

Annual Financial Report
of the
Town of East Haven, Connecticut
For the Year Ended June 30, 2024

Town of East Haven, Connecticut

**Annual Financial Report
For the Year Ended June 30, 2024**

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Introductory Section

Town of East Haven, Connecticut

Principal Officials June 30, 2024

Mayor
Town Clerk
Tax Collector

Joseph A. Carfora
Lisa Balter
Shayna Acampora

Town Council

Joseph Deko, Chairperson
Louis G Pacelli, Vice-Chairperson
Ann Penington
Ashley Lesco
Karen Martin
Joseph Santino Jr
Marianne Cesare
Paul Thompson Sr

Beth Capotorto
Michael Ginnetti
Tina Hedley
Susan Stacey
Gaetano Bimonte
Joseph Kikosicki
Albert Vollono

Board of Finance

Mayor Joseph A Carfora, Chair
Richard Esposito Jr
Christopher M Perdo
Beth Purcell

Alfred Purzycki
Ralph Vitale
Ron Desena

Board of Education

Michele DeLucia, Chair
Patricia DePalma, Vice Chair
Jennifer Dilungo
Thomas S Hennessey
Marianne Johnson

Karyn Putney
Erika Santino-Santiago
John R Stacey Jr
Lynn A Torello

Superintendent of Schools

Erica Forti

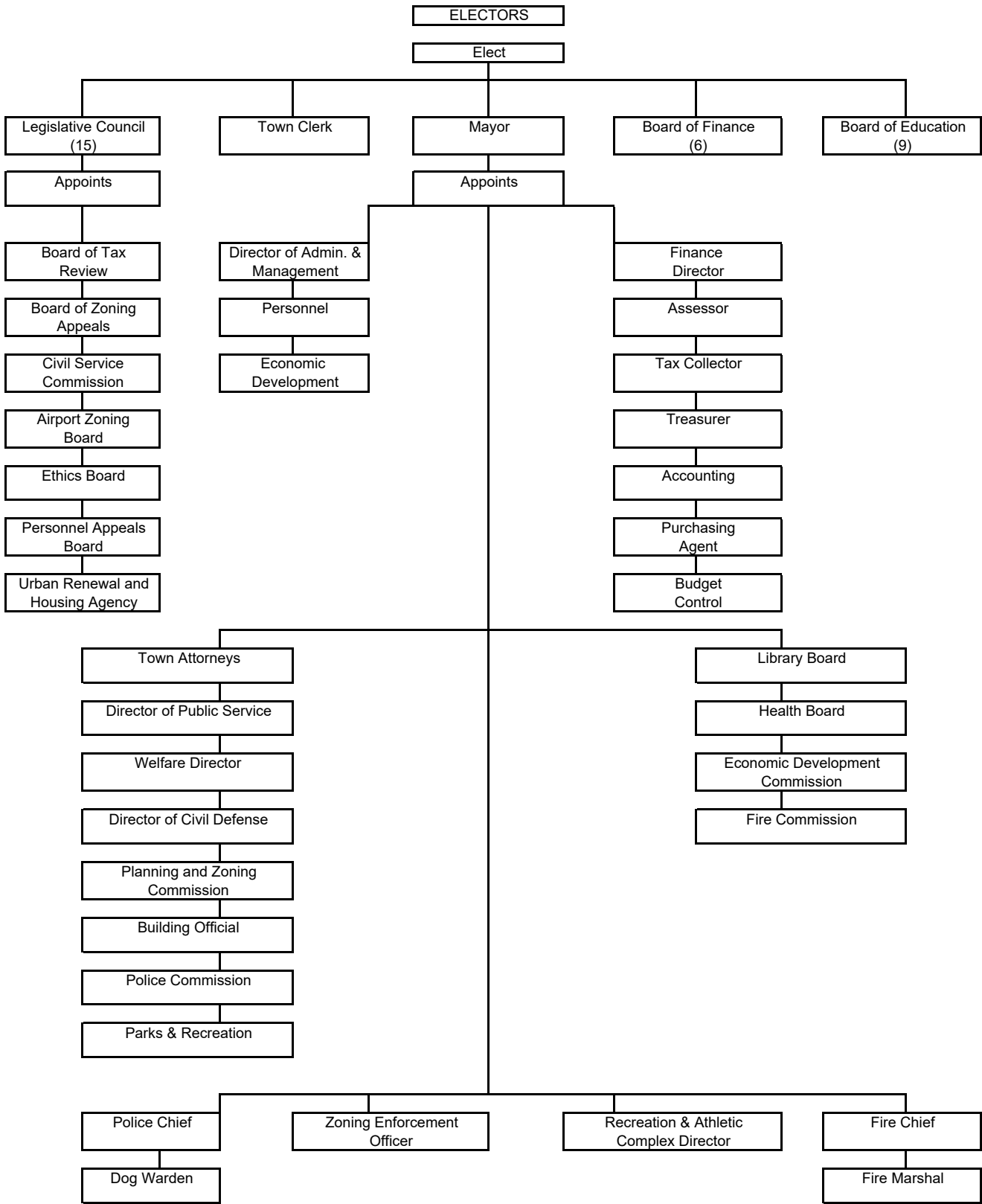
Administration

Director of Administration and Management
Animal Control Officer
Assessor
Building Official
Chief of Police
Fire Department Chief
Fire Marshal
Finance Director
Director of Human Resources
Public Services
Director of Recreation
Senior Center and Social Services
Town Attorney
Planning and Zoning Department
Economic Development

Rich Coppola
Emily Higgins
Vacant
William Brown
Edward R Lennon, Jr.
Matt Marcarelli
Charles Miller
James Keeley
Ed Sabatino
Charles Coyle
Liz Franco-Spano
Robert Petrucelli
Michael Luzzi
Joseph Budrow
Rich Coppola

Town of East Haven, Connecticut

Organizational Chart



Financial Section

Independent Auditors' Report

**Board of Finance
Town of East Haven, Connecticut**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of East Haven, Connecticut ("Town"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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 Management's Discussion and Analysis, budgetary comparisons, and the pension and other post-employment benefit schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Town's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and trend information sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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 Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 6, 2025



Management's Discussion and Analysis For the Year Ended June 30, 2024

As management of the Town of East Haven, Connecticut ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024.

Financial highlights

- On a government-wide basis, the liabilities and deferred inflows of resources of the Town exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year as follows:

Change in net position	\$ (13,794,591)
Total net position	(95,862,863)
Unrestricted net position	(156,955,001)

- The significant factors for the change are as follows:

Fund level activity:

➤ positive operations of the general fund of	\$ 918,853
➤ negative operations of the education grants fund of	(454,541)
➤ positive operations of the capital projects fund of	3,321,501
➤ negative operations of the school lunch fund of	(628,603)
➤ positive operations of the debt service fund of	429,340
➤ negative operations of the internal service fund of	(2,011,450)

Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation/amortization expense of	(2,084,850)
➤ change in property tax, interest, and lien revenue of	(2,084,413)
➤ net long-term debt activity of	(1,789,494)
➤ change in net pension liability of	(2,625,653)
➤ change in OPEB liability of	(20,350,717)
➤ change in deferred outflows of resources related to pension and OPEB of	10,487,509
➤ change in deferred inflows of resources related to pension and OPEB of	3,877,073

- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$10,546,134, an increase of \$3,308,667 in comparison with the prior year. This increase is primarily a result of the positive operations in the capital projects fund of \$3,321,501.

- At year end, the unassigned fund balance for the general fund was \$9,179,172, an increase of \$918,853 from the prior year. The unassigned fund balance represents 9.18% of total budgetary expenditures and other financing uses as compared to 8.40% in the prior year.
- Net capital assets decreased \$2,131,105 or 2.15%.
- The Town's total long-term debt increased by \$1,690,035 or 4.55%.

Overview of the basic financial statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between these accounts being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present only governmental activities whose functions are principally supported by taxes and intergovernmental revenues. The governmental activities of the Town include general government, public safety, public works, culture and recreation, health and welfare and education.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for each major fund. The funds reported as major funds are as follows:

- General fund
- Education grants fund
- Capital projects fund

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements on Schedules 3 and 4.

Proprietary funds

The Town maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions.

The Town uses internal service funds to account for its self-insurance, workers' compensation, and medical benefits. These activities have been included within governmental activities in the government-wide financial statements.

Notes to financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- A budgetary comparison schedule for the general fund to demonstrate compliance with this budget.
- Schedules to demonstrate the Town's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate the Town's progress in funding its obligation to provide other post-employment benefits.

Other information

Other required schedules and the combining statements referred to earlier in connection with other governmental funds are presented immediately following the required supplementary information.

Government-wide financial analysis

The analysis below focuses on the net position and the changes in net position. Unrestricted net position at year-end totaled \$156,955,001. This is a decrease of \$9,476,553 from the prior year.

**Summary Statement of Net Position
June 30**

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 36,593,355	\$ 37,473,023
Capital assets (net)	<u>96,780,449</u>	<u>98,911,554</u>
Total assets	<u>133,373,804</u>	<u>136,384,577</u>
Deferred outflows of resources	<u>50,455,803</u>	<u>39,896,817</u>
Long-term liabilities	234,748,998	215,912,521
Current liabilities	<u>25,131,980</u>	<u>17,571,412</u>
Total liabilities	<u>259,880,978</u>	<u>233,483,933</u>
Deferred inflows of resources	<u>19,811,492</u>	<u>24,865,733</u>
Net investment in capital assets	57,015,219	60,727,345
Restricted	4,076,919	4,682,831
Unrestricted	<u>(156,955,001)</u>	<u>(147,478,448)</u>
Total net position	<u>\$ (95,862,863)</u>	<u>\$ (82,068,272)</u>

The largest portion of net position of the Town reflects its net investment in capital assets, less any related debt and liabilities used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Town's net position, \$4,076,919, represents resources that are subject to external restrictions on how they may be used.

Net position may serve over time as a useful indicator of the Town's financial position. The Town's total net position decreased by \$13,794,591 as detailed in the table below:

**Statement of Changes in Net Position
For the Years Ended June 30**

	2024	2023
Revenues:		
Program revenues:		
Charges for services	\$ 4,852,660	\$ 4,580,013
Operating grants and contributions	40,543,106	39,824,045
Capital grants and contributions	1,910,592	3,527,941
General revenues:		
Property taxes	74,492,797	76,164,243
Grants and contributions not restricted to specific programs	623,547	614,032
Net income (loss) from investments	1,479,288	1,065,574
Other	108,248	49,267
Total revenues	<u>124,010,238</u>	<u>125,825,115</u>
Expenses:		
General government	6,998,364	7,359,936
Public safety	35,943,667	34,088,891
Public works	11,100,070	12,135,120
Health and welfare	1,509,464	1,370,643
Culture and recreation	2,852,898	3,203,313
Education	78,166,137	72,334,812
Interest	1,234,229	892,106
Total expenses	<u>137,804,829</u>	<u>131,384,821</u>
Change in net position	(13,794,591)	(5,559,706)
Net position - July 1	<u>(82,068,272)</u>	<u>(76,508,566)</u>
Net position - June 30	<u><u>\$ (95,862,863)</u></u>	<u><u>\$ (82,068,272)</u></u>

Significant revenue related changes are as follows:

Revenue category	Amount	Explanation
Operating grants and contributions increased by:	\$ 719,061	Due to increase in the teachers retirement pension and OPEB on behalf amounts of \$861,313
Capital grants and contributions decreased by:	(1,617,349)	Due to decrease in ARPA grant of \$1,560,474
Property taxes decreased by:	(1,671,446)	Due to lower net levy than the prior year mostly due to suspense transfers of approximately \$1,400,000

Management's Discussion and Analysis (continued)

Significant expense related changes are as follows:

Expense category	Amount	Explanation
Public safety expenses increased by:	\$ 1,854,776	Due to increase in OPEB expense of \$1,788,141, claims expense of \$1,203,104, and employee benefits of \$550,534, offset by decrease in pension expense of \$1,683,859
Public works expenses decreased by:	(1,035,050)	Due to decrease in pension expense of \$548,946
Education expenses increased by:	5,831,325	Change was due to the following: Increase in the operating budget of \$900,000 Increase in school lunch expenses of \$693,020 Increase in education grants of \$434,563 Increase in teachers retirement pension and OPEB on behalf amounts of \$861,313 Increase in OPEB expense of \$2,331,469 Increase in medical claims expense of \$1,002,909 Decrease in pension expense of \$1,710,532

Financial analysis of the Town's funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

The components of fund balance were as follows:

Nonspendable for endowments	\$ 100,000
Restricted	3,976,919
Committed	1,512,700
Assigned	1,703,364
Unassigned	<u>3,253,151</u>
Total	<u>\$ 10,546,134</u>

The total fund balance increased by \$3,308,667 to \$10,546,134. This change is the result of the following activity:

General fund

The general fund is the operating fund of the Town. At the end of the current fiscal year, total fund balance fund was \$9,179,172 as a result of positive operations of \$918,853.

As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 9.18% of total general fund budgetary expenditures and transfers out.

General fund budgetary highlights

The significant budget transfers during the year were as follows:

- The interest budget was decreased by \$250,000 and transferred to the fire and property insurance budget for final rates higher than budgets and additional policies
- The public services budget was decreased by \$190,000 and transferred to the sanitation budget for recycling costs
- The general services budget was decreased by \$533,971 and primarily transferred to the insurance budget to fund:
 - police department of \$250,000 for overtime
 - self-insurance reserve of \$185,000
 - legal fees of \$98,971

Significant budget variances were as follows:

Revenues

- Property taxes were lower than budget by \$371,794 due to the lower-than-expected motor vehicle and personal property tax collections amount of \$920,089 offset by the higher-than-expected delinquent taxes collections amount of \$540,800 and interest, penalties, and liens of \$310,818
- Charges for services revenue was under budget by \$122,118 primarily due to police special assignments under budget by \$293,121 offset by the building department permits over budget by \$142,455
- Income from investments increased by \$503,257 due to positive operations and the continued higher-than-expected interest rates
- Transfers in was under budget by \$225,000 due to the transfer not being made

Expenditures

Expenditure category	Amount	Explanation
General government expenditures were under budget by:	\$ 297,332	Tax collector department was underspent by \$54,517 due to unfilled positions
		Assessor department was underspent by \$81,916 due to the assessor position being open during the year
		Town clerk department underspent by \$48,676 due to unfilled positions
		IT Department underspent by \$49,782 due to unfilled positions of \$21,889 and less equipment purchases than budgeted of \$12,416

Expenditure category	Amount	Explanation
Public services were under budget by:	\$ 200,533	Due to open positions and lower than budgeted amount for gasoline due the lower than estimated gas price increases
Culture and recreation were under budget by:	206,573	Change was due to the following: Recreation expenditures lower than budgeted by \$67,369 due to lower than budgeted part-time and summer wages Ice rink expenditures lower than budgeted by \$75,606 due to lower than expected part-time wages and lower than budget utility costs of \$52,377
Employee benefits were under budget by:	214,244	Primarily due to cost saving of \$214,244 related to lower than budgeted pension costs due to open positions
Public services were under budget by:	200,533	Substantially due to lower costs for special assignments (police special duty) that were referred to a neighboring Town due to staffing shortages in the police department
Education was over budget by:	(315,554)	Due to higher than budgeted costs for special education

Education grants fund

This fund's net change in fund balance was a decrease of \$454,541 due to increase spending for special education costs.

Capital projects fund

This fund's net change in fund balance was an increase of \$3,321,501 for the fiscal year as a result of issuance of bonds to fund school and town projects as a result of the timing of spending and financing the projects.

Proprietary funds

The self-insurance, workers' compensation, and medical benefits internal service funds are the Town's proprietary funds. Unrestricted net position at year end was a deficit of \$564,240, a decrease of \$2,011,450 from the prior year due to increases in claims expenses.

Capital assets and debt administration

Capital assets

The Town's capital assets (net of accumulated depreciation/amortization) by type are detailed in the table below.

Capital Assets
(Net of Accumulated Depreciation/Amortization)
June 30

Category	2024	2023
Land	\$ 3,505,816	\$ 3,505,816
Construction in progress	1,890,149	4,949,581
Intangible right-to-use assets	1,848,953	2,064,822
Land improvements	3,281,677	2,831,114
Buildings	32,596,876	33,569,919
Building improvements	17,791,716	15,772,134
Machinery and equipment	7,321,826	7,136,251
Vehicles	2,109,522	2,448,276
Infrastructure	26,433,914	26,633,641
Total	<u>\$ 96,780,449</u>	<u>\$ 98,911,554</u>
Dollar change	<u>\$ (2,131,105)</u>	
Percentage change	<u>(2.15%)</u>	

The significant capital asset additions consisted of the following:

Category	Description	Amount
Construction in progress	Greenway trails	\$ 449,756
Land improvement	Town green	501,741
Building improvements	Ice rink	2,755,077
	Library roof	229,375
Machinery and equipment	Cafeteria tables and chairs	315,364
Vehicles	Police vehicles	165,509
Infrastructure	Maple Street bridge	332,072

The decrease in net capital assets is due to depreciation in excess of capital asset additions. Additions of \$3,144,113 were offset by depreciation/amortization expense of \$5,228,963.

Additional information on the Town's capital assets can be found in Note III D.

Long-term debt

At the end of the current fiscal year, the Town had total long-term debt outstanding as detailed in the table below. All debt is backed by the full faith and credit of the Town.

Long-Term Debt June 30

Category	2024	2023
Bonds payable	\$ 31,020,000	\$ 28,475,000
Notes payable	5,893,138	6,546,559
Leases payable	445,718	486,648
Subscriptions payable	1,514,539	1,675,153
Total	<u>\$ 38,873,395</u>	<u>\$ 37,183,360</u>
Dollar change	<u>\$ 1,690,035</u>	
Percentage change	<u>4.55%</u>	

The Town's total long-term debt increased due to the issuance of bonds of \$4,900,000 and issuance of leases of \$106,851, offset by scheduled debt service payments of \$3,316,816.

