

Annual Financial Report
of the
Town of East Haven, Connecticut
For the Year Ended June 30, 2023

Town of East Haven, Connecticut

**Annual Financial Report
For the Year Ended June 30, 2023**

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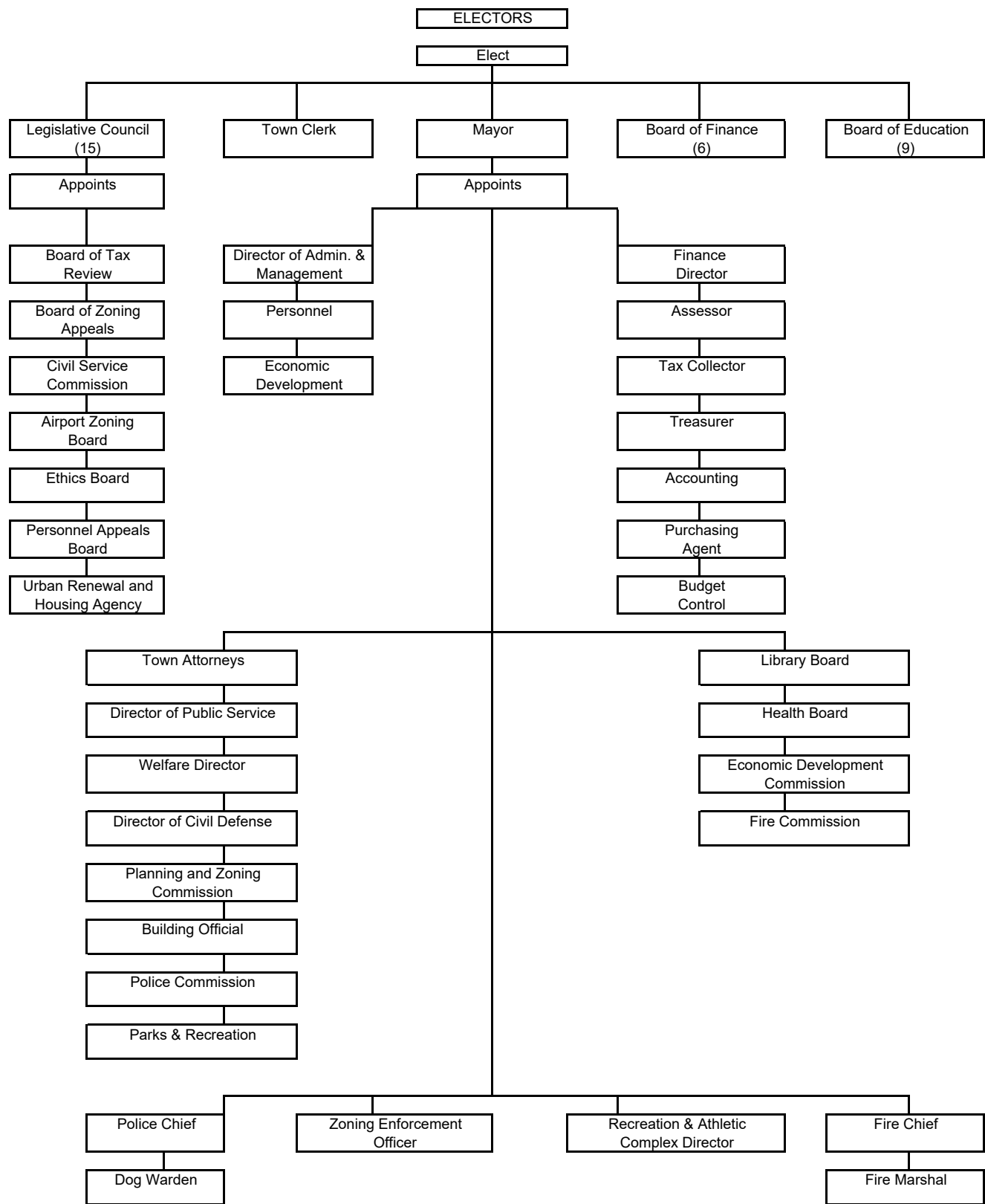
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Introductory Section

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, 2023, 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, 2023, and the respective changes in financial position 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 December 28, 2023 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
December 28, 2023



Management's Discussion and Analysis For the Year Ended June 30, 2023

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, 2023.

