000	700,000	190,000	190,000	190,000	572,000
Contributions - employee	110,981	124,823	132,383	68,517	54,392	82,229	182,134	91,864
Net investment income	2,078,622	1,618,917	1,401,484	(1,221,124)	4,514,626	212,165	576,865	1,491,886
Benefit payments, including refunds of member contributions	(1,366,491)	(1,249,770)	(1,214,326)	(1,055,983)	(1,074,958)	(997,055)	(1,049,921)	(908,031)
Administrative expenses			(16,883)	(1,643)	(77,548)	(20,929)	(44,105)	(61,928)
Net change in plan fiduciary net position	\$ 1,823,112	993,970	1,302,658	(1,510,233)	3,606,512	(533,590)	(145,027)	1,185,791
Plan fiduciary net position - beginning	19,566,179	18,572,209	17,269,551	18,779,784	15,173,272	15,706,862	15,851,889	14,666,098
Plan fiduciary net position - ended	\$ 21,389,291	19,566,179	18,572,209	17,269,551	18,779,784	15,173,272	15,706,862	15,851,889
Net pension liability - ended	\$ 3,049,358	4,194,096	4,547,733	5,016,663	3,600,973	6,183,645	4,154,671	3,071,204
Plan fiduciary net position as a percentage of total pension liability	87.52%	82.35%	80.33%	77.49%	83.91%	71.05%	79.08%	83.77%
Covered payroll	\$ 3,905,483	3,773,413	4,615,899	4,459,806	4,984,176	4,815,629	5,523,439	5,336,656
Net pension liability as a percentage of its covered payroll	78.08%	111.15%	98.52%	112.49%	72.25%	128.41%	75.22%	57.55%

Notes To Schedule

Changes in benefit terms Effective July 1, 2001 for active paraprofessional employees. The inflationary cost-of-living are Ad hoc as approved by the Pension Board, last date was January 1, 2002. The contribution rate for Town employees is 3.5% of annual, beginning after 6 months of employment.

Changes in assumptions None in last two years

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method Entry age

Amortization method Level percent with 2% annual increases, closed period

Remaining amortization period 7 years remaining as of July 1, 2025

Asset valuation method The Actuarial Value of assets used in the development of plan contributions phases in the recognition of differences between the actual return on Market Value and expected return on market value over a 3-year period at 33.33% per year. The Actuarial Value is adjusted, if necessary, to be within the range of 90% and 110% pf the Market Value of assets.

Inflation 2.40%

Salary increase 2.50%

Investment rate of return 6.50%, net of pension plan investment expense, including inflation

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

**CITY OF DERBY, CONNECTICUT**

**RSI-3**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLAN**  
**Last Nine Fiscal Years**

		Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2025	\$	1,010,390	1,000,000	10,390	3,905,483	25.61%
2024		1,081,013	500,000	581,013	3,773,413	13.25%
2023		1,044,457	1,000,000	44,457	4,615,899	21.66%
2022		1,029,587	700,000	329,587	4,459,806	15.70%
2021		994,770	190,000	804,770	4,984,176	3.81%
2020		840,082	190,000	650,082	4,815,629	3.95%
2019		811,673	190,000	621,673	5,523,439	3.44%
2018		1,003,231	572,000	431,231	5,336,656	10.72%
2017		969,392	572,000	397,392	5,165,262	11.07%

**Notes to Schedule**

Valuation date	July 1, 2023
Measurement date	June 30, 2025
Changes in benefit terms	Effective July 1, 2001 for active paraprofessional employees. The inflationary cost-of-living are Ad hoc as approved by the Pension Board, last date was January 1, 2002. The contribution rate for Town employees is 3.5% of annual, beginning after 6 months of employment.
Changes in assumptions	None
<b>Methods and assumptions used to determine contribution rates:</b>	
Actuarial cost method	Entry age normal
Amortization method	Level percent with 2% annual increases, closed period
Remaining amortization period	7 years remaining as of July 1, 2025
Asset valuation method	The Actuarial Value of assets used in the development of plan contributions phases in the recognition of differences between the actual return on Market Value and expected return on market value over a 3-year period at 33.33% per year. The Actuarial Value is adjusted, if necessary, to be within the range of 90% and 110% pf the Market Value of assets.
Inflation	2.40%
Salary increases	2.50%
Investment rate of return	6.50%, net of pension plan investment expense, including inflation
Cost-of-living adjustments	Ad hoc as approved by Pension Board. Last date was January 1, 2002

Actuarially determined contribution is calculated using a July valuation date as of the beginning of the fiscal year in which contributions are reported.