The Town maintains an "A" rating from Standard and Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total prior year tax collections including interest and lien fees and the tax relief for the elderly freeze grant. The current debt limitation for the Town is \$563,816,386, which is significantly in excess of the Town's outstanding general obligation debt.

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

Economic factors and next year's budgets and rates

As of June 2024, the unemployment rate for the Town was at 2.8%, as compared to 4.1% in the prior year. This is lower than the State average unemployment rate of 3.9% and lower than the national unemployment rate of 4.1%.

Town officials considered many factors when setting the fiscal year 2025 budget. The Town decided that it was important to adopt a budget designed to promote long-term fiscal stability. In order to meet the objectives of the budget, the Town recognized the need to continue its pattern of conservative budgeting while at the same time providing excellent services to its residents and taxpayers.

The 2025 general fund budget is \$105,567,876, which is an increase of \$4,592,112 from the prior year. The Town continues to focus on managing the tax rate in an environment of changing levels of state funding.

Requests for information

This financial report is designed to familiarize the Town's citizens, taxpayers and customers with the Town's finances and to demonstrate the Town's fiscal accountability for its operation. Questions concerning this report, or requests for additional financial information, should be directed to Finance Director, Town of East Haven, 250 Main Street, East Haven, Connecticut 06512.

Basic Financial Statements

Town of East Haven, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2024

Assets

Current assets:	
Cash	\$ 7,658,122
Investments	21,183,189
Receivables:	
Property taxes	1,375,969
Intergovernmental	1,457,019
Loans	88,637
Other	449,634
Other	36,285
Total current assets	32,248,855
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	50,760
Investments	2,370,251
Permanently restricted:	
Investments	100,000
Total restricted assets	2,521,011
Receivables (net):	
Property taxes	1,823,489
Capital assets (net of accumulated depreciation/amortization):	
Land	3,505,816
Construction in progress	1,890,149
Intangible right-to-use assets	1,848,953
Land improvements	3,281,677
Buildings	32,596,876
Building improvements	17,791,716
Machinery and equipment	7,321,826
Vehicles	2,109,522
Infrastructure	26,433,914
Total capital assets (net of accumulated depreciation/amortization)	96,780,449
Total noncurrent assets	101,124,949
Total assets	133,373,804

Deferred Outflows of Resources

Deferred charge on refunding	140,902
Pension related	23,184,290
OPEB related	27,130,611
Total deferred outflows of resources	50,455,803

(Continued)

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

Town of East Haven, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2024

Liabilities

Current liabilities:	
Accounts payable	\$ 2,871,891
Accrued payroll and related liabilities	3,758,583
Unearned revenue	3,787,151
Overpayments	88,552
Accrued interest payable	515,934
Long-term debt	3,508,742
Compensated absences	1,457,741
OPEB liability	6,045,000
Claims payable	3,098,386
Total current liabilities	<u>25,131,980</u>
Noncurrent liabilities:	
Long-term debt and related liabilities	36,223,539
Compensated absences	5,830,962
Net pension liability	55,492,337
OPEB liability	129,617,718
Claims payable	7,584,442
Total noncurrent liabilities	<u>234,748,998</u>
Total liabilities	<u>259,880,978</u>

Deferred Inflows of Resources

Advance property tax collections	2,222,998
Pension related	1,723,880
OPEB related	15,864,614
Total deferred inflows of resources	<u>19,811,492</u>

Net Position

Net investment in capital assets	57,015,219
Restricted for:	
Endowments:	
Nonexpendable	100,000
Expendable	2,421,011
Capital replacement	44,566
Road maintenance	298,465
Historical document preservation	92,593
Housing rehabilitation programs	398,324
Cafeteria operations	718,685
Education programs	3,275
Unrestricted	(156,955,001)
Total net position	<u>\$ (95,862,863)</u>

(Concluded)

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

Town of East Haven, Connecticut

Governmental Activities
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 6,998,364	\$ 688,363	\$ 723,792	\$ -	\$ (5,586,209)
Public safety	35,943,667	1,285,384	152,568	-	(34,505,715)
Public works	11,100,070	675,134	-	1,680,089	(8,744,847)
Health and welfare	1,509,464	237,720	17,672	-	(1,254,072)
Culture and recreation	2,852,898	502,828	15,102	-	(2,334,968)
Education	78,166,137	1,463,231	39,633,972	230,503	(36,838,431)
Interest	1,234,229	-	-	-	(1,234,229)
Total	<u>\$ 137,804,829</u>	<u>\$ 4,852,660</u>	<u>\$ 40,543,106</u>	<u>\$ 1,910,592</u>	<u>(90,498,471)</u>
General revenues:					
Property taxes					74,492,797
Grants and contributions not restricted to specific programs					623,547
Income from investments					1,479,288
Other					<u>108,248</u>
Total general revenues					<u>76,703,880</u>
Change in net position					(13,794,591)
Net position - July 1, 2023					<u>(82,068,272)</u>
Net position - June 30, 2024					<u>\$ (95,862,863)</u>

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

Town of East Haven, Connecticut

Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Education Grants Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 3,897,783	\$ 695,710	\$ -	\$ 2,154,350	\$ 6,747,843
Investments	20,137,245	-	-	2,474,239	22,611,484
Receivables:					
Property taxes	2,646,293	-	-	-	2,646,293
Intergovernmental	-	590,637	561,146	305,236	1,457,019
Loans	-	-	-	88,637	88,637
Other	372,979	-	-	13,016	385,995
Due from other funds	5,611,659	54,710	-	3,616,680	9,283,049
Other	-	-	-	36,285	36,285
Total assets	<u>\$ 32,665,959</u>	<u>\$ 1,341,057</u>	<u>\$ 561,146</u>	<u>\$ 8,688,443</u>	<u>\$ 43,256,605</u>
<u>Liabilities</u>					
Accounts payable	\$ 2,273,755	\$ 87,054	\$ 173,851	\$ 330,823	\$ 2,865,483
Accrued payroll and related liabilities	3,260,096	482,854	-	15,633	3,758,583
Due to other funds	12,995,093	669,168	3,149,154	527,996	17,341,411
Unearned revenue	-	78,847	3,164,162	544,142	3,787,151
Overpayments	88,552	-	-	-	88,552
Total liabilities	<u>18,617,496</u>	<u>1,317,923</u>	<u>6,487,167</u>	<u>1,418,594</u>	<u>27,841,180</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	2,646,293	-	-	-	2,646,293
Advance property tax collections	2,222,998	-	-	-	2,222,998
Total deferred inflows of resources	<u>4,869,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,869,291</u>
<u>Fund Balances</u>					
Nonspendable	-	-	-	100,000	100,000
Restricted	-	-	-	3,976,919	3,976,919
Committed	-	23,134	-	1,489,566	1,512,700
Assigned	-	-	-	1,703,364	1,703,364
Unassigned	9,179,172	-	(5,926,021)	-	3,253,151
Total fund balances	<u>9,179,172</u>	<u>23,134</u>	<u>(5,926,021)</u>	<u>7,269,849</u>	<u>10,546,134</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,665,959</u>	<u>\$ 1,341,057</u>	<u>\$ 561,146</u>	<u>\$ 8,688,443</u>	<u>\$ 43,256,605</u>

(Continued)

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

Town of East Haven, Connecticut

**Reconciliation of Fund Balance
to Net Position of Governmental Activities
June 30, 2024**

Amounts reported in the statement of net position (Exhibit A) are different from the governmental fund balance sheet due to:

Total fund balances (Exhibit C, page 1)	<u>\$ 10,546,134</u>
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets (net)	98,911,554
Capital asset additions (net of construction in progress)	3,144,113
Depreciation/amortization expense	(5,228,963)
Disposal of capital assets	<u>(46,255)</u>

Total	<u>96,780,449</u>
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Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:

Property tax interest and lien accrual	1,053,165
Allowance for doubtful accounts	(500,000)
Deferred charge on refunding	140,902
Deferred outflows related to pension	23,184,290
Deferred outflows related to OPEB	<u>27,130,611</u>

Total	<u>51,008,968</u>
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Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

Property tax receivable - accrual basis change	<u>2,646,293</u>
--	------------------

Internal service funds are used by management for risk financing activities:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>(564,240)</u>
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(36,913,138)
Premium	(858,886)
Leases payable	(445,718)
Subscription payable	(1,514,539)
Compensated absences	(7,288,703)
Net pension liability	(55,492,337)
OPEB liability	(135,662,718)
Deferred inflows related to pension	(1,723,880)
Deferred inflows related to OPEB	(15,864,614)
Accrued interest payable	<u>(515,934)</u>

Total	<u>(256,280,467)</u>
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Total net position (Exhibit A)	<u>\$ (95,862,863)</u>
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The notes to financial statements are an integral part of this statement.

(Concluded)

Town of East Haven, Connecticut

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	General Fund	Education Grants Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 76,577,210	\$ -	\$ -	\$ -	\$ 76,577,210
Intergovernmental	27,839,115	10,294,122	1,017,094	3,800,790	42,951,121
Charges for services	2,802,082	-	-	2,050,578	4,852,660
Income from investments	1,083,257	5,371	-	128,963	1,217,591
Change in fair value of investments	-	-	-	158,707	158,707
Contributions	-	14,570	-	111,554	126,124
Other	972,578	-	-	-	972,578
Total revenues	109,274,242	10,314,063	1,017,094	6,250,592	126,855,991
Expenditures:					
Current:					
General government	3,156,898	-	20,610	98,920	3,276,428
Public safety	16,754,704	-	175,003	457,899	17,387,606
Public works	6,042,879	-	8,340	645,872	6,697,091
Health and welfare	609,502	-	5,389	302,896	917,787
Culture and recreation	2,122,562	-	135,358	122,124	2,380,044
Employee benefits and insurance	16,854,156	-	-	-	16,854,156
Education	57,765,789	10,768,604	18,000	4,824,075	73,376,468
General services	1,281,780	-	-	-	1,281,780
Debt service	3,782,218	-	-	375,411	4,157,629
Capital outlay	-	-	2,339,744	-	2,339,744
Total expenditures	108,370,488	10,768,604	2,702,444	6,827,197	128,668,733
Excess (deficiency) of revenues over expenditures	903,754	(454,541)	(1,685,350)	(576,605)	(1,812,742)
Other financing sources (uses):					
Issuance of debt	-	-	5,006,851	-	5,006,851
Premium	-	-	-	99,459	99,459
Sale of assets	15,099	-	-	-	15,099
Net other financing sources (uses)	15,099	-	5,006,851	99,459	5,121,409
Net change in fund balances	918,853	(454,541)	3,321,501	(477,146)	3,308,667
Fund balances - July 1, 2023	8,260,319	477,675	(9,247,522)	7,746,995	7,237,467
Fund balances - June 30, 2024	\$ 9,179,172	\$ 23,134	\$ (5,926,021)	\$ 7,269,849	\$ 10,546,134

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

Town of East Haven, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024**

Amounts reported in the statement of activities (Exhibit B) are different due to:

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ 3,308,667</u>
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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/amortization expense:

Capital outlay	3,144,113
Depreciation/amortization expense	<u>(5,228,963)</u>
Total	<u>(2,084,850)</u>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase/decrease net position. In the statement of activities, only the loss on the sale of assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold or donated.

Loss on disposal of assets	<u>(46,255)</u>
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in property tax receivable - accrual basis change	(1,625,698)
Change in property tax interest and lien revenue	(1,543,715)
Change in allowance for doubtful accounts	<u>1,085,000</u>
Total	<u>(2,084,413)</u>

The issuance of long-term debt 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 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 these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Bonds	(4,900,000)
Premium	(99,459)
Leases	(106,851)
Principal repayments:	
Bonds	2,355,000
Notes	653,421
Leases	147,781
Subscriptions	<u>160,614</u>
Total	<u>(1,789,494)</u>

(Continued)

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

Town of East Haven, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024**

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

Change in/amortization of:	
Premium	\$ 86,494
Compensated absences	(569,238)
Net pension liability	(2,625,653)
OPEB liability	(20,350,717)
Accrued interest payable	(63,741)
Deferred charge on refunding	71,477
Deferred outflows of resources related to pension	859,490
Deferred outflows of resources related to OPEB	9,628,019
Deferred inflows of resources related to pension	961,202
Deferred inflows of resources related to OPEB	<u>2,915,871</u>
Total	<u>(9,086,796)</u>
Internal service funds are used by management for risk financing activities:	
The net revenue (expense) of the activities of the internal service funds are reported with governmental activities	<u>(2,011,450)</u>
Change in net position (Exhibit B)	<u><u>\$ (13,794,591)</u></u>
	(Concluded)

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

Town of East Haven, Connecticut

Internal Service Funds
Statement of Net Position
June 30, 2024

Assets

Current assets:

Cash	\$ 961,039
Investments	1,041,956
Accounts receivable	63,639
Due from other funds	<u>9,378,413</u>

Total assets	<u>11,445,047</u>
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Liabilities

Current liabilities:

Accounts payable	6,408
Claims payable	3,098,386
Due to other funds	<u>1,320,051</u>

Total current liabilities	4,424,845
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Noncurrent liabilities:

Claims payable	<u>7,584,442</u>
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Total liabilities	<u>12,009,287</u>
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Net Position

Unrestricted	<u><u>\$ (564,240)</u></u>
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The notes to financial statements are an integral part of this statement.

Town of East Haven, Connecticut

Internal Service Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2024

Operating revenues:	
Charges for services	<u>\$ 17,358,244</u>
Operating expenses:	
Claims	17,953,750
Administration	<u>1,518,934</u>
Total operating expenses	<u>19,472,684</u>
Operating income (loss)	(2,114,440)
Nonoperating revenues:	
Income from investments	<u>102,990</u>
Change in net position	(2,011,450)
Total net position - July 1, 2023	<u>1,447,210</u>
Total net position - June 30, 2024	<u><u>\$ (564,240)</u></u>

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

Town of East Haven, Connecticut

**Internal Service Funds
Statement of Cash Flows
For the Year Ended June 30, 2024**

Cash flows from (used in) operating activities:	
Premiums received	\$ 16,295,601
Payments for interfund services	335,761
Payments to vendors	(1,514,185)
Payments for claims	<u>(17,989,794)</u>
Net cash from (used in) operating activities	(2,872,617)
Cash flows from (used in) investing activities:	
Income from investments	<u>102,990</u>
Net increase (decrease) in cash and cash equivalents	(2,769,627)
Cash and cash equivalents - July 1, 2023	<u>4,772,622</u>
Cash and cash equivalents - June 30, 2024	<u><u>\$ 2,002,995</u></u>
Reconciliation to statement of net position cash:	
Cash and cash equivalents per above	\$ 2,002,995
Cash and cash equivalents reported as investments	<u>(1,041,956)</u>
Statement of net position cash	<u><u>\$ 961,039</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ (2,114,440)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	94,621
Due from other funds	(745,960)
Increase (decrease) in:	
Accounts payable	4,749
Claims payable	(36,044)
Due to other funds	<u>(75,543)</u>
Net cash from (used in) operating activities	<u><u>\$ (2,872,617)</u></u>

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

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

History and organization

The Town of East Haven, Connecticut (the "Town") was incorporated in May 1785. The Town covers 89 square miles and is located 77 miles east of New York City. The Town operates under a Mayor-Council form of government and the Town Charter as amended on November 7, 1978. The Town provides a full range of services as authorized by its charter including public safety (police and fire), public works, sanitation, health and social services, culture and recreation, education, planning, zoning and general administrative services to its residents.

There are no other entities for which the Town is considered to be financially accountable and, therefore, the Town does not report any component units.

I. Summary of significant accounting policies**A. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. In addition, the Town considers reimbursement grants to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and certain other long-term liabilities are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

B. Measurement focus, basis of accounting and financial statement presentation (continued)

Reimbursement type grants, certain intergovernmental revenues, charges, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items, including property taxes, are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund	The Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
Education Grants Fund	Federal and state grants used for education programs.
Capital Projects Fund	Accounts for resources to be used for capital expenditures.

Additionally, the Town reports the following fund types:

Special Revenue Funds	Accounts for and reports the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt.
Debt Service Fund	Accounts for and reports resources and expenditures that are assigned for the repayment of debt.
Capital Projects Funds	Accounts for and reports resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.
Permanent Funds	Reports resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs.
Internal Service Funds	Accounts for risk financing activities for medical insurance benefits, general liability, and workers' compensation as allowed by GASB Statement No. 10.

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

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

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

B. Measurement focus, basis of accounting and financial statement presentation (continued)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund are charges to the Town funds for medical insurance benefits, workers' compensation claims, judgments and claims and property insurance deductibles. Operating expenses for the internal service fund include the claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town's OPEB plans, the Connecticut Municipal Employees' Retirement System ("MERS"), the Connecticut State Teachers' Retirement System ("TRS"), and the Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan ("RHIP") have been determined on the same basis as they are reported by the Town's OPEB plans, MERS, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

C. Assets, liabilities, deferred outflows/inflows of resources and equity**1. Cash and investments****a. Cash**

The Town considers cash as cash on hand and demand deposits.

For cash flow purposes the Town considers cash equivalents as money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

b. Investments

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31.00% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**c. Method used to value investments**

Investments for the Town are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Fair value of investments

The Town measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1	Quoted prices for identical investments in active markets
Level 2	Quoted prices for identical investments in markets that are not active
Level 3	Unobservable inputs

d. Risk policies

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.
Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.
Custodial credit risk	Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town does not have a formal policy with respect to custodial credit risk.
Foreign currency risk	Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to the foreign currency risk.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**2. Receivables and payables****a. Interfunds**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

b. Property taxes and other receivables

In the government-wide financial statements, property tax and related interest and lien fee receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 13.00% - 47.50% of outstanding receivable balances and are calculated based upon prior collection history.