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	\$ (5,559,706)
Total net position	(82,068,272)
Unrestricted net position	(147,450,987)

- The significant factors for the change are as follows:

Governmental funds activity:

➤ positive operations of the general fund of	\$ 1,007,438
➤ negative operations of the capital projects fund of	(3,737,079)
➤ positive operations of the debt service fund of	739,948

Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation/amortization expense of	2,870,294
➤ change in property tax, interest, and lien revenue of	813,103
➤ net principal long-term debt activity of	1,358,231
➤ change in net pension liability of	(26,327,159)
➤ change in OPEB liability of	19,176,393
➤ change in pension and OPEB deferred outflows of resources of	1,896,809
➤ change in pension and OPEB deferred inflows of resources of	(2,997,963)
➤ net revenue (expense) of the activities of the internal service funds of	389,164

- At year end, the unassigned fund balance for the general fund was \$8,260,319, an increase of \$1,007,438 from the prior year. The unassigned fund balance represents 8.40% of total budgetary expenditures and other financing uses as compared to 7.85% in the prior year.
- Net capital asset additions of \$7,892,671 were offset by depreciation/amortization expense of \$5,022,377 and loss on disposals of \$2,443, resulting in a net increase in capital assets of \$2,867,851.

- The Town's total long-term debt decreased by \$1,358,231. The decrease was due to scheduled debt service payments of \$3,206,372, offset by the issuance of debt for software subscriptions of \$1,780,846.
- During the year, the Town implemented GASB No. 96 – Subscription-Based Information Technology Arrangements. The implementation of this statement had no impact on beginning equity, but had the following impact on Town's financial statements:

	<u>Governmental Activities</u>
Capital assets:	
Intangible right-to-use subscription assets	\$ 48,004
Long-term liabilities:	
Subscription liability	48,004

Overview of the basic financial statements

This discussion and analysis is intended to serve as an introduction to the Town of East Haven, Connecticut'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.

For governmental funds, 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 the general fund and capital projects fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is presented in Schedules 3 and 4 of this report.

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-insured workers' compensation, medical benefits and other claims. 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 schedules 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 \$(147,450,987). This is a decrease of \$8,076,766 from the prior year.

**Summary Statement of Net Position
June 30**

	<u>2023</u>	<u>2022</u> (as restated)
Current and other assets	\$ 37,473,023	\$ 44,780,879
Capital assets (net)	<u>98,911,554</u>	<u>96,043,703</u>
Total assets	<u>136,384,577</u>	<u>140,824,582</u>
Deferred outflows of resources	<u>39,896,817</u>	<u>37,930,583</u>
Long-term liabilities	215,912,521	212,227,624
Current liabilities	<u>17,571,412</u>	<u>18,556,525</u>
Total liabilities	<u>233,483,933</u>	<u>230,784,149</u>
Deferred inflows of resources	<u>24,865,733</u>	<u>24,479,582</u>
Net investment in capital assets	60,727,345	55,331,001
Restricted	4,655,370	7,534,654
Unrestricted	<u>(147,450,987)</u>	<u>(139,374,221)</u>
Total net position	<u>\$ (82,068,272)</u>	<u>\$ (76,508,566)</u>

The net investment in capital assets portion of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is 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, \$4,655,370, 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 \$5,559,706 as detailed in the table below:

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

	<u>2023</u>	<u>2022</u>
Revenues:		
Program revenues:		
Charges for services	\$ 4,580,013	\$ 4,098,174
Operating grants and contributions	39,824,045	39,663,376
Capital grants and contributions	3,527,941	1,555,191
General revenues:		
Property taxes	76,164,243	71,264,654
Grants and contributions not restricted to specific programs	614,032	617,823
Net income (loss) from investments	1,065,574	(181,684)
Other	49,267	31,917
Total revenues	<u>125,825,115</u>	<u>117,049,451</u>
Expenses:		
General government	7,359,936	8,046,813
Public safety	34,088,891	31,429,495
Public works	12,135,120	11,047,373
Health and welfare	1,370,643	1,488,988
Culture and recreation	3,203,313	2,514,602
Education	72,334,812	68,005,653
Interest	892,106	1,016,693
Total expenses	<u>131,384,821</u>	<u>123,549,617</u>
Change in net position	(5,559,706)	(6,500,166)
Net position - July 1	<u>(76,508,566)</u>	<u>(70,008,400)</u>
Net position - June 30	<u>\$ (82,068,272)</u>	<u>\$ (76,508,566)</u>

Key elements of the change in net position are as follows:

Revenues

The significant changes in revenues for the fiscal year were as follows:

- Capital grants and contributions increased by \$1,972,750 primarily due to ARPA revenue recognized in the current year of \$2,190,477.
- Property taxes increased by \$4,899,589 due to the increase in the amount required to fund the general fund adopted budget.
- Net income (loss) from investments increased by \$1,247,258 due to market improvements during the year.