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

## CITY OF DERBY, CONNECTICUT

RSI-4

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
Last Five Fiscal Years

	2025	2024	2023	2022	2021
Total OPEB liability:					
Service cost	\$ 1,689,525	1,737,621	1,564,520	2,169,693	2,567,845
Interest	1,244,787	1,108,286	987,090	720,685	936,850
Change of benefit terms					
Differences between expected and actual experience	(1,275,950)	787,967	(706,740)	294,526	(11,402,728)
Changes in assumptions	(4,010,542)	(1,328,264)	1,709,188	(7,132,230)	(35,195)
Benefit payments	(637,286)	(1,252,698)	(1,241,853)	(622,896)	(766,204)
Net change in total OPEB liability	\$ (2,989,466)	1,052,912	2,312,205	(4,570,222)	(8,699,432)
Total OPEB liability - beginning	30,300,034	29,247,122	26,934,917	31,505,139	40,204,571
Total OPEB liability - ended	\$ 27,310,568	30,300,034	29,247,122	26,934,917	31,505,139
Covered-employee payroll	\$ 21,190,658	20,011,624	19,542,602	18,292,287	17,863,562
Net OPEB liability as a percentage of its covered-employee payroll	128.88%	151.41%	149.66%	147.25%	176.37%

## Notes to Schedule

Change in benefit terms	Various retiree contribution premium % increased, various changes in eligibility based on hire and retire date
Changes in assumptions	The discount rate was 3.54%, 3.65% and 4.20% as of June 30, 2023, June 30, 2024 and June 30, 2025, respectively

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

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:07 pm, Apr 01, 2026

**CITY OF DERBY, CONNECTICUT**

**RSI-5**

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - DERBY POLICE  
CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM  
Last Nine Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
City's proportion of the net pension liability	<u>0.64%</u>	<u>0.61%</u>	<u>0.56%</u>	<u>0.61%</u>	<u>0.64%</u>	<u>0.61%</u>	<u>0.50%</u>	<u>1.19%</u>	<u>1.04%</u>
City's proportionate share of the net pension liability (asset)	<u>\$ 8,425,552</u>	<u>8,645,844</u>	<u>7,745,810</u>	<u>4,297,244</u>	<u>7,071,194</u>	<u>6,290,508</u>	<u>4,768,155</u>	<u>2,956,423</u>	<u>3,456,814</u>
City's covered payroll	<u>\$ 4,436,553</u>	<u>4,029,478</u>	<u>3,884,933</u>	<u>3,984,385</u>	<u>3,811,928</u>	<u>3,834,414</u>	<u>3,975,436</u>	<u>3,424,096</u>	<u>3,424,096</u>
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>189.91%</u>	<u>214.56%</u>	<u>199.38%</u>	<u>107.85%</u>	<u>185.50%</u>	<u>164.05%</u>	<u>119.94%</u>	<u>86.34%</u>	<u>100.96%</u>
Plan fiduciary net position as a percentage of total pension liability	<u>72.85%</u>	<u>69.54%</u>	<u>68.71%</u>	<u>82.59%</u>	<u>71.18%</u>	<u>72.69%</u>	<u>73.60%</u>	<u>91.68%</u>	<u>88.29%</u>

Changes in benefit terms None

Changes in assumptions None

**Methods and assumptions used to determine contribution rate:**

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Single equivalent amortization period	18 years
Asset valuation method	5-year smoothed market (20% write up)

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

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:07 pm, Apr 01, 2026

RSI-6

CITY OF DERBY, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SCHEDULE OF CITY CONTRIBUTIONS - DERBY POLICE  
CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM  
Last Nine Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 996,080	1,040,399	874,574	898,651	760,456	792,116	620,415	572,851	572,851
Contributions in relation to the contractually required contribution	996,080	1,040,399	874,574	898,651	760,456	792,116	620,415	572,851	572,851
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-
City's covered payroll	\$ 4,436,553	4,029,478	3,884,933	3,984,385	3,811,928	3,834,414	3,975,436	2,956,423	3,424,096
Contributions as a percentage of covered payroll	22.45%	25.82%	22.51%	22.55%	19.95%	20.66%	15.61%	19.38%	16.73%

Notes to Schedule

The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date.