In the fund financial statements, all property taxes receivable, which have not been collected as of June 30, have been recorded as deferred inflows of resources, since they are not considered to be available to finance expenditures of the current fiscal year.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and the following January 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

3. Restricted assets

The restricted assets for the Town are restricted for endowment purposes. The Town has several bequests that restrict expenditures to investment income and only for the donor-designated purpose.

4. Capital assets

Capital assets are reported in the applicable government columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost as noted in the table below 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 acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

Capital assets of the Town are depreciated/amortized using the straight-line method. Estimated useful lives and capitalization thresholds by asset type are as follows:

Assets	Years	Capitalization Threshold
Intangible right-to-use leased assets	Lease term	\$ 20,000
Intangible right-to-use subscription assets	Subscription term	20,000
Land improvements	25	20,000
Buildings	10-75	20,000
Building improvements	50	20,000
Machinery and equipment	5-40	8,058
Vehicles	10-20	8,058
Infrastructure:		
Bridges	50	100,000
Roads	80	100,000

5. Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on plan investments, changes in proportional share, and contributions subsequent to measurement date. The deferred outflow or inflow related to differences between expected and actual experience, changes in assumptions, and changes in proportional share will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period. The deferred outflow related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year.

Deferred inflows of resources also include deferred inflows relating to advance refunding of debt. These amounts are deferred and are amortized over the shorter of the life of the old or new debt.

Advance tax collections represent taxes associated with a future period. This amount is recognized during the period in which the revenue is associated.

Town of East Haven, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2024****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from property taxes (including advance collections, if any). These amounts are recognized as an inflow of resources in the period that the amounts become available.

6. Compensated absences

Employees are paid by a prescribed formula for absence due to vacation and sickness based upon the various union contracts and the Town's personnel policies. The eligibility for vacation pay, and in some instances sick pay, does vest and can be paid upon death, retirement or termination, up to certain limits. Expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts are only reported in governmental funds if they are due and payable to employees who have resigned or retired before or at fiscal year-end.

7. Long-term liabilities

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

A. Lease and subscription liabilities

The Town recognizes a lease/subscription liability and an intangible right-to-use lease/subscription asset (lease/subscription asset) in the government-wide financial statements.

At the commencement of a lease/subscription, the Town initially measures the lease/subscription liability at the present value of payments expected to be made during the term. Subsequently, the lease/subscription liability is reduced by the principal portion of payments made. The lease/subscription asset is initially measured as the initial amount of the lease/subscription liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease/subscription asset is amortized on a straight-line basis over its useful life.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

Key estimates and judgments related to leases and subscriptions include:

Discount rate	The Town uses the interest rate charged by the lessor/subscription vendor as the discount rate to discount the expected payments to the present value. When the interest rate charged is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate.
Term	The lease/subscription term includes the noncancellable period of the lease/agreement.
Payments	Lease/subscription payments included in the measurement of the liability are composed of fixed payments and any purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease or subscriptions and will remeasure the lease/subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/subscription liability.

Lease/subscription assets are reported with other capital assets and lease/subscription liabilities are reported with long-term debt on the statement of net position.

B. Fund equity and net position

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

Net Investment in Capital Assets	This category presents the net position that reflects capital assets net of depreciation/amortization and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.
Restricted Net Position	This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).
Unrestricted Net Position	This category presents the net position of the Town which is not classified in the preceding two categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable	This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
Restricted	This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.
Committed	This category presents amounts that can be used only for specific purposes determined by a formal action of the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by Town Council.
Assigned	This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by an action by the Town Council or by a properly approved purchase order.
Unassigned	This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

C. Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates.

D. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

II. Stewardship, compliance and accountability**A. Capital projects authorizations**

Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Donor-restricted endowments

The Town has received certain endowments for the Hagaman Memorial Library and Thompson Education fund. The amounts are reflected in net position as restricted for endowments. Investment income (including appreciation) is approved for expenditure by the Library Board. The amount of appreciation (depreciation) included in restricted fund balance for the Hagaman Memorial Library was \$371,573.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

C. Excess expenditures over appropriations

During the year, general fund expenditures exceeded appropriations in the following departments:

Education	\$ 315,554
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III. Detailed notes**A. Cash and investments****1. Deposits – custodial credit risk**

At year end, the Town's bank balance, including bank money market accounts and certificates of deposit classified as investments, was exposed to custodial credit risk as follows:

Bank balance	\$ 12,991,601
Uninsured and uncollateralized	\$ 9,645,667
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>2,450,849</u>
Total amount subject to custodial credit risk	<u>\$ 12,096,516</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Cash and investments (continued)

Financial instruments that potentially subject the Town to significant concentrations of custodial credit risk consist primarily of cash. From time to time, the Town's cash account balances exceeded the Federal Deposit Insurance Corporation limit. The Town reduces its custodial credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

2. Investments

- a. The Town's investments (including restricted investments) consisted of the following types and maturities. Specific identification was used to determine maturities:

Type of Investment	Fair Value	Investment Maturities (In Years)			
		N/A	Less Than 1	1-5	5-10 Years
Mutual funds:					
Money market	\$ 791,923	\$ -	\$ 791,923	\$ -	\$ -
Domestic equities	718,931	718,931	-	-	-
International equities	82,454	82,454	-	-	-
Domestic bonds	218,834	-	-	-	218,834
International bonds	26,139	-	-	-	26,139
Exchange traded funds	375,300	375,300	-	-	-
Common stock	713	713	-	-	-
Corporate bonds	178,054	-	118,327	59,727	-
U.S. government agency obligations	29,857	-	-	29,857	-
Certificates of deposit	460,806	-	460,806	-	-
Negotiable certificates of deposit	119,607	-	119,607	-	-
Bank money market	2,937,006	-	2,937,006	-	-
Pooled fixed income	17,713,816	-	17,713,816	-	-
Total	<u>\$ 23,653,440</u>	<u>\$ 1,177,398</u>	<u>\$ 22,141,485</u>	<u>\$ 89,584</u>	<u>\$ 244,973</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Cash and investments (continued)

b. The Town had the following recurring fair value measurements:

		Quoted Market Prices in Active Markets	Significant Observable Inputs
	Amount	Level 1	Level 2
<u>Investments at fair value level:</u>			
Mutual funds:			
Money market	\$ 791,923	\$ 791,923	\$ -
Domestic equity	718,931	718,931	-
International equities	82,454	82,454	-
Domestic bonds	218,834	218,834	-
International bonds	26,139	26,139	-
Exchange traded funds	375,300	375,300	-
Common stock	713	713	-
Corporate bonds	178,054	-	178,054
U.S. government agency obligations	29,857	-	29,857
Total investments by fair value level	<u>2,422,205</u>	<u>\$ 2,214,294</u>	<u>\$ 207,911</u>
<u>Other investments:</u>			
Certificates of deposit	460,806		
Negotiable certificates of deposit	119,607		
Bank money market	2,937,006		
Pooled fixed income	<u>17,713,816</u>		
Total other investments	<u>21,231,235</u>		
Total investments	<u>\$ 23,653,440</u>		

Level 1: Quoted prices for identical investments in active markets.

Level 2: Observable inputs: quoted prices for identical securities in markets that are not active. The fair value was determined based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Cash and investments (continued)

c. The Town's investments subject to credit risk have average ratings by Standard & Poor's as follows:

Type of Investment	Ratings				Totals
	AAA	A	BBB	Unrated	
Mutual funds:					
Money market	\$ -	\$ -	\$ -	\$ 791,923	\$ 791,923
Domestic bonds	-	-	-	218,834	218,834
International bonds	-	-	-	26,139	26,139
Corporate bonds	-	118,907	59,147	-	178,054
U.S. government agency obligations	29,857	-	-	-	29,857
Negotiable certificates of deposit	-	-	-	119,607	119,607
Pooled fixed income	17,713,816	-	-	-	17,713,816
Total	<u>\$ 17,743,673</u>	<u>\$ 118,907</u>	<u>\$ 59,147</u>	<u>\$ 1,156,503</u>	<u>\$ 19,078,230</u>

d. The Town's investments are not subject to custodial credit risk.

B. Receivables

Receivable balances have been disaggregated by type and presented separately in the financial statements. Receivables and the related allowances for uncollectible accounts are presented below:

	Property Taxes	
	Taxes	Interest and Lien Fees
Current portion	<u>\$ 1,212,120</u>	<u>\$ 163,849</u>
Long-term portion	1,834,173	889,316
Less allowance for uncollectible	<u>(400,000)</u>	<u>(500,000)</u>
Net long-term portion	<u>1,434,173</u>	<u>389,316</u>
Total receivable (net)	<u>\$ 2,646,293</u>	<u>\$ 553,165</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Interfund accounts**1. Interfund payables and receivables**

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General fund:			
Education grants	N/A	\$ 669,168	\$ -
Capital projects	N/A	3,149,154	-
Public safety	N/A	-	294,376
General government	N/A	-	93,595
Culture and recreation	N/A	-	67,557
Health and welfare	N/A	-	658,930
Roads state aid	N/A	-	401,233
Daycare and preschool	N/A	297,607	-
School rental	N/A	126,742	-
School lunch	N/A	946	-
Adult education	N/A	44,666	-
School activity	N/A	3,325	-
Debt service	N/A	-	1,703,364
Open space	N/A	-	29,164
LOCIP	N/A	-	368,461
Self-insurance	N/A	1,320,051	-
Workers' compensation	N/A	-	7,276,416
Town medical insurance	N/A	-	1,531,779
Education medical insurance	N/A	-	570,218
Total general fund		<u>5,611,659</u>	<u>12,995,093</u>
Education grants:			
General fund	N/A	-	669,168
Daycare and preschool	N/A	<u>54,710</u>	<u>-</u>
Total education grants		<u>54,710</u>	<u>669,168</u>
Capital projects	General fund	<u>-</u>	<u>3,149,154</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
Other governmental funds:			
Public safety	General fund	\$ 294,376	\$ -
General government	General fund	93,595	-
Culture and recreation	General fund	67,557	-
Health and welfare	General fund	658,930	-
Roads state aid	General fund	401,233	-
Daycare and preschool	General fund	-	297,607
Daycare and preschool	Education grants	-	54,710
School rental	General fund	-	126,742
School lunch	General fund	-	946
Adult education	General fund	-	44,666
School activity	General fund	-	3,325
Debt service fund	General fund	1,703,364	-
Open space	General fund	29,164	-
LOCIP	General fund	368,461	-
Total other governmental funds		<u>3,616,680</u>	<u>527,996</u>
Total governmental funds		<u>9,283,049</u>	<u>17,341,411</u>
Internal service funds:			
Self-insurance	General fund	-	1,320,051
Workers' compensation	General fund	7,276,416	-
Town medical insurance	General fund	1,531,779	-
Education medical insurance	General fund	570,218	-
Total internal service funds		<u>9,378,413</u>	<u>1,320,051</u>
Total		<u><u>\$ 18,661,462</u></u>	<u><u>\$ 18,661,462</u></u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for interfund goods, payroll and services provided or in instances where certain funds do not have a cash account.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

D. Capital assets

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
<u>Capital assets, not being depreciated/amortized:</u>				
Land	\$ 3,505,816	\$ -	\$ -	\$ 3,505,816
Construction in progress	4,949,581	758,833	3,818,265	1,890,149
Total capital assets, not being depreciated/amortized	8,455,397	758,833	3,818,265	5,395,965
<u>Capital assets, being depreciated/amortized:</u>				
Intangible right-to-use assets	2,502,816	106,851	47,447	2,562,220
Land improvements	5,375,068	818,338	-	6,193,406
Buildings	62,712,818	-	-	62,712,818
Building improvements	27,442,326	3,067,951	-	30,510,277
Machinery and equipment	14,388,792	1,627,453	115,941	15,900,304
Vehicles	7,915,560	206,138	41,392	8,080,306
Infrastructure	42,443,813	376,814	-	42,820,627
Total capital assets, being depreciated/amortized	162,781,193	6,203,545	204,780	168,779,958
Total capital assets	171,236,590	6,962,378	4,023,045	174,175,923
<u>Less accumulated depreciation/amortization for:</u>				
Intangible right-to-use assets	437,994	322,720	47,447	713,267
Land improvements	2,543,954	367,775	-	2,911,729
Buildings	29,142,899	973,043	-	30,115,942
Building improvements	11,670,192	1,048,369	-	12,718,561
Machinery and equipment	7,252,541	1,395,623	69,686	8,578,478
Vehicles	5,467,284	544,892	41,392	5,970,784
Infrastructure	15,810,172	576,541	-	16,386,713
Total accumulated depreciation/amortization	72,325,036	5,228,963	158,525	77,395,474
Total capital assets, being depreciated/amortized, net	90,456,157	974,582	46,255	91,384,484
Capital assets, net	<u>\$ 98,911,554</u>	<u>\$ 1,733,415</u>	<u>\$ 3,864,520</u>	<u>\$ 96,780,449</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

D. Capital assets (continued)

Intangible right-to-use assets by category are as follows:

	<u>Asset</u>	<u>Accumulated Amortization</u>
Intangible right-to-use machinery and equipment	\$ 733,370	\$ 333,261
Intangible right-to-use subscription assets	<u>1,828,850</u>	<u>380,006</u>
Total intangible right-to-use assets	<u>\$ 2,562,220</u>	<u>\$ 713,267</u>

Depreciation/amortization expense was charged to functions/programs of the Town as follows:

General government	\$ 119,166
Public safety	845,537
Public works	1,043,558
Culture and recreation	148,169
Health and welfare	29,928
Education	<u>3,042,605</u>
Total depreciation/amortization expense	<u>\$ 5,228,963</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

E. Changes in long-term liabilities

Bonds, notes, leases, and subscriptions are direct obligations and pledge the full faith and credit of the Town.

1. Summary of changes

The following is a summary of changes in long-term liabilities during the fiscal year:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-term Portion
Bonds:										
General purpose:										
Improvement	\$ 1,275,000	7/26/11	2026	2.00%	\$ 120,000	\$ -	\$ -	\$ 120,000	\$ -	\$ 120,000
Improvement	3,150,000	7/17/13	2026	2.00-4.00%	1,263,600	-	172,800	1,090,800	208,800	882,000
Refunding	3,421,340	8/5/14	2025	5.00%	824,300	-	402,220	422,080	422,080	-
Improvement	3,500,000	11/17/16	2037	3.00-4.00%	2,700,000	-	200,000	2,500,000	200,000	2,300,000
Refunding	4,991,576	11/17/16	2030	3.00-4.00%	3,898,775	-	610,824	3,287,951	606,052	2,681,899
Improvement	2,885,000	12/27/18	2039	4.25-6.00%	2,475,000	-	115,000	2,360,000	115,000	2,245,000
Refunding*	3,460,000	12/13/18	2039	4.25-6.00%	3,460,000	-	-	3,460,000	-	3,460,000
Improvement / refunding	6,850,000	6/16/20	2045	2.50-5.00%	6,665,000	-	195,000	6,470,000	200,000	6,270,000
Improvement / refunding*	3,214,800	6/16/20	2045	2.37-4.15%	3,117,600	-	100,800	3,016,800	100,800	2,916,000
Improvement	4,900,000	10/31/23	2048	5.00%	-	3,528,000	-	3,528,000	54,000	3,474,000
Total general purpose	37,647,716				24,524,275	3,528,000	1,796,644	26,255,631	1,906,732	24,348,899
Schools:										
Improvement	1,285,000	7/17/13	2026	2.00-4.00%	491,400	-	67,200	424,200	81,200	343,000
Refunding	3,468,660	8/5/14	2025	5.00%	835,700	-	407,780	427,920	427,920	-
Refunding	238,424	11/17/16	2030	3.00-4.00%	186,225	-	29,176	157,049	28,948	128,101
Improvement	420,000	12/27/18	2039	4.25-6.00%	360,000	-	15,000	345,000	15,000	330,000
Refunding*	865,000	12/13/18	2039	4.25-6.00%	865,000	-	-	865,000	-	865,000
Improvement / refunding*	1,250,200	6/16/20	2045	2.37-4.15%	1,212,400	-	39,200	1,173,200	39,200	1,134,000
Improvement	4,900,000	10/31/23	2048	5.00%	-	1,372,000	-	1,372,000	21,000	1,351,000
Total schools	12,427,284				3,950,725	1,372,000	558,356	4,764,369	613,268	4,151,101
Total bonds	50,075,000				28,475,000	4,900,000	2,355,000	31,020,000	2,520,000	28,500,000

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

E. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-term Portion
<u>Notes (direct borrowings):</u>										
Equipment financing notes	\$ 1,321,321	9/15/18	2026	2.30-6.70%	\$ 661,559	\$ -	\$ 188,421	\$ 473,138	\$ 189,927	\$ 283,211
Energy financing notes	<u>7,200,000</u>	7/1/19	2034	2.83%	<u>5,885,000</u>	-	465,000	<u>5,420,000</u>	<u>475,000</u>	<u>4,945,000</u>
Total notes	<u>8,521,321</u>				<u>6,546,559</u>	-	<u>653,421</u>	<u>5,893,138</u>	<u>664,927</u>	<u>5,228,211</u>
Total bonds and notes	58,596,321				35,021,559	4,900,000	3,008,421	36,913,138	3,184,927	33,728,211
Leases payable	726,994				486,648	106,851	147,781	445,718	155,973	289,745
Subscription payable	<u>1,828,850</u>				<u>1,675,153</u>	-	160,614	<u>1,514,539</u>	<u>167,842</u>	<u>1,346,697</u>
Total long-term debt	<u>\$ 61,152,165</u>				<u>37,183,360</u>	<u>5,006,851</u>	<u>3,316,816</u>	<u>38,873,395</u>	<u>3,508,742</u>	<u>35,364,653</u>
Premium					<u>845,921</u>	<u>99,459</u>	<u>86,494</u>	<u>858,886</u>	-	<u>858,886</u>
Total long-term debt and related liabilities					38,029,281	5,106,310	3,403,310	39,732,281	3,508,742	36,223,539
Compensated absences (net change)					6,719,465	569,238	-	7,288,703	1,457,741	5,830,962
Net pension liability					52,866,684	10,012,315	7,386,662	55,492,337	-	55,492,337
OPEB liability					115,312,001	28,405,389	8,054,672	135,662,718	6,045,000	129,617,718
Claims payable					<u>9,592,823</u>	<u>2,916,331</u>	<u>3,269,377</u>	<u>9,239,777</u>	<u>1,655,335</u>	<u>7,584,442</u>
Total long-term liabilities					<u>\$ 222,520,254</u>	<u>\$ 47,009,583</u>	<u>\$ 22,114,021</u>	<u>\$ 247,415,816</u>	<u>\$ 12,666,818</u>	<u>\$ 234,748,998</u>