Expenses

The significant changes in expenses for the fiscal year were as follows:

- Public safety expenses increased by \$2,659,396 primarily due to:
 - An increase in the police department of \$633,026 and fire department of \$344,040 related to contractual salary increases and police outside services
 - An increase in the pension expense of \$3,219,722
 - An increase in claims expense of \$786,155

Offset by:

- A decrease in the OPEB expense of \$1,515,614
 - A decrease in the claims expense of \$1,837,847
- Public works expenses increased by \$1,087,747 primarily due to:
 - An increase in sanitation costs of \$366,586 primarily for recycling services
 - An increase in the pension expense of \$353,410
 - An increase in the claims expense of \$159,183
- Education expenses increased by \$4,329,159 primarily due to:
 - An increase in the pension expense of \$1,000,440
 - An increase in the claims expense of \$1,424,878
 - An increase in the State teachers' pension on behalf amount of \$1,408,496

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	4,555,370
Committed	2,314,227
Assigned	1,274,024
Unassigned	<u>(1,006,154)</u>
Total	<u>\$ 7,237,467</u>

The total fund balance decreased by \$2,325,837 to \$7,237,467. This change is the result of the following activity:

General fund

Fund balance fund increased by \$1,007,438 during the fiscal year.

Significant items contributing to the positive operations were as follows:

Revenues

- Property taxes were lower than budget by \$742,039 due to the lower-than-expected motor vehicle and personal property tax collections
- Charges for services revenue was over budget by \$1,047,028 primarily due to police special assignments over budget by \$815,451 as a result of conservative budgeting during the pandemic
- Income from investments increased by \$677,010 due to the increase in interest rates

General fund budgetary highlights

The significant budget transfers during the year were as follows:

- The general services budget was decreased by \$283,536 and insurance was decreased by \$147,300 primarily due to transfers to increase the legal services budget by \$475,000 to fund additional claims expense and attorney fees
- The following budget lines transfers were funded by a decrease in the public services and engineering budget of \$174,719 and other various budget lines:
 - Police department budget was increased by \$177,101 to address the underfunded budget amount for police overtime wages
 - Fire department budget was increased by \$184,752 to address the underfunded budget amount for fire overtime wages
 - Sanitation department was increased by \$206,724 to address the underfunded budget amount for recycling services

Education grants fund

This fund's net change in fund balance was a decrease of \$353,263 due to spending of monies for non grant program items funded in the prior year.

Capital projects fund

This fund's net change in fund balance was a decrease of \$3,737,079 for the fiscal year, resulting in a deficit fund balance at the end of the year of \$9,087,554 due to the timing of the funding and spending of projects.

Capital assets and debt administration

Capital assets

The Town's investment in capital assets of \$98,911,554 (net of accumulated depreciation/amortization) is as follows:

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

	<u>2023</u>	<u>2022</u> (as restated)
Land	\$ 3,505,816	\$ 3,505,816
Construction in progress	4,949,581	4,067,639
Intangible right-to-use assets	2,064,822	536,246
Land improvements	2,831,114	3,171,097
Buildings	33,569,919	34,542,962
Building improvements	15,772,134	12,272,480
Machinery and equipment	7,136,251	7,702,622
Vehicles	2,448,276	3,033,732
Infrastructure	<u>26,633,641</u>	<u>27,211,109</u>
Total	<u>\$ 98,911,554</u>	<u>\$ 96,043,703</u>

The significant capital asset additions consisted of the following:

➤ Construction in progress:	
○ Ice rink	\$ 2,973,143
○ Greenway Trails	579,065
➤ Intangible right-to-use assets:	
○ Police body cameras	1,780,846
➤ Building improvements:	
○ Ice rink	3,804,810
○ Auditorium A/V system and electrical upgrade	262,909
○ Boilers	230,503
➤ Machinery and equipment:	
○ Cafeteria equipment	274,130

Net capital asset additions of \$7,892,671 were offset by depreciation/amortization expense of \$5,022,377 and loss on disposals of \$2,443, resulting in a net increase in capital assets of \$2,867,851.

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 of \$37,183,360.

Long-Term Debt June 30

	<u>2023</u>	<u>2022</u> (as restated)
Bonds payable	\$ 28,475,000	\$ 30,735,000
Notes payable	6,546,559	7,208,811
Leases payable	486,648	549,776
Subscriptions payable	<u>1,675,153</u>	<u>48,004</u>
Total	<u>\$ 37,183,360</u>	<u>\$ 38,541,591</u>

The Town's total long-term debt decreased by \$1,358,231. The decrease was due to scheduled debt service payments of \$3,206,372, offset by the issuance of debt for software subscriptions of \$1,780,846.

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 \$490,889,301, 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 F.

Economic factors and next year's budgets and rates

As of June 2023, the unemployment rate for the Town was at 4.1%, as compared to 4.5% in the prior year. This is higher than the State average unemployment rate of 3.7% and lower than the national unemployment rate of 3.6%.