Changes in benefit terms None

Changes in assumptions None

Methods and assumptions used to determine contribution rate:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Single equivalent amortization period	18 years
Asset valuation method	5-year smoothed market (20% write up)
Inflation	2.50%
Salary increase	3.50-10.00%, including inflation
Investment rate of return	7.00%, net of investment related expense

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

CITY OF SHELTON, CONNECTICUT

**RECEIVED**

RSI-7

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:07 pm, Apr 01, 2026

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-  
TEACHERS' RETIREMENT PLAN  
Last Nine Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$ -	-	-	-	-	-	-	-	-
State's proportionate share of the net pension liability associated with the City (thousands)	42,106,300	46,944,386	48,739,412	3,510,636	45,088,705	39,111,989	30,157,616	29,767,390	31,404,825
Total	\$ 42,106,300	46,944,386	48,739,412	3,510,636	45,088,705	39,111,989	30,157,616	29,767,390	31,404,825
City's covered payroll	\$ -	-	-	-	-	12,983,001	12,604,855	-	-
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total pension liability	62.68%	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	55.93%

**Notes to Schedule**

Changes in benefit terms In 2022, legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.

Changes in assumptions None

**Methods and assumptions used to determine contribution rate:**

Actuarial cost method	Entry age
Amortization method	Level percent of salary closed, grading to a level dollar amortization method for June 30, 2024 valuation
Single equivalent amortization period	27.8 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of investment related expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

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

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:07 pm, Apr 01, 2026

RSI-8

CITY OF DERBY, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHERS' RETIREMENT PLAN  
Last Eight Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018
City's proportion of the net OPEB liability	0%	0%	0%	0%	0%	0%	0%	0%
City's proportionate share of the net OPEB liability	\$ -	-	-	-	-	-	-	-
State's proportionate share of the net OPEB liability associated with the City	8,637,450	4,398,044	4,268,455	3,890,608	6,724,982	6,099,737	6,028,724	7,661,778
Total	\$ 8,637,450	4,398,044	4,268,455	3,890,608	6,724,982	6,099,737	6,028,724	7,661,778
City's covered payroll	\$ N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total OPEB liability	7.40%	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule

Changes in benefit terms In June 2022, There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

Changes in assumptions The single equivalent interest rate was updated to 3.53% as of June 30, 2022.

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

Methods and assumptions used to determine contribution rate:

Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Amortization period	30 years, open
Asset valuation method	Market value of assets
Inflation	2.50%
Real Wage Growth	0.50%
Wage inflation	3.00%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	3.00%, net of investment related expense, including inflation

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

**GENERAL FUND REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2025**

---

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
<b>Property taxes:</b>				
Current years' levy	\$ 35,443,234	35,443,234	36,081,240	638,006
Prior years' levies	620,000	620,000	682,698	62,698
Interest and penalties	1,030,000	1,030,000	305,449	(724,551)
<b>Total property taxes</b>	\$ 37,093,234	37,093,234	37,069,387	(23,847)
<b>Intergovernmental:</b>				
Education grants	\$ 6,994,855	7,021,291	7,058,027	36,736
Other state and federal grants	3,944,408	6,173,350	4,815,638	(1,357,712)
<b>Total intergovernmental</b>	\$ 10,939,263	13,194,641	11,873,665	(1,320,976)
<b>Charges for services:</b>				
Licenses and permits	\$ 370,000	370,000	337,431	(32,569)
Charges for services	1,690,600	1,690,600	1,703,625	13,025
Fines and forfeits	13,000	13,000	18,421	5,421
<b>Total charges for services</b>	\$ 2,073,600	2,073,600	2,059,477	(14,123)
<b>Investment income</b>	\$ 275,000	275,000	529,683	254,683
<b>Other revenues:</b>				
WPCA bond payments	\$ 1,331,550	1,331,550	-	(1,331,550)
Health insurance premium payments	1,415,412	1,415,412	1,474,815	59,403
Miscellaneous revenues	58,290	328,062	604,765	276,703
<b>Total other revenues</b>	\$ 2,805,252	3,075,024	2,079,580	(995,444)
<b>Total revenues</b>	\$ 53,186,349	55,711,499	53,611,792	(2,099,707)
<b>Total other financing sources</b>	\$ -	-	-	-
<b>Total revenue &amp; other financing sources</b>	\$ 53,186,349	55,711,499	53,611,792	(2,099,707)

**GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL  
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
<b>General government:</b>				
Mayor's office	\$ 203,602	209,022	208,286	736
Probate court	6,000	6,000	11,829	(5,829)
Finance committee	4,000	4,000	4,048	(48)
Town clerk	285,747	285,747	225,631	60,116
Registrar of voters	79,712	79,712	57,034	22,678
Legal services	251,500	346,500	275,272	71,228
Information technology	152,068	152,068	122,414	29,654
Human resources	72,000	73,883	72,523	1,360
Economic development	91,625	95,803	91,758	4,045
Treasurer's office	57,000	114,102	106,487	7,615
Insurance	470,191	545,191	565,061	(19,870)
Retirement	2,225,243	2,257,668	2,252,593	5,075
Employee benefits	10,101,030	10,665,797	10,339,494	326,303
Finance department	346,857	372,444	398,934	(26,490)
Payroll taxes	582,277	582,277	603,708	(21,431)
City grants	20,000	20,000	18,343	1,657
Tax collector	130,359	130,359	131,234	(875)
Assessor	232,888	232,888	135,137	97,751
City hall maintenance	365,725	368,598	321,326	47,272
City wide agencies	319,980	1,776,874	1,784,264	(7,390)
Fuel	150,000	150,000	123,767	26,233
<b>Total general government</b>	<b>\$ 16,147,804</b>	<b>18,468,933</b>	<b>17,849,143</b>	<b>619,790</b>
<b>Public safety:</b>				
Police department	\$ 5,011,738	5,129,501	4,998,665	130,836
Fire department	443,984	443,984	453,465	(9,481)
Office of emergency management	12,200	12,200	7,992	4,208
Fire marshal	154,763	154,763	103,227	51,536
Public hydrants	280,828	280,828	288,225	(7,397)
Flood controls	9,500	9,500	5,811	3,689
<b>Total public safety</b>	<b>\$ 5,913,013</b>	<b>6,030,776</b>	<b>5,857,385</b>	<b>173,391</b>
<b>Public works:</b>				
Highways department	\$ 1,833,315	2,103,087	1,962,150	140,937
City electricity	475,608	475,608	364,845	110,763
Sanitation	1,970,804	1,970,804	1,884,664	86,140
Building inspector	157,921	157,921	117,368	40,553
Planning/zoning	100	100		100
Inland wetland commission	190	190		190
Parking division	67,813	67,813	49,982	17,831
City engineer	75,000	75,000	133,386	(58,386)
<b>Total public works</b>	<b>\$ 4,580,751</b>	<b>4,850,523</b>	<b>4,512,395</b>	<b>338,128</b>
<b>Health and welfare:</b>				
Health services	\$ 387,336	387,336	384,599	2,737
<b>Total health and welfare</b>	<b>\$ 387,336</b>	<b>387,336</b>	<b>384,599</b>	<b>2,737</b>

(Continued)

**GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL  
For the Year Ended June 30, 2025**

---

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
<b>Culture and recreation:</b>				
Parks & recreation	\$ 323,868	323,868	298,045	25,823
Senior center	216,851	216,851	201,289	15,562
Youth service bureau	77,554	77,554	42,801	34,753
Cemetery	600	600		600
Library	560,690	560,690	472,255	88,435
Community development	316,500	206,500	33,951	172,549
<b>Total culture and recreation</b>	<b>\$ 1,496,063</b>	<b>1,386,063</b>	<b>1,048,341</b>	<b>337,722</b>
<b>Education:</b>				
Board of Education	\$ 20,281,949	20,448,449	20,359,026	89,423
<b>Total education</b>	<b>\$ 20,281,949</b>	<b>20,448,449</b>	<b>20,359,026</b>	<b>89,423</b>
<b>Capital outlay:</b>				
Locip funds	\$ 146,709	159,378	156,005	3,373
Miscellaneous capital	266,009	266,009	246,549	19,460
<b>Total capital outlay</b>	<b>\$ 412,718</b>	<b>425,387</b>	<b>402,554</b>	<b>22,833</b>
<b>Other:</b>				
Budget working balance	\$ 728,598	475,915	179,830	296,085
<b>Total other</b>	<b>\$ 728,598</b>	<b>475,915</b>	<b>179,830</b>	<b>296,085</b>
<b>Debt service:</b>				
Bonded indebtedness	\$ 3,238,117	3,238,117	1,883,342	1,354,775
<b>Total debt service</b>	<b>\$ 3,238,117</b>	<b>3,238,117</b>	<b>1,883,342</b>	<b>1,354,775</b>
<b>Total expenditures and financial uses</b>	<b>\$ 53,186,349</b>	<b>55,711,499</b>	<b>52,476,615</b>	<b>3,234,884</b>

CITY OF DERBY, CONNECTICUT

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:07 pm, Apr 01, 2026

SCHEDULE 3

page 1 of 2

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2025

	<b>Special Revenue</b>						
	School Lunch	Community Development	Blight Fund	Board of Education Activity	Special Education Grant	Police Grant	Library Endowment
<b>Assets:</b>							
Cash and cash equivalents	\$ 109,467	236,524	57,103	213,625	626,571	148,750	69,907
Investments							1,257,103
Receivables, net	326,110	59,995			49,053		
Due from other funds	80,299						
Inventory	3,983						
<b>Total assets</b>	<u>\$ 519,859</u>	<u>296,519</u>	<u>57,103</u>	<u>213,625</u>	<u>675,624</u>	<u>148,750</u>	<u>1,327,010</u>
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$ 33,238		13,983		341,219		
Payments in advance		172,733			17,210	148,225	
Due to other funds			1,220	50,089	304,863		
<b>Total liabilities</b>	<u>\$ 33,238</u>	<u>172,733</u>	<u>15,203</u>	<u>50,089</u>	<u>663,292</u>	<u>148,225</u>	<u>-</u>
<b>Deferred inflows of resources:</b>							
Unavailable receipts	\$ -	-	-	-	-	-	-
<b>Fund balance (deficits):</b>							
Nonspendable	\$ 3,983						
Restricted for:							
Donor's intentions	482,638	123,786		163,536	12,332	525	1,257,103
Committed for:							
Specific purposes			41,900				69,907
Assigned							
Unassigned							
<b>Total fund balance (deficits)</b>	<u>\$ 486,621</u>	<u>123,786</u>	<u>41,900</u>	<u>163,536</u>	<u>12,332</u>	<u>525</u>	<u>1,327,010</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 519,859</u>	<u>296,519</u>	<u>57,103</u>	<u>213,625</u>	<u>675,624</u>	<u>148,750</u>	<u>1,327,010</u>

(continued)