* Taxable

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

E. Changes in long-term liabilities (continued)

2. The following is a summary of bonds and notes payable principal and interest payments to maturity:

Fiscal Year Ended June 30,	Bonds		Notes	
	Principal	Interest	Principal	Interest
2025	\$ 2,520,000	\$ 1,287,917	\$ 664,927	\$ 166,138
2026	2,195,000	1,179,928	661,661	147,349
2027	2,090,000	1,081,979	616,550	129,095
2028	2,055,000	989,803	520,000	111,785
2029	2,115,000	901,175	535,000	97,069
2030	1,765,000	815,683	545,000	81,929
2031	1,190,000	744,571	565,000	66,505
2032	1,220,000	685,322	580,000	50,516
2033	1,255,000	626,821	595,000	34,102
2034	1,295,000	566,410	610,000	17,263
2035	1,335,000	503,641	-	-
2036	1,380,000	450,188	-	-
2037	1,430,000	394,998	-	-
2038	1,300,000	341,538	-	-
2039	1,350,000	289,598	-	-
2040	800,000	248,685	-	-
2041	830,000	219,285	-	-
2042	860,000	187,610	-	-
2043	895,000	153,503	-	-
2044	930,000	117,980	-	-
2045	970,000	80,939	-	-
2046	290,000	54,750	-	-
2047	300,000	40,000	-	-
2048	315,000	24,625	-	-
2049	335,000	8,375	-	-
Total	<u>\$ 31,020,000</u>	<u>\$ 11,995,324</u>	<u>\$ 5,893,138</u>	<u>\$ 901,751</u>

All long-term liabilities listed above are liquidated by the General Fund.

3. Assets pledged as collateral

The Town's outstanding equipment and energy financing notes of \$5,893,138 are secured with collateral of the equipment purchased.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

E. Changes in long-term liabilities (continued)**4. Statutory debt limitations**

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 181,226,696	\$ 26,255,631	\$ 154,971,065
Schools	362,453,391	4,764,369	357,689,022
Sewers	302,044,493	-	302,044,493
Urban renewal	261,771,894	-	261,771,894
Pension deficit	241,635,594	-	241,635,594

The total overall statutory debt limit for the Town is equal to 7 times the annual receipts for the prior year taxation:

\$ 563,816,386

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

5. Authorized/unissued bonds

The Town had authorized, and unissued bonds as follows:

General purpose	\$ 8,255,275
Schools	<u>2,846,000</u>
Total	<u>\$ 11,101,275</u>

6. Leases

Lease agreements are summarized as follows:

Description	Year	Lease Term (years)	Interest Rate*	Original Amount	Balance
Town copiers	2022/2023	2-6	2.64%	\$ 69,782	\$ 53,012
Town mailing machines	2022	2-6	2.64%	12,862	5,844
Education copiers	2022	6	2.64%	537,499	300,203
Education computers	2024	4	4.50%	<u>106,851</u>	<u>86,659</u>
Total				<u>\$ 726,994</u>	<u>\$ 445,718</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

E. Changes in long-term liabilities (continued)

Description	Terms
Town copiers	These leases are not renewable and the Town will not acquire the equipment at the end of the term.
Town mailing machines	These leases are not renewable and the Town will not acquire the equipment at the end of the term.
Education copiers	These leases are not renewable and the Town will not acquire the equipment at the end of the term.
Education computers	These leases are not renewable and the Town will not acquire the equipment at the end of the term.

The following is a summary of lease payable principal and interest payments to maturity:

Year Ending June 30	Principal	Interest
2025	\$ 155,973	\$ 13,378
2026	159,608	8,776
2027	123,829	4,055
2028	6,308	255
Totals	<u>\$ 445,718</u>	<u>\$ 26,464</u>

7. Subscription arrangements

Subscription arrangements are summarized as follows:

Description	Year	Subscription Term (years)	Interest Rate*	Original Amount	Balance
Police body camera software	2023	10	4.50%	\$ 1,780,846	\$ 1,484,479
Student social-emotional learning license	2023	4	4.50%	48,004	30,060
Total				<u>\$ 1,828,850</u>	<u>\$ 1,514,539</u>

*All interest rates have been imputed based on the rate from recently issued debt as there were no interest rates specified in the subscription agreement.

Description	Terms
Police body camera software	The Town has a subscription arrangement for the police body camera software and cloud storage of camera footage. This arrangement does not include extension or termination terms.
Student social-emotional learning license	The Town has a subscription arrangement for a student social-emotional learning license. This arrangement does not include extension or termination terms.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

E. Changes in long-term liabilities (continued)

The following is a summary of subscription payable principal and interest payments to maturity:

Year Ending June 30	Principal	Interest
2025	\$ 167,842	\$ 68,154
2026	175,395	60,601
2027	183,288	52,708
2028	180,601	44,461
2029	188,728	36,334
2030	197,220	27,841
2031	206,095	18,966
2032	215,370	9,692
Totals	<u>\$ 1,514,539</u>	<u>\$ 318,757</u>

F. Fund balances and restricted net position

Fund balances are composed of the following:

Fund Balance Component	General Fund	Education Grants Fund	Capital Projects Fund	Other Governmental Funds	Total
Nonspendable:					
Library building maintenance	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Restricted:					
Capital projects and replacement	-	-	-	44,566	44,566
Road maintenance	-	-	-	298,465	298,465
Library building maintenance	-	-	-	1,963,480	1,963,480
Historical document preservation*	-	-	-	92,593	92,593
Housing rehabilitation programs	-	-	-	398,324	398,324
Cafeteria operations*	-	-	-	718,685	718,685
Education programs	-	-	-	457,531	457,531
School activity programs	-	-	-	3,275	3,275
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,976,919</u>	<u>3,976,919</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

F. Fund balances and restricted net position (continued)

Fund Balance Component	General Fund	Education Grants Fund	Capital Projects Fund	Other Governmental Funds	Total
Committed:					
Library operations	\$ -	\$ -	\$ -	\$ 131,342	\$ 131,342
Daycare and preschool programs	-	-	-	1,039	1,039
Public safety programs	-	-	-	147,581	147,581
Open space	-	-	-	29,003	29,003
Emergency medical services	-	-	-	541,094	541,094
Health and welfare programs	-	-	-	114,524	114,524
Culture and recreation programs	-	-	-	9,193	9,193
Education programs	-	23,134	-	24,051	47,185
School activity programs	-	-	-	491,739	491,739
Total committed	-	23,134	-	1,489,566	1,512,700
Assigned:					
Debt service	-	-	-	1,703,364	1,703,364
Total assigned	-	-	-	1,703,364	1,703,364
Unassigned	9,179,172	-	(5,926,021)	-	3,253,151
Total	<u>\$ 9,179,172</u>	<u>\$ 23,134</u>	<u>\$ (5,926,021)</u>	<u>\$ 7,269,849</u>	<u>\$ 10,546,134</u>
*The amount of net position restricted by enabling legislation totaled:					<u>\$ 811,278</u>

G. Deficit equity

The Town had deficit equity balances in the following funds, which will be eliminated by future charges, employee premiums or transfers from the general fund.

Internal service funds:

Self-insurance fund \$ 4,359,944

IV. Other information**A. Risk management**

The Town is exposed to various risks of loss related to public official liability, police liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. Settled claims have not exceeded commercial coverage in any of the past three years, and there have not been any significant reductions in insurance coverage from amounts held in prior years.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Risk management (continued)

The Town purchases commercial insurance coverage for all the following risks and limits as detailed below:

<u>Stop loss coverage</u>	<u>Limit</u>
General liability	\$ 1,000,000
Workers' compensation	750,000
Town medical insurance	150,000
Education medical insurance	175,000

The Town utilizes risk management funds (the Internal Service Funds) to account for and finance its uninsured risks of loss. The funds record all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The claims liability reported is based upon accounting principles, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

Fiscal Year End/Fund	Claims Payable July 1,	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,	Current Portion	Long-Term Portion
<u>Self-Insurance Fund</u>						
2022-2023	\$ 3,170,736	\$ 719,075	\$ 435,308	\$ 3,454,503	\$ 454,503	\$ 3,000,000
2023-2024	3,454,503	1,617,768	1,586,645	3,485,626	100,000	3,385,626
<u>Workers' Compensation Fund</u>						
2022-2023	8,761,718	(492,355)	2,131,043	6,138,320	1,512,712	4,625,608
2023-2024	6,138,320	1,298,563	1,682,732	5,754,151	1,555,335	4,198,816
<u>Subtotal</u>						
2022-2023	11,932,454	226,720	2,566,351	9,592,823	1,967,215	7,625,608
2023-2024	9,592,823	2,916,331	3,269,377	9,239,777	1,655,335	7,584,442
<u>Town Medical Insurance Fund</u>						
2022-2023	609,461	6,597,945	6,711,920	495,486	495,486	-
2023-2024	495,486	6,661,854	6,673,340	484,000	484,000	-
<u>Education Medical Insurance Fund</u>						
2022-2023	653,000	6,726,499	6,748,936	630,563	630,563	-
2023-2024	630,563	8,375,565	8,047,077	959,051	959,051	-
<u>Total</u>						
2022-2023	13,194,915	13,551,164	16,027,207	10,718,872	3,093,264	7,625,608
2023-2024	\$ 10,718,872	\$ 17,953,750	\$ 17,989,794	\$ 10,682,828	\$ 3,098,386	\$ 7,584,442

Town of East Haven, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2024****B. Commitments and litigation**

Amounts received or receivable from Federal and State grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits and the outcome of certain cases is not presently determinable. The resolution of these matters are not expected to have a material adverse effect on the financial condition of the Town.

The Town has recorded a liability for certain cases where the outcome is a probable loss that can be reasonably estimated.

In May 2024, the court entered a judgment against the Town for \$9,465,832 and awarded the Plaintiffs pre-judgment interest of \$1,225,346. The interest will continue to accrue each month until the judgment is paid, subject to the Town appeal.

The Town has appealed the judgment and continues to pursue other mitigation. Based upon the conditions of the appeal, in July 2024, the Town established a trust account for the litigation escrow of \$13,500,000. The Town retains the interest earned on the escrow balance.

V. Pensions and other post-employment benefit plans**A. Connecticut municipal employees' retirement system****1. Plan description**

The Connecticut Municipal Employees' Retirement System ("MERS") is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. MERS is a cost-sharing defined benefit pension plan administered by the Connecticut State Retirement Commission.

Municipalities may designate which departments (including elective officers if so specified) are to be covered under the Connecticut Municipal Employees' Retirement System ("MERS"). This designation may be the result of collective bargaining. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full-time employees of participating departments except Police and Fire hired after age 60.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Connecticut municipal employees' retirement system (continued)

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Police officers and firefighters with social security
- Police officers and firefighters without social security

2. Benefit provisions

Normal retirement	
General employees	Age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service
Police and fire	Compulsory retirement age is age 65
Benefit calculation	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.
With social security	1.50% of the average final compensation not in excess of the year's breakpoint plus 2.00% of average final compensation in excess of the year's breakpoint, times years of service. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.
Without social security	2.00% of average final compensation, times years of service
Final average compensation	Average of the three highest paid years of service
Early retirement	
Early retirement amount	5 years of continuous service or 15 years of active aggregate service
	Calculated on the basis of average final compensation and service to date of termination. Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.
Service connected disability amount	Calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Connecticut municipal employees' retirement system (continued)

Non-service connected disability service requirement	10 years of service
Non-service connected disability service amount	Calculated based on compensation and service to the date of the disability
Pre-retirement death benefit amount	Lump-sum return of contributions with interest of if vested and married, the surviving spouse will receive a lifetime benefit
Cost of living increases	2.50% - 6.00% depending on retirement date and increase in CPI

3. Contributions**Employer**

Participating municipalities make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions.

Employees

For employees not covered by social security, each person is required to contribute 6.00% of compensation.

For employees covered by social security, each person is required to contribute 3.25% of compensation up to the social security taxable wage base plus 6.00% of compensation, if any, in excess of such base.

4. Pension liabilities, deferred outflows of resources and deferred inflows of resources and pension expense

The Town reported the following relative to the plan:

Measurement date	June 30, 2023
Valuation date	June 30, 2023
Proportionate share of the collective net pension liability	\$ 55,492,337

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Connecticut municipal employees' retirement system (continued)

	General employees with social security sub plan	Police officers and firefighters without social security sub plan
Town percentage of total plan participating employers payroll based upon 2023 expected payroll	6.354870%	6.736835%
Increase (decrease) from prior year	0.100606%	0.163762%

Subsequent to the measurement date, there were no changes in benefit terms or any expected changes that will have an impact on the measurement of the net pension liability.

The Town reported deferred outflows of resources and deferred inflows of resources and pension expense as follows:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 6,637,241	\$ 343,867	\$ 6,293,374
Changes in assumptions	5,467,830	-	5,467,830
Changes in proportional share	1,541,951	1,380,013	161,938
Net difference between projected and actual earnings on pension plan investments	4,134,600	-	4,134,600
Contributions subsequent to measurement date	5,402,668	-	5,402,668
Total	<u>\$ 23,184,290</u>	<u>\$ 1,723,880</u>	21,460,410
Contributions subsequent to the measurement date to be recognized as a reduction of the collective net pension liability in the subsequent year:			<u>(5,402,668)</u>
Net amortized amount of deferred inflows and outflows			<u>\$ 16,057,742</u>
<u>Pension Expense</u>			
The plan recognized pension expense of:			<u>\$ 5,738,598</u>

Actual investment earnings below (or above) projected earnings are amortized over 5.00 years. Changes in proportional share and differences between expected and actual results are amortized over the average remaining service period of active and inactive employees which was 5.26 years.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Connecticut municipal employees' retirement system (continued)

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

Year Ending June 30,	
2025	\$ 4,463,254
2026	3,520,402
2027	6,459,862
2028	1,203,180
2029	411,044
Total	<u>\$16,057,742</u>

5. Actuarial assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2023
Investment rate of return	7.00%
Inflation	2.50%
Salary increases	3.50-9.50%, including inflation
Cost of living adjustments	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 6.00%. The minimum annual COLA is 2.50%, the maximum is 6.00%.
Mortality rates	<p><u>Employees</u>: Mortality rates were based on RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB.</p> <p><u>Police and Fire</u>: RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected 2022 with Scale BB.</p> <p><u>Disabled</u>: For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.</p>

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2022.

Long-term expected rate of return

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

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Connecticut municipal employees' retirement system (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Target Expected Real Rate of Return</u>
Global equity	37.00%	6.80%
Public credit	2.00%	2.90%
Core fixed income	13.00%	0.40%
Liquidity fund	1.00%	(0.40%)
Risk mitigation	5.00%	0.10%
Private equity	15.00%	11.20%
Private credit	10.00%	6.20%
Real estate	10.00%	6.30%
Infrastructure and natural resources	7.00%	7.70%
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the collective 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 difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Sensitivity of the collective net pension liability to changes in the discount rate

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

	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Town's proportional share of the net pension liability	<u>7.00%</u>	<u>\$ 78,258,220</u>	<u>\$ 55,492,337</u>	<u>\$ 22,113,760</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Connecticut municipal employees' retirement system (continued)**8. Plan fiduciary net position**

The net pension liability, pension expense and deferred outflows and inflows of resources presented in this report have been determined based on CMERS' fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2023, which was audited by the State of Connecticut Auditors of Public Accounts. CMERS is included in the State of Connecticut's ACFR as a pension trust fund.

9. Future plan changes

On June 7, 2023, House Bill 6930, an Act Concerning the Development of Best Practices for Governance Structures of Municipal Retirement Plans, was passed by the Connecticut Legislature

The following is a summarization of future changes in benefit provisions.

- A five-year phase-out of the Cost-Of-Living-Adjustment (COLA) floor from the existing 2.5% to 0%, which reduces the floor by 0.5% each year for future retirees, beginning July 1, 2025, reducing to 0% on July 1, 2029.
- Subject to the COLA floors outlined above, for years in which inflation (as measured by the CPI-W) increases by 2% or less, the MERS COLA will track inflation directly. For those years in which inflation increases by 2% or more, the COLA will be 60% of the inflation rate up to 6.0%, and 75% of the inflation rate in excess of 6.0% with a maximum COLA of 7.5%.

Beginning July 1, 2025, the benefit formula multiplier will increase to 2.2% (1.7% for social security covered eligible participants) based on the following eligibility:

- General Employees: Beginning for service at age 60 with at least 30 years of service.
- Police and Fire: Beginning for service at age 55 with at least 27 years of service.