Town officials considered many factors when setting the fiscal year 2024 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 2024 general fund budget is \$100,975,764, which is an increase of \$2,525,899 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 Director of Finance, 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, 2023

Assets

Current assets:	
Cash	\$ 9,689,458
Investments	18,292,668
Receivables:	
Property taxes	1,850,882
Intergovernmental	1,228,665
Loans	2,067
Other	565,870
Other	36,285
Total current assets	<u>31,665,895</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	49,004
Investments	2,225,135
Permanently restricted:	
Investments	100,000
Total restricted assets	<u>2,374,139</u>
Receivables (net):	
Property taxes	<u>3,432,989</u>
Capital assets (net of accumulated depreciation/amortization):	
Land	3,505,816
Construction in progress	4,949,581
Intangible right-to-use assets	2,064,822
Land improvements	2,831,114
Buildings	33,569,919
Building improvements	15,772,134
Machinery and equipment	7,136,251
Vehicles	2,448,276
Infrastructure	26,633,641
Total capital assets (net of accumulated depreciation/amortization)	<u>98,911,554</u>
Total noncurrent assets	<u>104,718,682</u>
Total assets	<u>136,384,577</u>

Deferred Outflows of Resources

Deferred charge on refunding	69,425
Pension related	22,324,800
OPEB related	17,502,592
Total deferred outflows of resources	<u>39,896,817</u>

(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, 2023

Liabilities

Current liabilities:	
Accounts payable	\$ 3,569,324
Accrued payroll and related liabilities	3,572,980
Unearned revenue	2,168,109
Overpayments	75,024
Accrued interest payable	452,193
Long-term debt	3,296,625
Compensated absences	1,343,893
Claims payable	3,093,264
Total current liabilities	<u>17,571,412</u>
Noncurrent liabilities:	
Long-term debt and related liabilities	34,732,656
Compensated absences	5,375,572
Net pension liability	52,866,684
OPEB liability	115,312,001
Claims payable	7,625,608
Total noncurrent liabilities	<u>215,912,521</u>
Total liabilities	<u>233,483,933</u>

Deferred Inflows of Resources

Advance property tax collections	3,400,166
Pension related	2,685,082
OPEB related	18,780,485
Total deferred inflows of resources	<u>24,865,733</u>

Net Position

Net investment in capital assets	60,727,345
Restricted for:	
Endowments:	
Nonexpendable	100,000
Expendable	2,274,139
Capital replacement	57,617
Road maintenance	510,482
Historical document preservation	54,597
Housing rehabilitation programs	226,233
Cafeteria operations	1,347,288
Education programs	85,014
Unrestricted	<u>(147,450,987)</u>
Total net position	<u>\$ (82,068,272)</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, 2023**

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	\$ 7,359,936	\$ 602,102	\$ 751,682	\$ -	\$ (6,006,152)
Public safety	34,088,891	1,716,096	110,756	-	(32,262,039)
Public works	12,135,120	484,940	-	3,297,438	(8,352,742)
Health and welfare	1,370,643	210,523	469,128	-	(690,992)
Culture and recreation	3,203,313	309,598	20,973	-	(2,872,742)
Education	72,334,812	1,256,754	38,471,506	230,503	(32,376,049)
Interest	892,106	-	-	-	(892,106)
Total	<u>\$ 131,384,821</u>	<u>\$ 4,580,013</u>	<u>\$ 39,824,045</u>	<u>\$ 3,527,941</u>	<u>(83,452,822)</u>
General revenues:					
Property taxes					76,164,243
Grants and contributions not restricted to specific programs					614,032
Income from investments					1,065,574
Other					49,267
Total general revenues					<u>77,893,116</u>
Change in net position					(5,559,706)
Net position - July 1, 2022					<u>(76,508,566)</u>
Net position - June 30, 2023					<u>\$ (82,068,272)</u>