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:07 pm, Apr 01, 2026

	<b>Capital Projects</b>				<b>Nonmajor Governmental Funds</b>
	Middle School Construction	Field House	Land Acquisition	School Roof	
<b>Assets:</b>					
Cash and cash equivalents	68,343	11,470	61,465		1,603,225
Investments					1,257,103
Receivables, net					435,158
Due from other funds	106,779				187,078
Inventory					3,983
<b>Total assets</b>	<u>175,122</u>	<u>11,470</u>	<u>61,465</u>	<u>-</u>	<u>3,486,547</u>
<b>Liabilities:</b>					
Accounts payable and accrued liabilities					388,440
Payments in advance					338,168
Due to other funds			27,517	124,219	507,908
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>27,517</u>	<u>124,219</u>	<u>1,234,516</u>
<b>Deferred inflows of resources:</b>					
Unavailable receipts	-	-	-	-	-
<b>Fund balance (deficits):</b>					
Nonspendable	-			-	3,983
Restricted for:					
Donor's intentions		11,470			2,051,390
Committed for:					
Specific purposes	175,122		33,948		320,877
Assigned					-
Unassigned				(124,219)	(124,219)
<b>Total fund balance (deficits)</b>	<u>175,122</u>	<u>11,470</u>	<u>33,948</u>	<u>(124,219)</u>	<u>2,252,031</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>175,122</u>	<u>11,470</u>	<u>61,465</u>	<u>-</u>	<u>3,486,547</u>

CITY OF DERBY, CONNECTICUT

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:08 pm, Apr 01, 2026

**SCHEDULE 4**  
Page 1 of 2

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2025

	<b>Special Revenue</b>						
	School Lunch	Community Development	Blight Fund	Board of Education Activity	Special Education Grant	Police Grant	Library Endowment
<b>Revenues:</b>							
Intergovernmental	\$ 1,250,997				7,049,328	78,204	
Charges for services	25,482		195,718	225,553			
Investment income		784	180			525	124,949
Other		46,920					13,359
<b>Total revenues</b>	<b>\$ 1,276,479</b>	<b>47,704</b>	<b>195,898</b>	<b>225,553</b>	<b>7,049,328</b>	<b>78,729</b>	<b>138,308</b>
<b>Expenditures:</b>							
General Government			103,998				
Public safety						78,204	
Public works							
Culture and recreation							96,785
Education	1,187,704			389,349	7,036,996		
Other							
<b>Total expenditures</b>	<b>\$ 1,187,704</b>	<b>-</b>	<b>103,998</b>	<b>389,349</b>	<b>7,036,996</b>	<b>78,204</b>	<b>96,785</b>
<b>Revenue over (under) expenditures</b>	<b>\$ 88,775</b>	<b>47,704</b>	<b>91,900</b>	<b>(163,796)</b>	<b>12,332</b>	<b>525</b>	<b>41,523</b>
<b>Other financing sources:</b>							
Transfer in from other funds				50,000			
Transfer out from other funds			(50,000)				
<b>Total other financing sources</b>	<b>\$ -</b>	<b>-</b>	<b>(50,000)</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Changes in fund balances (deficits)</b>	<b>\$ 88,775</b>	<b>47,704</b>	<b>41,900</b>	<b>(113,796)</b>	<b>12,332</b>	<b>525</b>	<b>41,523</b>
<b>Fund balances (deficits) - beginning</b>	<b>397,846</b>	<b>76,082</b>		<b>277,332</b>			<b>1,285,487</b>
<b>Fund balances (deficits) - ended</b>	<b>\$ 486,621</b>	<b>123,786</b>	<b>41,900</b>	<b>163,536</b>	<b>12,332</b>	<b>525</b>	<b>1,327,010</b>

(Continued)



COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2025

	<b>Capital Projects</b>				
	Middle School Constuction	Field House	Land Aquisition	School Roof	<b>Nonmajor Governmental Funds</b>
<b>Revenues:</b>					
Intergovernmental					8,378,529
Charges for services					446,753
Investment income	144	78	215		126,875
Other					60,279
<b>Total revenues</b>	<u>144</u>	<u>78</u>	<u>215</u>	<u>-</u>	<u>9,012,436</u>
<b>Expenditures:</b>					
General Government					103,998
Public safety					78,204
Public works					-
Culture and recreation					96,785
Education		13,289			8,627,338
Other					-
<b>Total expenditures</b>	<u>-</u>	<u>13,289</u>	<u>-</u>	<u>-</u>	<u>8,906,325</u>
<b>Revenue over (under) expenditures</b>	<u>144</u>	<u>(13,211)</u>	<u>215</u>	<u>-</u>	<u>106,111</u>
<b>Other financing sources:</b>					
Transfer in from other funds					50,000
Transfer out from other funds					(50,000)
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Changes in fund balances (deficits)</b>	144	(13,211)	215	-	106,111
<b>Fund balances (deficits) - beginning</b>	174,978	24,681	33,733	(124,219)	2,145,920
<b>Fund balances (deficits) - ended</b>	<u>175,122</u>	<u>11,470</u>	<u>33,948</u>	<u>(124,219)</u>	<u>2,252,031</u>