Beginning July 1, 2025, a Deferred Retirement Option Plan (DROP), capped at five years of participation in the program, will be offered based on the following eligibility:

- General Employees: at age 60 with 30 years of service OR at age 62 with five (5) years of service.
- Police and Fire: at age 55 with 25 years of service; at age 57 with five (5) years of service; or at any age with 30 years of service.
- Upon entering DROP, the member contribution rate is reduced to half. After 24 months of DROP participation, the member contribution rate is reduced to 0%.
- Beginning annually at the 2nd anniversary of the member's DROP entry, the DROP account is credited with interest at a not to exceed 4%. Interest is also credited at the 3rd, 4th, and 5th anniversary date of DROP entry.
- Pension amount will not increase with annual COLAs while participating in DROP. Once member exits DROP, future COLAs will be determined based on the provisions in effect at the time the member entered the DROP.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

B. Connecticut state teachers' retirement system**1. Plan description**

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

2. Benefit provisions

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Minimum benefit	Effective January 1, 1999, Public Act 98-251 provides a minimum monthly completed at least 25 years of full time Connecticut service at retirement.
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. 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 annual average salary
Non-service connected disability service requirement	5 years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

B. Connecticut state teachers' retirement system (continued)**3. 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 amount to finance any unfunded accrued liability.

Employer (school districts)

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

Employees

Each teacher is required to contribute 7.00% of their salary for the pension benefit.

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

The Town reports no amounts for its proportionate share of the collective net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the collective net pension liability, the related State support, and the total portion of the collective net pension liability that was associated with the Town were as follows:

Town's proportionate share of the collective net pension liability	\$ -
State's proportionate share of the collective net pension liability associated with the Town	<u>89,378,948</u>
Total	<u><u>\$ 89,378,948</u></u>
The plan recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u><u>\$ 8,293,111</u></u>

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

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

B. Connecticut state teachers' retirement system (continued)**5. Actuarial assumptions**

The collective total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2023
Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019

Future cost-of-living increases are as follows:

Teachers who retired prior to September 1, 1992	Pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% per annum
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 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%
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 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

There were no changes in assumptions from the prior measurement date.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

B. Connecticut state teachers' retirement system (continued)**Long-term expected rate of return**

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Target Expected Real Rate of Return</u>
Global equity	37.00%	6.80%
Public credit	2.00%	2.90%
Core fixed income	13.00%	0.40%
Liquidity fund	1.00%	(0.40%)
Risk mitigation	5.00%	0.10%
Private equity	15.00%	11.20%
Private credit	10.00%	6.10%
Real estate	10.00%	6.30%
Infrastructure and natural resources	7.00%	7.70%
Total	<u>100.00%</u>	

6. 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 rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Sensitivity of the collective net pension liability to changes in the discount rate

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

8. Plan fiduciary net position

The net pension liability and proportional share of pension expense presented in this report have been determined based on Connecticut State Teachers Retirement Systems' fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2023, which was audited by the State of Connecticut Auditors of Public Accounts and is included in the State of Connecticut's ACFR as a pension trust fund.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Other post-employment benefit plan (“OPEB”)**1. Plan description****a. Plan administration**

The Town administers two single-employer, post-retirement healthcare plans for the Town and the Board of Education. The Town and Board of Education plans provide medical, prescription drug, dental and vision benefits for eligible retirees and their spouses. Certain groups within the Town are also offered life insurance. The plans are not accounted for in a trust and therefore do not issue standalone financial reports.

b. Plan membership

The membership in the Plan as of the date indicated is comprised of the following:

<u>Valuation date: July 1, 2023</u>	<u>Town</u>	<u>Education</u>
Inactive plan members or beneficiaries currently receiving benefit payments	281	174
Active plan members	<u>145</u>	<u>281</u>
Total	<u><u>426</u></u>	<u><u>455</u></u>

2. Benefit provisions

The Town plan provides for medical, prescription drug, dental and vision benefits for all eligible Town Dispatcher, Fire, Police, Public Service, Supervisor and Town Hall retirees and their spouses. The Board of Education plan provides for medical, prescription drug, dental and vision benefits for all Board of Education Teacher, Administrator, Mid-Management, Custodian, Nurse, Cafeteria and Secretary retirees and their spouses. Life insurance is offered for certain groups with the Town. Public Service, Supervisor and Town Hall retirees do not have surviving spouse coverage. Benefits and contributions are established by contract and may be amended by union negotiations. Administration costs are financed from investment earnings.

3. Contributions**Employer contributions**

The Town and Board of Education are currently funding the plan on a pay as you go basis.

Employee contributions

There are no employee contributions to the plan. Teachers who no longer work for the Board of Education are allowed by State Statute to participate in the Town's group medical insurance plan until they formally begin receiving benefits from the State Teachers' Retirement plan. These teachers are required to contribute the cost of the insurance to the Town.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Other post-employment benefit plan ("OPEB") (continued)**4. Actuarial methods and significant assumptions**

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2023
Actuarial cost method	Entry age normal
Discount rate	3.65%
Salary increases	3.50%
Healthcare cost trend rates: Medical	7.00% decreasing to 4.50% ultimate rate
Prescription drug - medicare	10.70% decreasing to 4.50% ultimate rate
Dental, administrative costs	3.00%
Mortality rates	
Healthy participants other than Teachers, Police and Fire participants	Based on PubG.H-2010 mortality table projected generationally with Scale MP-2021
Healthy Police and Fire participants	Based on PubS.H-2010 mortality table projected generationally with Scale MP-2021
Disabled retirees other than Teachers	Based on the PubNS.H-2010 mortality table projected generationally with Scale MP-2021
Healthy Teachers	Based on the PubT-2010 table projected with Scale MP-2019
Disabled Teachers	Based on the PubNS-2010 table projected with Scale MP-2019

The discount rate was based on the S&P municipal bond 20-year high grade index as of the measurement date.

5. Changes from prior year**a. Changes in assumptions**

The Town and Board of Education's OPEB liability changed due to the following changes in valuation assumptions:

Assumption	From	To
Discount rate	3.54%	3.65%
Health care cost trend rates: Prescription drug - medicare	6.00% decreasing to 4.50%	10.70% decreasing to 4.50%

b. Changes in benefit terms

There were no changes in benefit terms.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Other post-employment benefit plan ("OPEB") (continued)**6. Changes in the OPEB liability**

<u>Valuation date July 1, 2023</u>	<u>Town</u>	<u>Education</u>	<u>Total</u>
Balance at July 1, 2023	<u>\$ 87,343,072</u>	<u>\$ 27,968,929</u>	<u>\$ 115,312,001</u>
Service cost	3,132,533	207,022	3,339,555
Interest	3,129,604	964,608	4,094,212
Differences between expected and actual experience	4,231,767	4,490,516	8,722,283
Changes in assumptions	12,249,339	(2,010,412)	10,238,927
Benefit payments	<u>(4,173,700)</u>	<u>(1,870,560)</u>	<u>(6,044,260)</u>
Net change	<u>18,569,543</u>	<u>1,781,174</u>	<u>20,350,717</u>
Balance at June 30, 2024	<u>\$ 105,912,615</u>	<u>\$ 29,750,103</u>	<u>\$ 135,662,718</u>

7. Sensitivity of the OPEB liability to changes in the discount rate

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

<u>Plan</u>	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Town	<u>3.65%</u>	<u>\$ 126,814,594</u>	<u>\$ 105,912,615</u>	<u>\$ 89,893,044</u>
Education	<u>3.65%</u>	<u>\$ 32,685,079</u>	<u>\$ 29,750,103</u>	<u>\$ 27,223,605</u>

8. Sensitivity of the OPEB liability to changes in the healthcare cost trend rate

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using trend rates that are 1% lower or 1% higher than the current trend rates:

<u>Plan</u>	<u>Trend Rate</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Town	7.00% decreasing to <u>4.50%</u>	<u>\$ 88,314,883</u>	<u>\$ 105,912,615</u>	<u>\$ 129,576,271</u>
Education	7.00% decreasing to <u>4.50%</u>	<u>\$ 27,341,729</u>	<u>\$ 29,750,103</u>	<u>\$ 32,545,462</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Other post-employment benefit plan (“OPEB”) (continued)**9. OPEB expense and deferred outflows/inflows of resources related to OPEB**

The Town and Education plans reported deferred outflows of resources, deferred inflows of resources, and OPEB expense as follows:

Town	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 8,406,123	\$ 113,659	\$ 8,292,464
Changes in assumptions	12,466,051	10,715,389	1,750,662
Total	<u>\$ 20,872,174</u>	<u>\$10,829,048</u>	<u>\$ 10,043,126</u>
OPEB Expense			
The plan recognized OPEB expense of:			<u>\$ 12,305,019</u>
Education	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 3,909,290	\$ 53,302	\$ 3,855,988
Changes in assumptions	2,349,147	4,982,264	(2,633,117)
Total	<u>\$ 6,258,437</u>	<u>\$ 5,035,566</u>	<u>\$ 1,222,871</u>
OPEB Expense			
The plan recognized OPEB expense of:			<u>\$ 1,546,068</u>

Experience losses (gain) and changes in assumptions are amortized over the average remaining service period of actives and inactive, which were as follows:

	Years
Town	5.45
Education	7.16

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Other post-employment benefit plan (“OPEB”) (continued)

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

Year ending June 30,	Town	Education
2025	\$ 4,078,326	\$ 537,747
2026	2,418,214	714,303
2027	536,703	97,338
2028	1,649,057	(218,935)
2029	1,360,826	(218,935)
Thereafter	-	311,353
Total	<u>\$10,043,126</u>	<u>\$ 1,222,871</u>

D. Connecticut state teachers’ retirement board retiree health insurance plan**1. Plan description**

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers' Retirement System are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (“TRS-RHIP”) - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board (“TRB”). Chapter 167a Section 10-183t of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

2. Benefit provisions

The Plan provides for retiree health insurance benefits to retired teachers and administrators of public schools. Eligibility is as follows:

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	5 years of credited service
Vesting - service	10 years of service

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

D. Connecticut state teachers' retirement board retiree health insurance plan (continued)**Retiree health care coverage**

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of health care benefits offered. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB 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.

The subsidy amounts are set by State statutes as follows:

Members that are not currently participating in Medicare Parts A & B	A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost
Members who has attained the normal retirement age to participate in Medicare but is not eligible for Part A of Medicare without cost	A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$440 per month towards coverage under a local school district plan

Any member 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).

Those participants electing vision, hearing, and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the Plan for these benefits.

3. Contributions**State of Connecticut**

Per Connecticut General Statutes Section 10-183z, 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 State pays for one third of plan costs through an annual appropriation in the General Fund.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

D. Connecticut state teachers' retirement board retiree health insurance plan (continued)**Employer (school districts)**

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

Employees/retirees

Employees: Each active member is required to contribute 1.25% of their pensionable wages

Retirees: Retirees are required to pay for 1/3 of the plan cost through monthly premiums

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

The Town reports no amounts for its proportionate share of the collective net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the collective net OPEB liability	\$ -
State's proportionate share of the collective net OPEB liability associated with the Town	<u>8,373,580</u>
Total	<u><u>\$ 8,373,580</u></u>
The plan recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u><u>\$ 112,853</u></u>

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

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

D. Connecticut state teachers' retirement board retiree health insurance plan (continued)**5. Actuarial assumptions**

The collective total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2023
Investment rate of return	3.00%
Discount rate	3.64%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2031
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2028

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The discount rate was increased from 3.53% to 3.64% to reflect the change in the Municipal Bond Index rate.

Long-term expected rate of return

The long-term expected rate of return on OPEB 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 OPEB 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.

All the plan assets are assumed to be invested in cash equivalents (treasuries). The expected 10-year geometric rate of return is 0.77%. The long-term real rate of return as of June 30, 2023 was 3.25%.

6. Discount rate

The discount rate used to measure the collective total OPEB liability was the Municipal Bond Index rate of 3.64%. 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 annual State contributions will equal the most recent 5-year average of state contributions.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

D. Connecticut state teachers' retirement board retiree health insurance plan (continued)**7. Sensitivity of the collective net OPEB liability to changes in the discount rate and the health care cost trend rate**

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

8. Plan fiduciary net position

The net pension liability and proportional share of pension expense presented in this report have been determined based on Connecticut State Teachers Retiree Health Insurance Plan's fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2023, which was audited by the State of Connecticut Auditors of Public Accounts and is included in the State of Connecticut's ACFR as a OPEB trust fund.

E. Total OPEB plans

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Town	\$105,912,615	\$ 20,872,174	\$ 10,829,048	\$ 12,305,019
Education	<u>29,750,103</u>	<u>6,258,437</u>	<u>5,035,566</u>	<u>1,546,068</u>
Total	<u><u>\$135,662,718</u></u>	<u><u>\$ 27,130,611</u></u>	<u><u>\$ 15,864,614</u></u>	<u><u>\$ 13,851,087</u></u>

Required Supplementary Information

Type	Description
General Fund - Budgetary	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
	Schedule of Expenditures - Budget and Actual - General Fund
	Notes to Required Supplementary Information - Budgets and Budgetary Accounting
<u>Pension Plans</u> Municipal Employees' Retirement System State Teachers' Retirement System	Schedule of Proportionate Share of the Collective Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<u>Other Post-Employment Benefits Plans</u> Town Plan Education Plan State Teachers' Retirement Board Retiree Health Insurance Plan	Schedule of Changes in OPEB Liability
	Schedule of Proportionate Share of the Collective Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

Town of East Haven, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Real estate	\$ 62,838,610	\$ -	\$ 62,838,610	\$ 62,683,067	\$(155,543)
Motor vehicle and personal property	10,891,739	-	10,891,739	9,971,650	(920,089)
Supplemental motor vehicle	1,083,315	-	1,083,315	870,348	(212,967)
Delinquent taxes	820,000	-	820,000	1,360,800	540,800
Suspense collections	20,000	-	20,000	60,416	40,416
Interest, penalties and liens	440,000	-	440,000	750,818	310,818
PILOT water authority	754,340	-	754,340	750,735	(3,605)
PILOT GNHWPCA	63,000	-	63,000	63,000	-
Telecommunication property tax	38,000	-	38,000	66,376	28,376
Total property taxes	76,949,004	-	76,949,004	76,577,210	(371,794)
Intergovernmental:					
Education cost sharing	18,764,125	-	18,764,125	18,809,604	45,479
PILOT state property	462,357	-	462,357	462,357	-
PILOT Pequot funds	82,006	-	82,006	80,006	(2,000)
Tax relief elderly	2,000	-	2,000	1,166	(834)
Veterans' exemption	42,130	-	42,130	38,510	(3,620)
Disability reimbursement	4,500	-	4,500	4,908	408
State of CT department of children	20,442	-	20,442	20,443	1
Other grants	-	-	-	16,157	16,157
Total intergovernmental	19,377,560	-	19,377,560	19,433,151	55,591
Charges for services:					
Zoning board of appeals	10,000	-	10,000	2,288	(7,712)
Zoning fees	11,000	-	11,000	21,131	10,131
Police permits, tags, etc.	55,000	-	55,000	27,923	(27,077)
Fire permits/fees	400	-	400	2,480	2,080
Town clerk fees	580,000	-	580,000	606,426	26,426
Building department permits	275,000	-	275,000	417,455	142,455
Recreation fees	90,000	-	90,000	95,270	5,270
Athletic complex fees	340,000	-	340,000	397,657	57,657
C.A.M. fees	300	-	300	-	(300)
Landfill fees	60,000	-	60,000	21,096	(38,904)
Inland/wetland prints	2,500	-	2,500	796	(1,704)
Police special assignments	1,500,000	-	1,500,000	1,206,879	(293,121)
Farmers market	-	-	-	10	10
Memorial park benches	-	-	-	2,671	2,671
Total charges for services	2,924,200	-	2,924,200	2,802,082	(122,118)
Income from investments	580,000	-	580,000	1,083,257	503,257

(Continued)

See Notes to Required Supplementary Information.

Town of East Haven, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Other:					
Employee benefit cost sharing	\$ 675,000	\$ -	\$ 675,000	\$ 664,886	\$ (10,114)
Workers' compensation reimbursement	185,000	-	185,000	199,444	14,444
Other	40,000	-	40,000	108,248	68,248
Total other	900,000	-	900,000	972,578	72,578
Total revenues	100,730,764	-	100,730,764	100,868,278	137,514
Other financing sources:					
Sale of assets	20,000	-	20,000	15,099	(4,901)
Transfers in	225,000	-	225,000	-	(225,000)
Total other financing sources	245,000	-	245,000	15,099	(229,901)
Total revenues and other financing sources	\$ 100,975,764	\$ -	\$ 100,975,764	\$ 100,883,377	\$ (92,387)

(Concluded)

See Notes to Required Supplementary Information.