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

Town of East Haven, Connecticut

Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	Education Grants Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 4,849,421	\$ 1,149,580	\$ -	\$ 2,951,003	\$ 8,950,004
Investments	14,265,399	-	-	2,368,240	16,633,639
Receivables:					
Property taxes	4,271,991	-	-	-	4,271,991
Intergovernmental	-	462,243	-	766,422	1,228,665
Loans	-	-	-	2,067	2,067
Other	398,440	-	-	9,170	407,610
Due from other funds	8,560,983	54,709	-	2,216,536	10,832,228
Other	-	-	-	36,285	36,285
Total assets	<u>\$ 32,346,234</u>	<u>\$ 1,666,532</u>	<u>\$ -</u>	<u>\$ 8,349,723</u>	<u>\$ 42,362,489</u>
<u>Liabilities</u>					
Accounts payable	\$ 2,707,931	\$ 48,177	\$ 224,353	\$ 587,204	\$ 3,567,665
Accrued payroll and related liabilities	3,117,575	440,253	-	15,152	3,572,980
Due to other funds	10,513,228	631,053	6,826,172	98,634	18,069,087
Unearned revenue	-	69,374	2,037,029	61,706	2,168,109
Overpayments	75,024	-	-	-	75,024
Total liabilities	<u>16,413,758</u>	<u>1,188,857</u>	<u>9,087,554</u>	<u>762,696</u>	<u>27,452,865</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	4,271,991	-	-	-	4,271,991
Advance property tax collections	3,400,166	-	-	-	3,400,166
Total deferred inflows of resources	<u>7,672,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,672,157</u>
<u>Fund Balances</u>					
Nonspendable	-	-	-	100,000	100,000
Restricted	-	-	-	4,555,370	4,555,370
Committed	-	477,675	-	1,836,552	2,314,227
Assigned	-	-	-	1,274,024	1,274,024
Unassigned	8,260,319	-	(9,087,554)	(178,919)	(1,006,154)
Total fund balances	<u>8,260,319</u>	<u>477,675</u>	<u>(9,087,554)</u>	<u>7,587,027</u>	<u>7,237,467</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,346,234</u>	<u>\$ 1,666,532</u>	<u>\$ -</u>	<u>\$ 8,349,723</u>	<u>\$ 42,362,489</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, 2023

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)	\$ 7,237,467
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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)	96,043,703
Capital asset additions (net of construction in progress)	7,892,671
Depreciation/amortization expense	(5,022,377)
Disposal of capital assets	(2,443)
Total	98,911,554

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	2,596,880
Allowance for doubtful accounts	(1,585,000)
Deferred charge on refunding	69,425
Deferred outflows related to pension	22,324,800
Deferred outflows related to OPEB	17,502,592
Total	40,908,697

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	4,271,991
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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	1,447,210
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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	(35,021,559)
Premium	(845,921)
Leases payable	(486,648)
Subscription payable	(1,675,153)
Compensated absences	(6,719,465)
Net pension liability	(52,866,684)
OPEB liability	(115,312,001)
Deferred inflows related to pension	(2,685,082)
Deferred inflows related to OPEB	(18,780,485)
Accrued interest payable	(452,193)
Total	(234,845,191)
Total net position (Exhibit A)	\$ (82,068,272)

(Concluded)

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

Town of East Haven, Connecticut

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	General Fund	Education Grants Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 75,351,140	\$ -	\$ -	\$ -	\$ 75,351,140
Intergovernmental	26,935,635	9,915,912	2,349,852	4,421,050	43,622,449
Charges for services	3,014,876	-	-	1,565,137	4,580,013
Income from investments	702,010	5,969	-	110,375	818,354
Change in fair value of investments	-	-	-	98,792	98,792
Contributions	-	58,897	-	128,593	187,490
Other	903,092	-	-	-	903,092
Total revenues	106,906,753	9,980,778	2,349,852	6,323,947	125,561,330
Expenditures:					
Current:					
General government	3,459,899	-	49,882	35,247	3,545,028
Public safety	16,503,153	-	305,401	282,250	17,090,804
Public works	6,113,162	-	280,840	504,526	6,898,528
Health and welfare	540,811	-	-	770,955	1,311,766
Culture and recreation	1,997,886	-	380,804	363,772	2,742,462
Employee benefits and insurance	15,993,274	-	-	-	15,993,274
Education	55,688,922	10,334,041	6,580	3,466,068	69,495,611
General services	1,580,963	-	-	-	1,580,963
Debt service	4,032,970	-	-	-	4,032,970
Capital outlay	-	-	5,063,424	2,148,141	7,211,565
Total expenditures	105,911,040	10,334,041	6,086,931	7,570,959	129,902,971
Excess (deficiency) of revenues over expenditures	995,713	(353,263)	(3,737,079)	(1,247,012)	(4,341,641)
Other financing sources (uses):					
Issuance of debt	-	-	-	1,848,141	1,848,141
Insurance recoveries	-	-	-	156,079	156,079
Sale of Town owned property	11,584	-	-	-	11,584
Transfers in	141	-	-	-	141
Transfers out	-	-	-	(141)	(141)
Net other financing sources (uses)	11,725	-	-	2,004,079	2,015,804
Net change in fund balances	1,007,438	(353,263)	(3,737,079)	757,067	(2,325,837)
Fund balances - July 1, 2022 (as restated)	7,252,881	830,938	(5,350,475)	6,829,960	9,563,304
Fund balances - June 30, 2023	\$ 8,260,319	\$ 477,675	\$ (9,087,554)	\$ 7,587,027	\$ 7,237,467

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, 2023**

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

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ (2,325,837)</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	7,892,671
Depreciation/amortization expense	<u>(5,022,377)</u>