CITY OF DERBY, CONNECTICUT

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:08 pm, Apr 01, 2026

SCHEDULE 5

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
For the Year Ended June 30, 2025

Grand List Year	Uncollected Balance & New Levy July 1, 2024*	Lawful Corrections		(Transfers to) Recoveries From Suspense	Balance to be Collected	Collections				Uncollected Balance June 30, 2025
		Increases	Decreases			Taxes	Interest	Lien Fees	Total	
2008	3,627		(3,627)		-					
2009	2,235	2,153			4,388				-	4,388
2010	67	7,637			7,704				-	7,704
2011	(17,214)	26,325			9,111				-	9,111
2012	(12,189)	23,837			11,648	(3)			(3)	11,651
2013	(4,805)	16,729	(3)		11,921	138			138	11,783
2014	(11,115)	23,982	(3)		12,864	236	262		498	12,628
2015	(29,255)	41,571	(3)		12,313	(96)	(187)	24	(259)	12,409
2016	(3,215)	23,119	(2,764)		17,140	2,865	3,309	24	6,198	14,275
2017	477	30,410	(7,521)		23,366	5,980	7,087	24	13,091	17,386
2018	(25,854)	55,552	(7,998)		21,700	6,348	6,392	24	12,764	15,352
2019	14,104	14,982	(3,818)		25,268	6,487	11,552	24	18,063	18,781
2020	57,585	38,150	(7,265)	(10,715)	77,755	9,793	7,707	24	17,524	67,962
2021	549,793	7,046	(11,900)	(92,871)	452,068	166,561	70,814	384	237,759	285,507
2022	1,174,520	7,081	(30,097)	(114,204)	1,037,300	509,807	103,991	1,582	615,380	527,493
Total	\$ 1,698,761	318,574	(74,999)	(217,790)	1,724,546	708,116	210,927	2,110	921,153	1,016,430
2023	36,779,921	247,964	(106,514)	(125,046)	36,796,325	35,849,237	118,139	611	35,967,987	947,088
Total	\$ 38,478,682	566,538	(181,513)	(342,836)	38,520,871	36,557,353	329,066	2,721	36,889,140	1,963,518

\* Balance restated to remove suspended accounts

CITY OF DERBY, CONNECTICUT

SCHEDULE OF DEBT LIMITATION  
For the Year Ended June 30, 2025

**RECEIVED**

By Office of Derby Town Clerk Marc J. Garofalo, MPA, MMC, MCTC at 2:08 pm, Apr 01, 2026

SCHEDULE (

Total tax collections (including interest and lien fees) for the year ended June 30, 2025	\$ 36,889,140
Reimbursement for revenue loss on: Elderly Tax Relief - Freeze	<u>-</u>
<b>Base</b>	<b>\$ <u>36,889,140</u></b>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Bonding</u>	<u>Total Debt</u>
<b>Debt limitation:</b>						
2 1/4 times base	\$ 78,942,760					
4 1/2 times base		166,001,130				
3 3/4 times base			138,334,275			
3 1/4 times base				119,889,705		
3 times base					110,667,420	
7 times base						<u>258,223,980</u>
<b>Total debt limitation</b>	<u>\$ 78,942,760</u>	<u>166,001,130</u>	<u>138,334,275</u>	<u>119,889,705</u>	<u>110,667,420</u>	<u>258,223,980</u>
<b>Indebtedness:</b>						
Bonds payable	\$ -					-
Bonds authorized and unissued						<u>-</u>
<b>Total indebtedness</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Less: School construction grants receivable</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total indebtedness of the City</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Debt limitation in excess of outstanding and authorized debt</b>	<u>\$ 78,942,760</u>	<u>166,001,130</u>	<u>138,334,275</u>	<u>119,889,705</u>	<u>110,667,420</u>	<u>258,223,980</u>