Town of East Haven, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures
Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Town council	\$ 70,800	\$ -	\$ 70,800	\$ 65,596	\$ 5,204
Board of finance	7,700	-	7,700	6,345	1,355
Mayor	186,024	-	186,024	178,219	7,805
Finance	542,708	(10,000)	532,708	528,155	4,553
Purchasing	78,856	-	78,856	68,164	10,692
Tax collector	295,287	-	295,287	240,770	54,517
Assessor	312,442	(14,000)	298,442	216,526	81,916
Personnel, administration and management	264,050	-	264,050	256,945	7,105
Board of assessment appeals	3,600	-	3,600	2,395	1,205
Town clerk	327,270	-	327,270	278,594	48,676
Registrar of voters	151,379	-	151,379	148,487	2,892
Planning and zoning	218,408	2,000	220,408	210,362	10,046
Zoning board of appeals	4,590	(2,000)	2,590	2,370	220
Legal	776,660	5,000	781,660	779,894	1,766
Probate	19,000	-	19,000	15,517	3,483
Civil service	57,389	-	57,389	43,761	13,628
Flood and erosion	550	-	550	-	550
Inland/wetland	3,350	-	3,350	913	2,437
School building committee	1,400	400	1,800	1,800	-
Information technology	161,867	-	161,867	112,085	49,782
Total general government	3,483,330	(18,600)	3,464,730	3,156,898	307,832
Public safety:					
Board of police commissioners	3,525	-	3,525	1,916	1,609
Animal shelter	312,866	-	312,866	284,776	28,090
Police department	7,858,206	250,000	8,108,206	8,031,849	76,357
Board of fire commissioners	14,075	-	14,075	12,053	2,022
Fire department	7,266,499	14,000	7,280,499	7,277,429	3,070
Public safety command center	1,135,562	-	1,135,562	1,113,488	22,074
Emergency operations center	35,000	-	35,000	33,193	1,807
Total public safety	16,625,733	264,000	16,889,733	16,754,704	135,029
Public services and engineering:					
Engineering	67,347	-	67,347	55,072	12,275
Public services	2,626,740	(190,000)	2,436,740	2,248,482	188,258
Total public services and engineering	2,694,087	(190,000)	2,504,087	2,303,554	200,533
Sanitation and maintenance:					
Building department	174,663	-	174,663	171,803	2,860
Sanitation	2,704,177	190,000	2,894,177	2,837,447	56,730
Building maintenance	752,266	-	752,266	730,075	22,191
Total sanitation and maintenance	3,631,106	190,000	3,821,106	3,739,325	81,781

(Continued)

See Notes to Required Supplementary Information.

Town of East Haven, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures
Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Health and welfare:					
Public health	\$ 379,206	\$ -	\$ 379,206	\$ 370,300	\$ 8,906
Social services	105,921	-	105,921	99,027	6,894
Counseling and community services	135,922	-	135,922	135,922	-
Housing authority	300	(200)	100	78	22
Urban renewal	3,375	831	4,206	4,175	31
Total health and welfare	624,724	631	625,355	609,502	15,853
Culture and recreation:					
Recreation	536,161	-	536,161	468,792	67,369
Ice rink	445,071	-	445,071	369,465	75,606
Senior center	281,532	-	281,532	273,239	8,293
Library	918,534	-	918,534	885,038	33,496
Community services	149,897	(2,060)	147,837	126,028	21,809
Total culture and recreation	2,331,195	(2,060)	2,329,135	2,122,562	206,573
Employee benefits and insurance:					
Employee benefits	13,337,000	-	13,337,000	13,124,300	212,700
Insurance	3,191,400	540,000	3,731,400	3,729,856	1,544
Total employee benefits and insurance	16,528,400	540,000	17,068,400	16,854,156	214,244
Education	49,044,271	-	49,044,271	49,359,825	(315,554)
General services	1,980,700	(533,971)	1,446,729	1,281,780	164,949
Debt service:					
Principal	2,820,000	-	2,820,000	2,820,000	-
Interest	1,212,218	(250,000)	962,218	962,218	-
Total debt service	4,032,218	(250,000)	3,782,218	3,782,218	-
Total expenditures	\$ 100,975,764	\$ -	\$ 100,975,764	\$ 99,964,524	\$ 1,011,240

(Concluded)

Town of East Haven, Connecticut

Notes to Required Supplementary Information

Budgets and Budgetary Accounting For the Year Ended June 30, 2024

The General Fund has a legally adopted annual budget. The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements in accordance with the Town Charter. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

Formal budgetary integration is employed as a management control device during the year.

This budget is adopted on a basis consistent with generally accepted accounting principles (modified accrual basis) with the following exceptions:

- The Town does not budget for as revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the Town's behalf.

Reconciliation to Exhibit D

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI-1	\$100,868,278	\$ 99,964,524
State Teachers' pension on behalf amount	8,293,111	8,293,111
State Teachers' OPEB on behalf amount	<u>112,853</u>	<u>112,853</u>
GAAP Basis - Exhibit D	<u>\$ 109,274,242</u>	<u>\$ 108,370,488</u>

Prior to March 4, the Mayor submits to the Board of Finance a proposed operating budget for the year commencing the following July 1. The Board of Finance returns the budget to the Mayor with its recommendations by March 23. On or before March 31, the Mayor submits the budget to the Town Council, which calls a public hearing. By April 28, the Town Council votes to adopt the budget. The budget is adopted on a basis consistent with generally accepted accounting principles.

The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.

The Director of Finance may make transfers within a department of amounts not to exceed \$2,500 in any one account in any one year. The Board of Finance is authorized to transfer budgeted amounts within and between departments for amounts up to \$25,000. The Town Council, upon recommendation of the Board of Finance, approves transfers in excess of \$25,000 but not to exceed \$50,000. Transfers in excess of \$50,000 may be authorized only by ordinance. Additional appropriations may be made by ordinance of the Town Council.

The Board of Education is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Town Council approval.

Budgeted amounts shown are as originally adopted, or as amended by the Board of Finance and Town Council during the course of the year.

There were no additional appropriations during the year.

Town of East Haven, Connecticut

Required Supplementary Information

Connecticut Municipal Employees' Retirement System
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>										
Town's proportion of the collective net pension (asset) liability for the general employees without social security sub plan	<u>6.354870%</u>	<u>6.254264%</u>	<u>6.599776%</u>	<u>6.582412%</u>	<u>6.807427%</u>	<u>7.049960%</u>	<u>6.605138%</u>	<u>6.605138%</u>	<u>6.260323%</u>	<u>6.260323%</u>
Town's proportion of the collective net pension (asset) liability for the police officers and firefighters without social security sub plan	<u>6.736835%</u>	<u>6.573073%</u>	<u>6.017146%</u>	<u>6.334943%</u>	<u>6.116068%</u>	<u>6.792200%</u>	<u>5.964528%</u>	<u>5.964528%</u>	<u>6.399948%</u>	<u>6.399948%</u>
Town's proportionate share of the collective net pension (asset) liability	<u>\$ 55,492,337</u>	<u>\$ 52,866,684</u>	<u>\$ 26,539,525</u>	<u>\$ 41,144,042</u>	<u>\$ 37,960,518</u>	<u>\$ 34,973,682</u>	<u>\$ 3,326,427</u>	<u>\$ 6,281,761</u>	<u>\$ 1,655,172</u>	<u>\$ (1,456,428)</u>
Town's covered payroll	<u>\$ 23,812,589</u>	<u>\$ 21,585,150</u>	<u>\$ 20,372,672</u>	<u>\$ 19,593,796</u>	<u>\$ 19,616,243</u>	<u>\$ 21,318,457</u>	<u>\$ 17,639,314</u>	<u>\$ 17,639,314</u>	<u>\$ 16,645,682</u>	<u>\$ 16,290,888</u>
Town's proportionate share of the collective net pension (asset) liability as a percentage of its covered payroll	<u>233.04%</u>	<u>244.92%</u>	<u>130.27%</u>	<u>209.99%</u>	<u>193.52%</u>	<u>164.05%</u>	<u>18.86%</u>	<u>35.61%</u>	<u>9.94%</u>	<u>(8.94)%</u>
Total plan fiduciary net position as a percentage of the collective total pension liability	<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>92.72%</u>	<u>92.72%</u>	<u>92.72%</u>
<u>Schedule of Contributions</u>										
Contractually required contribution	<u>\$ 4,990,510</u>	<u>\$ 4,777,609</u>	<u>\$ 3,998,834</u>	<u>\$ 3,565,853</u>	<u>\$ 2,736,019</u>	<u>\$ 2,968,956</u>	<u>\$ 2,295,586</u>	<u>\$ 2,295,586</u>	<u>\$ 2,567,016</u>	<u>\$ 2,502,937</u>
Contributions in relation to the contractually required contribution	<u>4,990,510</u>	<u>4,777,609</u>	<u>3,998,834</u>	<u>3,565,853</u>	<u>2,736,019</u>	<u>2,968,956</u>	<u>2,295,586</u>	<u>2,295,586</u>	<u>2,567,016</u>	<u>2,502,937</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$22,002,496</u>	<u>\$20,377,928</u>	<u>\$18,518,517</u>	<u>\$18,331,772</u>	<u>\$15,368,246</u>	<u>\$20,225,877</u>	<u>\$15,719,422</u>	<u>\$17,639,310</u>	<u>\$19,693,380</u>	<u>\$17,081,496</u>
Contributions as a percentage of covered payroll	<u>22.68%</u>	<u>23.45%</u>	<u>21.59%</u>	<u>19.45%</u>	<u>17.80%</u>	<u>14.68%</u>	<u>14.60%</u>	<u>13.01%</u>	<u>13.03%</u>	<u>14.65%</u>

See Notes to Required Supplementary Information.

Town of East Haven, Connecticut

Notes to Required Supplementary Information

Connecticut Municipal Employees' Retirement System
Schedule of Contributions
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2021	June 30, 2021	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining amortization period	18 years	18 years	19 years	19 years	21 years	21 years	23 years	23 years	25 years	25 years
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	3.25%	3.25%	3.25%	3.25%
Salary increases	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation
Cost-of-living adjustments	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards
Social security wage base	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Investment rate of return (net)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	8.00%	8.00%	8.00%	8.00%
Mortality rate	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table set forward one year for males and set back one year for females

Town of East Haven, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement System
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>										
Town's proportion of the collective net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net pension liability associated with the Town	<u>89,378,948</u>	<u>94,357,790</u>	<u>72,024,891</u>	<u>90,939,546</u>	<u>83,740,282</u>	<u>64,568,622</u>	<u>74,004,319</u>	<u>78,075,123</u>	<u>58,217,951</u>	<u>53,810,829</u>
Total	<u>\$ 89,378,948</u>	<u>\$ 94,357,790</u>	<u>\$ 72,024,891</u>	<u>\$ 90,939,546</u>	<u>\$ 83,740,282</u>	<u>\$ 64,568,622</u>	<u>\$ 74,004,319</u>	<u>\$ 78,075,123</u>	<u>\$ 58,217,951</u>	<u>\$ 53,810,829</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total pension liability	<u>58.39%</u>	<u>54.06%</u>	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>
<u>Schedule of Contributions</u>										
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the collective net pension liability.

See Notes to Required Supplementary Information.

Town of East Haven, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	June 30, 2012	June 30, 2012
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining amortization period (equivalent single period)	26.8 years	27.8 years	28.8 years	29.8 years	30 years	30 years	20.4 years	21.4 years	22.4 years	23.4 years
Asset valuation method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-living adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment rate of return (net)	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%	8.50%	8.50%	8.50%	8.50%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

Town of East Haven, Connecticut

Required Supplementary Information

**Schedule of Changes in OPEB Liability
Other Post-Employment Benefit (OPEB) Plans
Last Seven Years (2)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<u>Town Plan</u>						
OPEB liability:							
Service cost	\$ 3,132,533	\$ 4,173,874	\$ 3,176,864	\$ 2,578,351	\$ 1,475,596	\$ 1,652,879	\$ 2,715,495
Interest	3,129,604	2,241,409	1,981,588	2,810,460	2,471,687	2,326,716	2,471,758
Change of benefit terms	-	-	605,345	-	-	-	-
Differences between expected and actual experience	4,231,767	-	11,493,767	-	(2,218,424)	-	11,771,199
Changes in assumptions	12,249,339	(16,652,789)	(403,297)	6,739,058	16,400,900	(2,576,018)	(10,188,458)
Benefit payments	<u>(4,173,700)</u>	<u>(4,007,581)</u>	<u>(3,488,635)</u>	<u>(3,223,953)</u>	<u>(2,406,876)</u>	<u>(2,294,079)</u>	<u>(2,193,267)</u>
Net change in total OPEB liability	18,569,543	(14,245,087)	13,365,632	8,903,916	15,722,883	(890,502)	4,576,727
OPEB liability - July 1	<u>87,343,072</u>	<u>101,588,159</u>	<u>88,222,527</u>	<u>79,318,611</u>	<u>63,595,728</u>	<u>64,486,230</u>	<u>59,909,503</u>
OPEB liability - June 30 (1)	<u>\$ 105,912,615</u>	<u>\$ 87,343,072</u>	<u>\$ 101,588,159</u>	<u>\$ 88,222,527</u>	<u>\$ 79,318,611</u>	<u>\$ 63,595,728</u>	<u>\$ 64,486,230</u>
	<u>Education Plan</u>						
OPEB liability:							
Service cost	\$ 207,022	\$ 272,598	\$ 471,953	\$ 345,379	\$ 171,969	\$ 198,053	\$ 440,264
Interest	964,608	696,629	682,436	956,022	1,149,729	1,120,214	1,520,774
Differences between expected and actual experience	4,490,516	-	(109,804)	-	322,681	-	(7,302,204)
Changes in assumptions	(2,010,412)	(4,047,679)	2,331,332	3,878,602	(2,357,248)	(916,308)	(8,048,304)
Benefit payments	<u>(1,870,560)</u>	<u>(1,852,854)</u>	<u>(1,756,803)</u>	<u>(1,722,016)</u>	<u>(2,001,556)</u>	<u>(1,914,465)</u>	<u>(2,361,365)</u>
Net change in OPEB liability	1,781,174	(4,931,306)	1,619,114	3,457,987	(2,714,425)	(1,512,506)	(15,750,835)
OPEB liability - July 1	<u>27,968,929</u>	<u>32,900,235</u>	<u>31,281,121</u>	<u>27,823,134</u>	<u>30,537,559</u>	<u>32,050,065</u>	<u>47,800,900</u>
OPEB liability - June 30 (1)	<u>\$ 29,750,103</u>	<u>\$ 27,968,929</u>	<u>\$ 32,900,235</u>	<u>\$ 31,281,121</u>	<u>\$ 27,823,134</u>	<u>\$ 30,537,559</u>	<u>\$ 32,050,065</u>

Notes:

(1) There are no assets that are being accumulated in a trust that meets the criteria in GASB Statement No. 75 to pay benefits.

(2) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available.

Covered-employee payroll information is not available.

Town of East Haven, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Last Seven Years (3)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Collective Net OPEB Liability</u>							
Town's proportion of the collective net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the collective net OPEB liability associated with the Town	<u>8,373,580</u>	<u>8,263,578</u>	<u>7,846,980</u>	<u>13,563,637</u>	<u>13,059,768</u>	<u>12,907,700</u>	<u>19,047,874</u>
Total	<u>\$ 8,373,580</u>	<u>\$ 8,263,578</u>	<u>\$ 7,846,980</u>	<u>\$ 13,563,637</u>	<u>\$ 13,059,768</u>	<u>\$ 12,907,700</u>	<u>\$ 19,047,874</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total OPEB liability	<u>11.92%</u>	<u>9.46%</u>	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>
<u>Schedule of Contributions</u>							
Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the collective net OPEB liability.

(3) These schedules are intended to present information for 10 years. Additional years will be presented as the information becomes available.

See Notes to Required Supplementary Information.

Town of East Haven, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Schedule of Contributions
Last Seven Years (1)

	2024	2023	2022	2021	2020	2019	2018
Changes of benefit terms	Increase in maximum monthly subsidy amount for retiree and dependent from \$110/\$220 to \$220/\$440	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage, open	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization period	30 years	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Inflation rate	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%
Healthcare inflation rate	Initial 6.75% decreasing to 4.50% (ultimate) by 2031	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary increases	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment rate of return (net)	3.00%	3.00%	3.00%	3.00%	3.00%	4.25%	4.25%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Supplemental Schedules

General Fund

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

Town of East Haven, Connecticut

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 76,949,004	\$ -	\$ 76,949,004	\$76,577,210	\$ (371,794)
Intergovernmental	19,377,560	-	19,377,560	19,433,151	55,591
Charges for services	2,924,200	-	2,924,200	2,802,082	(122,118)
Income from investments	580,000	-	580,000	1,083,257	503,257
Other	900,000	-	900,000	972,578	72,578
Total revenues	100,730,764	-	100,730,764	100,868,278	137,514
Expenditures:					
Current:					
General government	3,483,330	(18,600)	3,464,730	3,156,898	307,832
Public safety	16,625,733	264,000	16,889,733	16,754,704	135,029
Public services and engineering	2,694,087	(190,000)	2,504,087	2,303,554	200,533
Sanitation and maintenance	3,631,106	190,000	3,821,106	3,739,325	81,781
Health and welfare	624,724	631	625,355	609,502	15,853
Culture and recreation	2,331,195	(2,060)	2,329,135	2,122,562	206,573
Employee benefits and insurance	16,528,400	540,000	17,068,400	16,854,156	214,244
Education	49,044,271	-	49,044,271	49,359,825	(315,554)
General services	1,980,700	(533,971)	1,446,729	1,281,780	164,949
Debt service	4,032,218	(250,000)	3,782,218	3,782,218	-
Total expenditures	100,975,764	-	100,975,764	99,964,524	1,011,240
Excess (deficiency) of revenues over expenditures	(245,000)	-	(245,000)	903,754	1,148,754
Other financing sources (uses):					
Sale of assets	20,000	-	20,000	15,099	(4,901)
Transfers in	225,000	-	225,000	-	(225,000)
Total other financing sources (uses)	245,000	-	245,000	15,099	(229,901)
Net change in fund balance	\$ -	\$ -	\$ -	918,853	\$ 918,853
Fund balance - July 1, 2023				8,260,319	
Fund balances - June 30, 2024				\$ 9,179,172	

Town of East Haven, Connecticut

General Fund
Report of Tax Collector
For the Year Ended June 30, 2024

Grand List Year	Uncollected Taxes July 1, 2023	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2024
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2007	\$ 53,710	\$ -	\$ -	\$ 53,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2008	56,185	-	-	895	46,105	9,185	-	-	-	9,185
2009	74,623	-	-	1,053	51,734	21,836	-	-	-	21,836
2010	72,921	-	-	1,041	52,775	19,105	-	-	-	19,105
2011	38,432	-	-	729	21,044	16,659	-	-	-	16,659
2012	125,979	-	181	820	110,593	14,747	-	-	-	14,747
2013	223,647	-	239	755	206,272	16,859	148	-	148	16,711
2014	220,736	-	252	2,595	203,359	15,034	252	-	252	14,782
2015	220,947	-	-	2,594	203,341	15,012	-	-	-	15,012
2016	71,805	-	11,601	18,044	49,059	16,303	344	2,452	2,796	15,959
2017	89,264	-	-	12,023	53,076	24,165	1,389	6,883	8,272	22,776
2018	248,089	-	-	30,489	62,496	155,104	16,099	34,101	50,200	139,005
2019	409,867	-	1,554	35,764	105,710	269,947	93,548	60,326	153,874	176,399
2020	746,959	-	4,666	40,328	119,926	591,371	270,343	126,447	396,790	321,028
2021	1,618,827	-	38,736	83,103	80,172	1,494,288	863,586	242,792	1,106,378	630,702
Total Prior Years	4,271,991	-	57,229	283,943	1,365,662	2,679,615	1,245,709	473,001	1,718,710	1,433,906
2022	-	79,109,949	137,574	496,024	19,054	78,732,445	77,120,058	275,023	77,395,081	1,612,387
Total	<u>\$4,271,991</u>	<u>\$79,109,949</u>	<u>\$194,803</u>	<u>\$779,967</u>	<u>\$1,384,716</u>	<u>\$81,412,060</u>	<u>\$78,365,767</u>	<u>\$748,024</u>	<u>\$79,113,791</u>	3,046,293
Allowance for doubtful accounts										(400,000)
Taxes receivable (net)										<u>\$ 2,646,293</u>

Other Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted, committed, or assigned to expenditures for particular purposes.