Total	<u>2,870,294</u>
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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 capital 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>(2,443)</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	642,685
Change in property tax interest and lien revenue	<u>170,418</u>

Total	<u>813,103</u>
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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:	
Leases	(67,295)
Subscriptions	<u>(1,780,846)</u>

Principal repayments:	
General obligation bonds	2,260,000
Notes	662,252
Leases	130,423
Subscriptions	<u>153,697</u>

Total	<u>1,358,231</u>
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(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, 2023**

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	\$ 82,516
Compensated absences	(455,670)
Net pension liability	(26,327,159)
OPEB liability	19,176,393
Accrued interest payable	(108,621)
Deferred charge on refunding	71,477
Deferred outflows of resources related to pension	9,589,189
Deferred outflows of resources related to OPEB	(7,692,380)
Deferred inflows of resources related to pension	11,199,724
Deferred inflows of resources related to OPEB	<u>(14,197,687)</u>
Total	<u>(8,662,218)</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>389,164</u>
Change in net position (Exhibit B)	<u>\$ (5,559,706)</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, 2023

Assets

Current assets:

Cash	\$ 788,458
Investments	3,984,164
Accounts receivable	158,260
Due from other funds	<u>8,296,692</u>

Total assets	<u>13,227,574</u>
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Liabilities

Current liabilities:

Accounts payable	1,659
Claims payable	3,093,264
Due to other funds	<u>1,059,833</u>

Total current liabilities	4,154,756
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Noncurrent liabilities:

Claims payable	<u>7,625,608</u>
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Total liabilities	<u>11,780,364</u>
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Net Position

Unrestricted	<u><u>\$ 1,447,210</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, 2023

Operating revenues:	
Charges for services	<u>\$ 15,055,833</u>
Operating expenses:	
Claims	13,551,164
Administration	<u>1,263,933</u>
Total operating expenses	<u>14,815,097</u>
Operating income (loss)	240,736
Nonoperating revenues:	
Income from investments	<u>148,428</u>
Change in net position	389,164
Total net position - July 1, 2022	<u>1,058,046</u>
Total net position - June 30, 2023	<u><u>\$ 1,447,210</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, 2023**

Cash flows from (used in) operating activities:	
Premiums received	\$ 15,664,547
Payments for interfund services	558,911
Payments to vendors	(1,387,177)
Payments for claims	<u>(16,027,207)</u>
Net cash from (used in) operating activities	(1,190,926)
Cash flows from (used in) investing activities:	
Income from investments	<u>148,428</u>
Net increase (decrease) in cash and cash equivalents	(1,042,498)
Cash and cash equivalents - July 1, 2022	<u>5,815,120</u>
Cash and cash equivalents - June 30, 2023	<u><u>\$ 4,772,622</u></u>
Reconciliation to statement of net position cash:	
Cash and cash equivalents per above	\$ 4,772,622
Cash and cash equivalents reported as investments	<u>(3,984,164)</u>
Statement of net position cash	<u><u>\$ 788,458</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ 240,736
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	50,965
Due from other funds	1,041,117
Increase (decrease) in:	
Due to other funds	75,543
Accounts payable	(123,244)
Claims payable	<u>(2,476,043)</u>
Net cash from (used in) operating activities	<u><u>\$ (1,190,926)</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, 2023****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, 2023

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, 2023

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, 2023

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, 2023

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 13.70% - 38.50% 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, 2023

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
Land improvements	25	\$ 20,000
Buildings	10-75	20,000
Building improvements	50	20,000
Machinery and equipment	5-40	7,458
Vehicles	10-20	7,458
Infrastructure:		
Bridges	50	100,000
Roads	80	100,000
Intangible right-to-use leased assets	Lease term	20,000
Intangible right-to-use subscription assets	Subscription term	20,000

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, 2023****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.

8. Lease and subscription liabilities

The Town is a lessee for noncancellable leases of buildings and equipment. Additionally, the Town has certain software subscriptions that require recognition in the financial statements. 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. The Town recognizes lease/subscription liabilities with an initial, individual value of \$20,000 or more.

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, 2023

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.

9. 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, 2023

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.

10. 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.

11. 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, 2023

II. Stewardship, compliance and accountability**A. Basis of budgeting**

Only the General Fund has a legally adopted annual budget.

The Town uses the budgetary basis of accounting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in the budgetary statements included as required supplementary information.

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 Hagan 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 Hagan Memorial Library was \$248,991.

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.

III. Detailed notes**A. Cash and investments****1. Deposits – custodial credit risk**

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

Bank balance	<u>\$ 20,372,494</u>
Uninsured and uncollateralized	\$ 12,449,819
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>3,174,802</u>
Total amount subject to custodial credit risk	<u>\$ 15,624,621</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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	\$ 3,781,110	\$ -	\$ 3,781,110	\$ -	\$ -
Domestic equities	608,906	608,906	-	-	-
International equities	75,314	75,314	-	-	-
Domestic bonds	234,550	-	-	-	234,550
International bonds	25,286	-	-	-	25,286
Exchange traded funds	371,050	371,050	-	-	-
Common stock	528	528	-	-	-
Corporate bonds	144,878	-	29,177	115,701	-
Certificates of deposit	647,308	-	618,657	28,651	-
Bank money market	4,088,067	-	4,088,067	-	-
Pooled fixed income	10,640,806	-	10,640,806	-	-
Total	<u>\$ 20,617,803</u>	<u>\$ 1,055,798</u>	<u>\$ 19,157,817</u>	<u>\$ 144,352</u>	<u>\$ 259,836</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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	\$ 3,781,110	\$ 3,781,110	\$ -
Domestic equity	608,906	608,906	-
International equities	75,314	75,314	-
Domestic bonds	234,550	234,550	-
International bonds	25,286	25,286	-
Exchange traded funds	371,050	371,050	-
Common stock	528	528	-
Corporate bonds	144,878	-	144,878
Total investments by fair value level	<u>5,241,622</u>	<u>\$ 5,096,744</u>	<u>\$ 144,878</u>
<u>Other investments:</u>			
Certificates of deposit	647,308		
Bank money market	4,088,067		
Pooled fixed income	<u>10,640,806</u>		
Total other investments	<u>15,376,181</u>		
Total investments	<u>\$20,617,803</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, 2023

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	\$ -	\$ -	\$ -	\$ 3,781,110	\$ 3,781,110
Domestic bonds	-	-	-	234,550	234,550
International bonds	-	-	-	25,286	25,286
Certificates of deposit	-	-	-	147,658	147,658
Corporate bonds	-	57,775	87,102	-	144,877
Pooled fixed income	10,640,806	-	-	-	10,640,806
Total	<u>\$ 10,640,806</u>	<u>\$ 57,775</u>	<u>\$ 87,102</u>	<u>\$ 4,188,604</u>	<u>\$ 14,974,287</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. Only receivables for the Town's government-wide financial statements with allowances for uncollectible accounts, including the applicable allowances for uncollectible accounts, are presented below:

	Property Taxes		
	Taxes	Interest and Lien Fees	Total
Current portion	<u>\$ 1,551,587</u>	<u>\$ 299,295</u>	<u>\$ 1,850,882</u>
Long-term portion	2,720,404	2,297,585	5,017,989
Less allowance for uncollectible	<u>(585,000)</u>	<u>(1,000,000)</u>	<u>(1,585,000)</u>
Net long-term portion	<u>2,135,404</u>	<u>1,297,585</u>	<u>3,432,989</u>
Total receivable	<u>\$ 4,271,991</u>	<u>\$ 2,596,880</u>	<u>\$ 6,868,871</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
<u>Major funds:</u>			
General fund:			
Education grants	N/A	\$ 631,053	\$ -
Capital projects	N/A	6,826,172	-
Public safety	N/A	-	202,999
General government	N/A	-	54,597
Culture and recreation	N/A	-	12,990
Health and welfare	N/A	28,368	-
Roads state aid	N/A	-	517,456
Daycare and preschool	N/A	-	8,359
School lunch	N/A	946	-
School activity	N/A	14,611	-
Education insurance reserve	N/A	-	46,424
Debt service	N/A	-	1,274,024
Open space	N/A	-	42,106
LOCIP	N/A	-	57,581
Self-insurance	N/A	984,290	-
Workers' compensation	N/A	-	6,264,913
Town medical insurance	N/A	-	2,031,779
Education medical insurance	N/A	75,543	-
Total general fund		8,560,983	10,513,228
Education grants:			
General fund	N/A	-	631,053
Daycare and preschool	N/A	54,709	-
Total education grants		54,709	631,053
Capital projects	General fund	-	6,826,172

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
<u>Other governmental funds:</u>			
Public safety	General fund	\$ 202,999	\$ -
General government	General fund	54,597	-
Culture and recreation	General fund	12,990	-
Health and welfare	General fund	-	28,368
Roads state aid	General fund	517,456	-
Daycare and preschool	General fund	8,359	-
Daycare and preschool	Education grants fund	-	54,709
School lunch	General fund	-	946
School activity	General fund	-	14,611
Education insurance reserve	General fund	46,424	-
Debt service fund	General fund	1,274,024	-
Open space	General fund	42,106	-
LOCIP	General fund	57,581	-
Total other governmental funds		<u>2,216,536</u>	<u>98,634</u>
<u>Internal service funds:</u>			
Self-insurance	General fund	-	984,290
Workers' compensation	General fund	6,264,913	-
Town medical insurance	General fund	2,031,779	-
Education medical insurance	General fund	-	75,543
Total internal service funds		<u>8,296,692</u>	<u>1,059,833</u>
Grand total		<u><u>\$ 19,128,920</u></u>	<u><u>\$ 19,128,920</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, 2023