Fund	Funding Source	Function
Public Safety	Grants, fees and contributions	Public safety programs
General Government	Grants and fees	Historical document preservation
Culture and Recreation	Grants and fees	Recreation programs
Health and Welfare	Grants and fees	Health and welfare programs
Roads State Aid	Grants	Road maintenance
Small Cities	Grants and program income	Community development
Hagaman Memorial Library	Grants, fees, income from investments and contributions	Library operations
Daycare and Preschool	Fees	Daycare operations
Athletic Department	Charges for services	Athletic programs
School Rental	User fees	Building maintenance
School Lunch	Grants and sale of lunches	Cafeteria operations
Adult Education	User fees	Adult education programs
School Activity	Activity fees and contributions	Student activity funds and school scholarships
Education Insurance Reserve	Insurance recoveries	Education

Debt Service

The Debt Service Fund accounts for the payment of principal and interest on long-term debt of the Town

Fund	Funding Source	Function
Debt Service	Grants, bond issues and premiums	Debt service

Other Governmental Funds

Capital Projects Funds

Capital projects funds are used to account for acquisition and construction of major capital assets other than those financed by proprietary and trust funds.

Fund	Funding Source	Function
Open Space	General fund appropriations	Purchase of open space property
LOCIP	Grants and fees	Capital purchases

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes as categorized by the fund title.

Fund	Funding Source	Function
J. Woodward Thompson Education Fund	Income from investments	Education programs
Library Fund	Income from investments and contributions	Library programs
Isaac Hagaman Library Fund	Income from investments	Library building maintenance

Town of East Haven, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2024

Special Revenue Funds

	Public Safety	General Government	Culture and Recreation	Health and Welfare	Roads State Aid	Small Cities	Hagaman Memorial Library
<u>Assets</u>							
Cash	\$ 14,543	\$ -	\$ 2,788	\$ 13,973	\$ -	\$ 309,687	\$ 137,537
Investments	-	-	-	-	-	-	-
Receivables:							
Intergovernmental	-	-	-	-	-	-	-
Loans	-	-	-	-	-	88,637	-
Other	2,640	673	-	-	-	-	-
Due from other funds	294,376	93,595	67,557	658,930	401,233	-	-
Other	-	-	-	-	-	-	-
Total assets	<u>\$ 311,559</u>	<u>\$ 94,268</u>	<u>\$ 70,345</u>	<u>\$ 672,903</u>	<u>\$ 401,233</u>	<u>\$ 398,324</u>	<u>\$ 137,537</u>
<u>Liabilities</u>							
Accounts payable	\$ 16,406	\$ 1,675	\$ 10,081	\$ 3,325	\$ 102,768	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	-	-	5,300
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	147,572	-	51,071	13,960	-	-	895
Total liabilities	<u>163,978</u>	<u>1,675</u>	<u>61,152</u>	<u>17,285</u>	<u>102,768</u>	<u>-</u>	<u>6,195</u>
<u>Fund balances</u>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	92,593	-	-	298,465	398,324	-
Committed	147,581	-	9,193	655,618	-	-	131,342
Assigned	-	-	-	-	-	-	-
Total fund balances	<u>147,581</u>	<u>92,593</u>	<u>9,193</u>	<u>655,618</u>	<u>298,465</u>	<u>398,324</u>	<u>131,342</u>
Total liabilities and fund balances	<u>\$ 311,559</u>	<u>\$ 94,268</u>	<u>\$ 70,345</u>	<u>\$ 672,903</u>	<u>\$ 401,233</u>	<u>\$ 398,324</u>	<u>\$ 137,537</u>

(Continued)

Town of East Haven, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2024

Special Revenue Funds

	Daycare and Preschool	Athletic Department	School Rental	School Lunch	Adult Education	School Activity	Total Special Revenue Funds	Debt Service
<u>Assets</u>								
Cash	\$ 363,689	\$ 24,051	\$ 162,428	\$ 532,969	\$ 47,157	\$ 494,768	\$ 2,103,590	\$ -
Investments	-	-	713	-	-	3,275	3,988	-
Receivables:								
Intergovernmental	-	-	-	305,236	-	-	305,236	-
Loans	-	-	-	-	-	-	88,637	-
Other	-	-	-	-	-	9,094	12,407	-
Due from other funds	-	-	-	-	-	-	1,515,691	1,703,364
Other	-	-	-	36,285	-	-	36,285	-
Total assets	<u>\$ 363,689</u>	<u>\$ 24,051</u>	<u>\$ 163,141</u>	<u>\$ 874,490</u>	<u>\$ 47,157</u>	<u>\$ 507,137</u>	<u>\$ 4,065,834</u>	<u>\$ 1,703,364</u>
<u>Liabilities</u>								
Accounts payable	\$ -	\$ -	\$ 36,399	\$ 148,719	\$ 2,491	\$ 8,798	\$ 330,662	\$ -
Accrued payroll and related liabilities	10,333	-	-	-	-	-	15,633	-
Due to other funds	352,317	-	126,742	946	44,666	3,325	527,996	-
Unearned revenue	-	-	-	6,140	-	-	219,638	-
Total liabilities	<u>362,650</u>	<u>-</u>	<u>163,141</u>	<u>155,805</u>	<u>47,157</u>	<u>12,123</u>	<u>1,093,929</u>	<u>-</u>
<u>Fund balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	718,685	-	3,275	1,511,342	-
Committed	1,039	24,051	-	-	-	491,739	1,460,563	-
Assigned	-	-	-	-	-	-	-	1,703,364
Total fund balances	<u>1,039</u>	<u>24,051</u>	<u>-</u>	<u>718,685</u>	<u>-</u>	<u>495,014</u>	<u>2,971,905</u>	<u>1,703,364</u>
Total liabilities and fund balances	<u>\$ 363,689</u>	<u>\$ 24,051</u>	<u>\$ 163,141</u>	<u>\$ 874,490</u>	<u>\$ 47,157</u>	<u>\$ 507,137</u>	<u>\$ 4,065,834</u>	<u>\$ 1,703,364</u>

(Continued)

Town of East Haven, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2024

	Capital Projects Funds			Permanent Funds				
	Open Space	LOCIP	Total Capital Projects Funds	J. Woodward Thompson Education Fund	Library Fund	Isaac Hagaman Library Fund	Total Permanent Funds	Total
<u>Assets</u>								
Cash	\$ -	\$ -	\$ -	\$ -	\$ 50,760	\$ -	\$ 50,760	\$ 2,154,350
Investments	-	-	-	457,531	573,229	1,439,491	2,470,251	2,474,239
Receivables:								
Intergovernmental	-	-	-	-	-	-	-	305,236
Loans	-	-	-	-	-	-	-	88,637
Other	-	609	609	-	-	-	-	13,016
Due from other funds	29,164	368,461	397,625	-	-	-	-	3,616,680
Other	-	-	-	-	-	-	-	36,285
Total assets	<u>\$ 29,164</u>	<u>\$ 369,070</u>	<u>\$ 398,234</u>	<u>\$ 457,531</u>	<u>\$ 623,989</u>	<u>\$ 1,439,491</u>	<u>\$ 2,521,011</u>	<u>\$ 8,688,443</u>
<u>Liabilities</u>								
Accounts payable	\$ 161	\$ -	\$ 161	\$ -	\$ -	\$ -	\$ -	\$ 330,823
Accrued payroll and related liabilities	-	-	-	-	-	-	-	15,633
Due to other funds	-	-	-	-	-	-	-	527,996
Unearned revenue	-	324,504	324,504	-	-	-	-	544,142
Total liabilities	<u>161</u>	<u>324,504</u>	<u>324,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,418,594</u>
<u>Fund balances</u>								
Nonspendable	-	-	-	-	-	100,000	100,000	100,000
Restricted	-	44,566	44,566	457,531	623,989	1,339,491	2,421,011	3,976,919
Committed	29,003	-	29,003	-	-	-	-	1,489,566
Assigned	-	-	-	-	-	-	-	1,703,364
Total fund balances	<u>29,003</u>	<u>44,566</u>	<u>73,569</u>	<u>457,531</u>	<u>623,989</u>	<u>1,439,491</u>	<u>2,521,011</u>	<u>7,269,849</u>
Total liabilities and fund balances	<u>\$ 29,164</u>	<u>\$ 369,070</u>	<u>\$ 398,234</u>	<u>\$ 457,531</u>	<u>\$ 623,989</u>	<u>\$ 1,439,491</u>	<u>\$ 2,521,011</u>	<u>\$ 8,688,443</u>

(Concluded)

Town of East Haven, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

Special Revenue Funds

	Public Safety	General Government	Culture and Recreation	Health and Welfare	Roads State Aid	Small Cities	Hagaman Memorial Library
Revenues:							
Intergovernmental	\$ 64,405	\$ 18,500	\$ 10,429	\$ 17,672	\$ 433,855	\$ -	\$ 3,603
Charges for services	48,102	57,722	7,220	237,720	-	226,185	23,146
Income from investments	16	-	-	-	-	-	53,120
Change in fair value of investments	-	-	-	-	-	-	-
Contributions	88,163	-	-	-	-	-	18,718
Total revenues	<u>200,686</u>	<u>76,222</u>	<u>17,649</u>	<u>255,392</u>	<u>433,855</u>	<u>226,185</u>	<u>98,587</u>
Expenditures:							
Current:							
General government	-	65,687	-	-	-	-	-
Public safety	228,760	-	-	-	-	-	-
Public works	-	-	-	-	645,872	-	-
Health and welfare	-	-	-	248,802	-	54,094	-
Culture and recreation	-	-	26,869	-	-	-	24,599
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>228,760</u>	<u>65,687</u>	<u>26,869</u>	<u>248,802</u>	<u>645,872</u>	<u>54,094</u>	<u>24,599</u>
Excess (deficiency) of revenues over expenditures	(28,074)	10,535	(9,220)	6,590	(212,017)	172,091	73,988
Other financing sources (uses):							
Premium	-	-	-	-	-	-	-
Net change in fund balances	(28,074)	10,535	(9,220)	6,590	(212,017)	172,091	73,988
Fund balances - July 1, 2023	<u>175,655</u>	<u>82,058</u>	<u>18,413</u>	<u>649,028</u>	<u>510,482</u>	<u>226,233</u>	<u>57,354</u>
Fund balances - June 30, 2024	<u>\$ 147,581</u>	<u>\$ 92,593</u>	<u>\$ 9,193</u>	<u>\$ 655,618</u>	<u>\$ 298,465</u>	<u>\$ 398,324</u>	<u>\$ 131,342</u>

(Continued)

Town of East Haven, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

Special Revenue Funds

	Daycare and Preschool	Athletic Department	School Rental	School Lunch	Adult Education	School Activity	Education Insurance Reserve	Total Special Revenue Funds	Debt Service
Revenues:									
Intergovernmental	\$ -	\$ -	\$ -	\$ 2,317,894	\$ -	\$ -	\$ -	\$ 2,866,358	\$ 705,292
Charges for services	618,358	-	327,759	30,760	3,878	459,330	-	2,040,180	-
Income from investments	1,814	3	1,979	17,466	388	29	-	74,815	-
Change in fair value of investments	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	106,881	-
Total revenues	620,172	3	329,738	2,366,120	4,266	459,359	-	5,088,234	705,292
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	65,687	-
Public safety	-	-	-	-	-	-	-	228,760	-
Public works	-	-	-	-	-	-	-	645,872	-
Health and welfare	-	-	-	-	-	-	-	302,896	-
Culture and recreation	-	-	-	-	-	-	-	51,468	-
Education	789,869	1,000	594,521	2,994,723	46,703	364,187	33,072	4,824,075	-
Debt service	-	-	-	-	-	-	-	-	375,411
Total expenditures	789,869	1,000	594,521	2,994,723	46,703	364,187	33,072	6,118,758	375,411
Excess (deficiency) of revenues over expenditures	(169,697)	(997)	(264,783)	(628,603)	(42,437)	95,172	(33,072)	(1,030,524)	329,881
Other financing sources (uses):									
Premium	-	-	-	-	-	-	-	-	99,459
Net change in fund balances	(169,697)	(997)	(264,783)	(628,603)	(42,437)	95,172	(33,072)	(1,030,524)	429,340
Fund balances - July 1, 2023	170,736	25,048	264,783	1,347,288	42,437	399,842	33,072	4,002,429	1,274,024
Fund balances - June 30, 2024	\$ 1,039	\$ 24,051	\$ -	\$ 718,685	\$ -	\$ 495,014	\$ -	\$ 2,971,905	\$ 1,703,364

(Continued)

Town of East Haven, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	Capital Projects Funds			Permanent Funds				
	Open Space	LOCIP	Total Capital Projects Funds	J. Woodward Thompson Education Fund	Library Fund	Isaac Hagaman Library Fund	Total Permanent Funds	Total
Revenues:								
Intergovernmental	\$ -	\$ 229,140	\$ 229,140	\$ -	\$ -	\$ -	\$ -	\$ 3,800,790
Charges for services	120	10,278	10,398	-	-	-	-	2,050,578
Income from investments	-	-	-	458	23,459	30,231	54,148	128,963
Change in fair value of investments	-	-	-	-	5,849	152,858	158,707	158,707
Contributions	-	-	-	-	4,673	-	4,673	111,554
Total revenues	120	239,418	239,538	458	33,981	183,089	217,528	6,250,592
Expenditures:								
Current:								
General government	9,903	23,330	33,233	-	-	-	-	98,920
Public safety	-	229,139	229,139	-	-	-	-	457,899
Public works	-	-	-	-	-	-	-	645,872
Health and welfare	-	-	-	-	-	-	-	302,896
Culture and recreation	-	-	-	-	2,920	67,736	70,656	122,124
Education	-	-	-	-	-	-	-	4,824,075
Debt service	-	-	-	-	-	-	-	375,411
Total expenditures	9,903	252,469	262,372	-	2,920	67,736	70,656	6,827,197
Excess (deficiency) of revenues over expenditures	(9,783)	(13,051)	(22,834)	458	31,061	115,353	146,872	(576,605)
Other financing sources (uses):								
Premium	-	-	-	-	-	-	-	99,459
Net change in fund balances	(9,783)	(13,051)	(22,834)	458	31,061	115,353	146,872	(477,146)
Fund balances - July 1, 2023	38,786	57,617	96,403	457,073	592,928	1,324,138	2,374,139	7,746,995
Fund balances - June 30, 2024	\$ 29,003	\$ 44,566	\$ 73,569	\$ 457,531	\$ 623,989	\$ 1,439,491	\$ 2,521,011	\$ 7,269,849

(Concluded)

Internal Service Funds

Internal service funds are used to account for risk financing activities.

Fund	Function
Self-Insurance	Various claims and judgments
Workers' Compensation	Workers' compensation and heart and hypertension claims
Town Medical Insurance	Self-insured medical benefits for Town employees
Education Medical Insurance	Self-insured medical benefits for Education employees

Town of East Haven, Connecticut

Internal Service Funds
Combining Statement of Net Position
June 30, 2024

	Self- Insurance Fund	Workers' Compensation Fund	Town Medical Insurance Fund	Education Medical Insurance Fund	Total
<u>Assets</u>					
Current assets:					
Cash	\$ -	\$ 128,739	\$ 422,766	\$ 409,534	\$ 961,039
Investments	445,733	-	-	596,223	1,041,956
Accounts receivable	-	-	27,499	36,140	63,639
Due from other funds	-	7,276,416	1,531,779	570,218	9,378,413
	<u>-</u>	<u>7,276,416</u>	<u>1,531,779</u>	<u>570,218</u>	<u>9,378,413</u>
Total assets	<u>445,733</u>	<u>7,405,155</u>	<u>1,982,044</u>	<u>1,612,115</u>	<u>11,445,047</u>
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	-	-	-	6,408	6,408
Claims payable	100,000	1,555,335	484,000	959,051	3,098,386
Due to other funds	1,320,051	-	-	-	1,320,051
	<u>1,320,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,320,051</u>
Total current liabilities	1,420,051	1,555,335	484,000	965,459	4,424,845
Noncurrent liabilities:					
Claims payable	3,385,626	4,198,816	-	-	7,584,442
	<u>3,385,626</u>	<u>4,198,816</u>	<u>-</u>	<u>-</u>	<u>7,584,442</u>
Total liabilities	<u>4,805,677</u>	<u>5,754,151</u>	<u>484,000</u>	<u>965,459</u>	<u>12,009,287</u>
<u>Net Position</u>					
Unrestricted	<u>\$ (4,359,944)</u>	<u>\$ 1,651,004</u>	<u>\$ 1,498,044</u>	<u>\$ 646,656</u>	<u>\$ (564,240)</u>

Town of East Haven, Connecticut

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2024

	Self- Insurance Fund	Workers' Compensation Fund	Town Medical Insurance Fund	Education Medical Insurance Fund	Total
Operating revenues:					
Charges for services	<u>\$ 1,261,771</u>	<u>\$ 2,876,992</u>	<u>\$ 6,683,036</u>	<u>\$ 6,536,445</u>	<u>\$ 17,358,244</u>
Operating expenses:					
Claims	1,617,768	1,298,563	6,661,854	8,375,565	17,953,750
Administration	<u>-</u>	<u>192,444</u>	<u>197,336</u>	<u>1,129,154</u>	<u>1,518,934</u>
Total operating expenses	<u>1,617,768</u>	<u>1,491,007</u>	<u>6,859,190</u>	<u>9,504,719</u>	<u>19,472,684</u>
Operating income (loss)	(355,997)	1,385,985	(176,154)	(2,968,274)	(2,114,440)
Nonoperating revenues:					
Income from investments	<u>-</u>	<u>-</u>	<u>3,310</u>	<u>99,680</u>	<u>102,990</u>
Change in net position	(355,997)	1,385,985	(172,844)	(2,868,594)	(2,011,450)
Total net position - July 1, 2023	<u>(4,003,947)</u>	<u>265,019</u>	<u>1,670,888</u>	<u>3,515,250</u>	<u>1,447,210</u>
Total net position - June 30, 2024	<u><u>\$ (4,359,944)</u></u>	<u><u>\$ 1,651,004</u></u>	<u><u>\$ 1,498,044</u></u>	<u><u>\$ 646,656</u></u>	<u><u>\$ (564,240)</u></u>

Town of East Haven, Connecticut

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2024

	Self- Insurance Fund	Workers' Compensation Fund	Town Medical Insurance Fund	Education Medical Insurance Fund	Total
Cash flows from (used in) operating activities:					
Premiums received	\$ 1,261,771	\$ 1,865,489	\$ 7,184,248	\$ 5,984,093	\$ 16,295,601
Payments for interfund services	335,761	-	-	-	335,761
Payments to vendors	-	(192,444)	(197,336)	(1,124,405)	(1,514,185)
Payments for claims	(1,586,645)	(1,682,732)	(6,673,340)	(8,047,077)	(17,989,794)
Net cash from (used in) operating activities	10,887	(9,687)	313,572	(3,187,389)	(2,872,617)
Cash flows from (used in) investing activities:					
Income from investments	-	-	3,310	99,680	102,990
Net increase (decrease) in cash and cash equivalents	10,887	(9,687)	316,882	(3,087,709)	(2,769,627)
Cash and cash equivalents - July 1, 2023	434,846	138,426	105,884	4,093,466	4,772,622
Cash and cash equivalents - June 30, 2024	<u>\$ 445,733</u>	<u>\$ 128,739</u>	<u>\$ 422,766</u>	<u>\$ 1,005,757</u>	<u>\$ 2,002,995</u>
Reconciliation to statement of net position cash:					
Cash and cash equivalents per above	\$ 445,733	\$ 128,739	\$ 422,766	\$ 1,005,757	\$ 2,002,995
Cash and cash equivalents reported as investments	(445,733)	-	-	(596,223)	(1,041,956)
Statement of net position cash	<u>\$ -</u>	<u>\$ 128,739</u>	<u>\$ 422,766</u>	<u>\$ 409,534</u>	<u>\$ 961,039</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:					
Operating income (loss)	\$ (355,997)	\$ 1,385,985	\$ (176,154)	\$ (2,968,274)	\$ (2,114,440)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:					
(Increase) decrease in:					
Accounts receivable	-	-	1,212	93,409	94,621
Due from other funds	335,761	(1,011,503)	500,000	(570,218)	(745,960)
Increase (decrease) in:					
Accounts payable	-	-	-	4,749	4,749
Claims payable	31,123	(384,169)	(11,486)	328,488	(36,044)
Due to other funds	-	-	-	(75,543)	(75,543)
Net cash from (used in) operating activities	<u>\$ 10,887</u>	<u>\$ (9,687)</u>	<u>\$ 313,572</u>	<u>\$ (3,187,389)</u>	<u>\$ (2,872,617)</u>

Trend Information

This part of the Town's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Table	Description
Financial Trends (Tables 1-4)	These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.
Debt Capacity (Table 5)	This schedule presents information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the fiscal year.

Town of East Haven, Connecticut

Governmental Activities
Net Position by Component
Last Ten Years
(Unaudited)

June 30

	2024	2023	2022	2021	2020 <i>(as restated)</i>	2019	2018	2017	2016	2015
Net investment in capital assets	\$ 57,015,219	\$ 60,727,345	\$ 55,331,001	\$ 54,279,061	\$ 50,531,444	\$ 56,188,341	\$ 56,763,497	\$ 54,831,555	\$ 54,687,757	\$ 54,538,832
Restricted for:										
Endowments:										
Nonexpendable	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Expendable	2,421,011	2,274,139	2,297,706	2,649,135	2,087,711	1,665,733	1,670,014	1,613,042	1,528,957	1,616,073
Capital replacement	44,566	57,617	2,871,481	145,181	154,108	143,053	364,232	-	-	-
Road maintenance	298,465	510,482	580,471	544,297	540,633	384,605	182,928	308,113	89,075	173,286
Health and welfare	-	-	-	-	-	6,364	161,817	402,150	167,226	224,418
Historical document preservation	92,593	82,058	41,591	34,191	25,103	31,919	24,081	24,413	22,450	23,528
Housing rehabilitation programs	398,324	226,233	216,453	216,763	190,538	136,096	131,372	66,260	49,247	20,727
Public safety	-	-	-	-	-	-	34,238	20,274	28,236	25,076
Cafeteria operations	718,685	1,347,288	1,342,828	930,284	284,477	27,937	70,904	-	-	-
Education programs	3,275	85,014	84,124	83,590	46,237	285,774	343,021	243,100	171,937	132,147
Unrestricted	<u>(156,955,001)</u>	<u>(147,478,448)</u>	<u>(139,374,221)</u>	<u>(128,990,902)</u>	<u>(124,657,463)</u>	<u>(121,914,345)</u>	<u>(108,252,829)</u>	<u>(24,440,551)</u>	<u>(29,291,319)</u>	<u>(25,117,096)</u>
Total net position	<u>\$ (95,862,863)</u>	<u>\$ (82,068,272)</u>	<u>\$ (76,508,566)</u>	<u>\$ (70,008,400)</u>	<u>\$ (70,697,212)</u>	<u>\$ (62,944,523)</u>	<u>\$ (48,406,725)</u>	<u>\$ 33,168,356</u>	<u>\$ 27,553,566</u>	<u>\$ 31,736,991</u>

Source: Current and prior year financial statements.

Table 2

Town of East Haven, Connecticut

**Governmental Activities
Changes in Net Position
Last Ten Years
(Unaudited)**

For the Year Ended June 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Governmental activities:										
General government	\$ 6,998,364	\$ 7,359,936	\$ 8,046,813	\$ 7,618,682	\$ 7,173,388	\$ 4,778,224	\$ 4,713,737	\$ 4,420,083	\$ 4,573,742	\$ 4,487,048
Public safety	35,943,667	34,088,891	31,429,495	29,823,351	27,446,229	41,770,546	21,518,460	14,930,997	20,167,431	19,419,729
Public works	11,100,070	12,135,120	11,047,373	11,510,154	10,012,727	7,857,854	6,946,876	7,896,236	9,284,044	8,361,845
Health and welfare	1,509,464	1,370,643	1,488,988	2,137,161	2,015,115	1,626,953	1,402,662	1,428,002	1,486,625	1,302,182
Culture and recreation	2,852,898	3,203,313	2,514,602	2,202,880	2,458,667	2,450,819	2,235,957	2,416,107	2,514,190	2,531,765
Education	78,166,137	72,334,812	68,005,653	64,547,055	61,650,269	59,346,663	61,146,314	67,507,850	65,203,368	60,805,829
Interest	1,234,229	892,106	1,016,693	643,397	1,060,160	764,279	3,146,589	944,761	1,158,231	1,467,224
Total expenses	137,804,829	131,384,821	123,549,617	118,482,680	111,816,555	118,595,338	101,110,595	99,544,036	104,387,631	98,375,622
Program revenues:										
Governmental activities:										
Charges for services:										
General government	688,363	647,906	842,603	801,387	766,813	570,555	470,579	490,447	493,847	501,595
Public safety	1,285,384	1,716,096	1,381,874	766,731	959,929	760,070	770,094	580,678	768,586	855,473
Public works	675,134	484,940	411,592	389,992	454,973	474,289	304,998	300,614	299,185	265,860
Health and welfare	237,720	163,034	238,416	425,092	448,940	482,616	237,887	307,195	298,403	246,843
Culture and recreation	502,828	311,283	61,570	4,927	280,020	453,855	393,485	500,631	497,181	497,191
Education	1,463,231	1,256,754	1,162,119	405,573	534,977	1,109,896	1,458,426	1,140,545	1,116,049	1,244,761
Operating grants and contributions	40,543,106	39,358,925	39,663,376	38,255,403	33,164,366	33,005,422	35,450,104	34,998,871	30,819,650	29,716,676
Capital grants and contributions	1,910,592	3,993,061	1,555,191	6,471,738	1,001,266	730,578	816,822	57,206	331,519	331,519
Total program revenues	47,306,358	47,931,999	45,316,741	47,520,843	37,611,284	37,587,281	39,902,395	38,376,187	34,624,420	33,659,918
Net revenue (expenses)	(90,498,471)	(83,452,822)	(78,232,876)	(70,961,837)	(74,205,271)	(81,008,057)	(61,208,200)	(61,167,849)	(69,763,211)	(64,715,704)
General revenues:										
Property taxes	74,492,797	76,164,243	71,264,654	70,160,658	65,281,841	64,667,790	63,775,171	64,860,332	64,515,021	64,585,031
Grants and contributions not restricted to specific programs	623,547	614,032	617,823	681,205	728,790	688,620	544,213	1,470,420	897,510	1,039,493
Income (loss) from investments	1,479,288	1,065,574	(181,684)	460,087	395,659	388,485	355,811	373,983	43,120	147,232
Gain on sale of assets	-	-	-	29,766	-	559,769	-	-	-	-
Other	108,248	49,267	31,917	58,196	46,292	165,595	358,507	77,904	124,135	129,870
Total general revenues	76,703,880	77,893,116	71,732,710	71,389,912	66,452,582	66,470,259	65,033,702	66,782,639	65,579,786	65,901,626
Change in net position	<u>\$ (13,794,591)</u>	<u>\$ (5,559,706)</u>	<u>\$ (6,500,166)</u>	<u>\$ 428,075</u>	<u>\$ (7,752,689)</u>	<u>\$ (14,537,798)</u>	<u>\$ 3,825,502</u>	<u>\$ 5,614,790</u>	<u>\$ (4,183,425)</u>	<u>\$ 1,185,922</u>

Source: Current and prior year financial statements.

Table 3

Town of East Haven, Connecticut
General Fund (Budgetary Basis)
Revenues, Expenditures and Changes in Fund Balances
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
					<i>(as restated)</i>					
Revenues:										
Property taxes	\$ 76,577,210	\$ 75,351,140	\$ 71,150,527	\$ 69,380,880	\$ 64,982,655	\$ 64,605,676	\$ 63,509,176	\$ 64,677,274	\$ 64,114,541	\$ 64,161,304
Intergovernmental	19,433,151	19,390,984	19,451,195	19,697,361	19,547,765	19,091,803	20,541,003	21,353,106	21,408,594	21,718,741
Charges for services	2,802,082	3,014,876	2,549,885	2,026,595	2,520,086	2,372,660	2,093,243	1,962,418	2,112,569	2,116,598
Income from investments	1,083,257	702,010	54,532	30,045	280,956	333,234	247,238	100,899	46,659	20,894
Other	972,578	903,092	834,513	1,905,848	1,019,247	1,175,125	742,302	980,080	828,263	644,473
Total revenues	100,868,278	99,362,102	94,040,652	93,040,729	88,350,709	87,578,498	87,132,962	89,073,777	88,510,626	88,662,010
Expenditures:										
Current:										
General government	3,156,898	3,459,899	3,037,668	2,908,659	2,888,954	2,966,702	2,679,681	2,672,977	2,543,298	2,528,352
Public safety	16,754,704	16,503,153	15,435,078	14,420,951	13,773,850	13,076,582	12,637,790	12,520,030	11,311,874	11,168,583
Public services and engineering	2,303,554	2,390,907	2,315,877	2,303,054	2,168,327	2,169,603	2,162,715	2,231,127	2,312,697	2,258,845
Sanitation and maintenance	3,739,325	3,722,255	3,315,941	3,278,208	3,184,475	3,086,606	2,907,482	2,878,561	2,775,307	2,804,735
Health and welfare	609,502	540,811	531,446	953,464	1,001,041	1,141,332	1,016,003	1,098,996	958,128	927,309
Culture and recreation	2,122,562	1,997,886	1,828,077	1,438,370	1,681,007	1,847,051	1,792,413	1,828,137	1,823,489	1,778,635
Employee benefits and insurance	16,854,156	15,993,274	14,835,843	13,973,871	13,200,991	12,663,658	12,007,025	12,425,247	10,685,347	11,119,309
Education	49,359,825	48,144,271	48,044,271	47,994,271	47,994,271	47,944,271	47,683,005	47,342,941	48,079,032	46,410,357
General services	1,281,780	1,580,963	1,293,501	1,389,269	1,572,757	1,369,822	982,304	1,262,015	1,464,322	1,643,858
Debt service	3,782,218	4,032,970	1,821,432	1,564,787	2,706,478	3,051,025	3,207,801	4,370,489	5,448,298	6,784,455
Total expenditures	99,964,524	98,366,389	92,459,134	90,224,904	90,172,151	89,316,652	87,076,219	88,630,520	87,401,792	87,424,438
Excess (deficiency) of revenues over expenditures	903,754	995,713	1,581,518	2,815,825	(1,821,442)	(1,738,154)	56,743	443,257	1,108,834	1,237,572
Other financing sources (uses):										
Sale of assets	15,099	11,584	39,950	29,766	2,299	559,769	297,832	9,023	-	-
Transfers in	-	141	3,474	8,560	-	25,000	25,000	-	25,015	61,290
Transfers out	-	-	(70,216)	(37)	-	-	-	-	-	-
Net other financing sources (uses)	15,099	11,725	(26,792)	38,289	2,299	584,769	322,832	9,023	25,015	61,290
Net change in fund balances	\$ 918,853	\$ 1,007,438	\$ 1,554,726	\$ 2,854,114	\$ (1,819,143)	\$ (1,153,385)	\$ 379,575	\$ 452,280	\$ 1,133,849	\$ 1,298,862
Debt service as a percentage of expenditures	3.78%	4.10%	1.97%	1.73%	3.00%	3.42%	3.68%	4.93%	6.23%	7.76%

Source: Current and prior year financial statements.

Table 4

Town of East Haven, Connecticut
Property Tax Rates, Levies and Collections
Last Ten Years
(Unaudited)

<u>Year Ended June 30,</u>	<u>Grand List of October 1,</u>	<u>(1) Tax Rate in Mills</u>	<u>Total Adjusted Tax Levy</u>	<u>Net Tax Collections</u>	<u>Percent of Levy Collected</u>
2014	2012	30.95	\$ 60,695,731	\$ 59,331,720	97.75%
2015	2013	32.05	62,880,229	61,458,442	97.74%
2016	2014	31.55	63,039,498	61,734,456	97.93%
2017	2015	31.55	63,819,560	62,441,210	97.84%
2018	2016	31.55	61,771,861	60,571,894	98.06%
2019	2017	32.45	63,495,844	62,278,005	98.08%
2020	2018	32.42	64,137,177	63,020,402	98.26%
2021	2019	34.25	68,501,710	67,266,456	98.20%
2022	2020	34.25	69,868,309	68,507,480	98.05%
2023	2021	31.20	80,758,991	79,140,164	98.00%
2024	2022	31.20	78,732,445	77,120,058	97.95%

Source: Tax Collector

Notes:

(1) There is no overlapping tax rate for the Town.

(2) Tax levy is per \$1,000 of the assessed value of taxable property.

Town of East Haven, Connecticut
Schedule of Debt Limitation
Connecticut General Statutes, Section 7-374 (b)
As of and For the Year Ended June 30, 2024
(Unaudited)

Tax Base:

Total tax collections (including interest and lien fees) for prior year \$ 80,545,198

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$ 181,226,696	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	362,453,391	-	-	-
3 3/4 times base	-	-	302,044,493	-	-
3 1/4 times base	-	-	-	261,771,894	-
3 times base	-	-	-	-	241,635,594
Total debt limitation	181,226,696	362,453,391	302,044,493	261,771,894	241,635,594
Indebtedness:					
Bonds payable	<u>26,255,631</u>	<u>4,764,369</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u>\$ 154,971,065</u>	<u>\$ 357,689,022</u>	<u>\$ 302,044,493</u>	<u>\$ 261,771,894</u>	<u>\$ 241,635,594</u>

The total of the above net indebtedness amounts to: \$ 31,020,000

In no event shall total indebtedness exceed seven times the base for debt limitation computation. \$ 563,816,386

Source: Current and prior year financial statements.

Note:

(1) There is no overlapping debt for the Town.