C. Interfund accounts (continued)**2. Interfund transfers**

A summary of interfund transfers for the fiscal year is as follows:

	<u>Corresponding Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Major funds:</u>			
General fund:			
Health and welfare	N/A	\$ 141	\$ -
<u>Other governmental funds:</u>			
Health and welfare	General fund	-	141
Grand total		<u>\$ 141</u>	<u>\$ 141</u>

Transfers are used to move budgeted appropriations to the general fund for administrative charges and various programs and activities in other funds.

D. Capital assets

Capital asset activity for the fiscal year was as follows:

	<u>Balance July 1, 2022 (as restated)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>
<u>Capital assets, not being depreciated/amortized:</u>				
Land	\$ 3,505,816	\$ -	\$ -	\$ 3,505,816
Construction in progress	4,067,639	4,706,752	3,824,810	4,949,581
Total capital assets, not being depreciated/amortized	<u>7,573,455</u>	<u>4,706,752</u>	<u>3,824,810</u>	<u>8,455,397</u>
<u>Capital assets, being depreciated/amortized:</u>				
Intangible right-to-use assets	654,675	1,848,141	-	2,502,816
Land improvements	5,360,966	14,102	-	5,375,068
Buildings	62,712,818	-	-	62,712,818
Building improvements	23,097,516	4,344,810	-	27,442,326
Machinery and equipment	13,585,116	803,676	-	14,388,792
Vehicles	7,939,989	-	24,429	7,915,560
Infrastructure	42,443,813	-	-	42,443,813
Total capital assets, being depreciated/amortized	<u>155,794,893</u>	<u>7,010,729</u>	<u>24,429</u>	<u>162,781,193</u>
Total capital assets	<u>163,368,348</u>	<u>11,717,481</u>	<u>3,849,239</u>	<u>171,236,590</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Capital assets (continued)

	Balance July 1, 2022 <i>(as restated)</i>	Increases	Decreases	Balance June 30, 2023
Less accumulated depreciation/amortization for:				
Intangible right-to-use assets	\$ 118,429	\$ 319,565	\$ -	\$ 437,994
Land improvements	2,189,869	354,085	-	2,543,954
Buildings	28,169,856	973,043	-	29,142,899
Building improvements	10,825,036	845,156	-	11,670,192
Machinery and equipment	5,882,494	1,370,047	-	7,252,541
Vehicles	4,906,257	583,013	21,986	5,467,284
Infrastructure	15,232,704	577,468	-	15,810,172
Total accumulated depreciation/amortization	<u>67,324,645</u>	<u>5,022,377</u>	<u>21,986</u>	<u>72,325,036</u>
Total capital assets, being depreciated/amortized, net	<u>88,470,248</u>	<u>1,988,352</u>	<u>2,443</u>	<u>90,456,157</u>
Capital assets, net	<u><u>\$ 96,043,703</u></u>	<u><u>\$ 6,695,104</u></u>	<u><u>\$ 3,827,253</u></u>	<u><u>\$ 98,911,554</u></u>

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

	Asset	Accumulated Amortization
Intangible right-to-use machinery and equipment	\$ 673,966	\$ 248,074
Intangible right-to-use subscription assets	<u>1,828,850</u>	<u>189,920</u>
Total intangible right-to use assets	<u><u>\$ 2,502,816</u></u>	<u><u>\$ 437,994</u></u>

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

General government	\$ 105,972
Public safety	682,541
Public works	1,068,260
Culture and recreation	151,676
Health and welfare	30,636
Education	<u>2,983,292</u>
Total depreciation/amortization expense	<u><u>\$ 5,022,377</u></u>

E. Construction commitments

The Town has the following construction contract commitments:

Shoreline Greenway Trail	<u><u>\$ 698,324</u></u>
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Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. 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, 2022 <i>(as restated)</i>	Additions	Deductions	Balance June 30, 2023	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%	1,407,600	-	144,000	1,263,600	172,800	1,090,800
Refunding	3,421,340	8/5/14	2025	5.00%	1,206,660	-	382,360	824,300	402,220	422,080
Improvement	3,500,000	11/17/16	2037	3.00-4.00%	2,900,000	-	200,000	2,700,000	200,000	2,500,000
Refunding	4,991,576	11/17/16	2030	3.00-4.00%	4,514,371	-	615,596	3,898,775	610,824	3,287,951
Improvement	2,885,000	12/27/18	2039	4.25-6.00%	2,585,000	-	110,000	2,475,000	115,000	2,360,000
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%	6,850,000	-	185,000	6,665,000	195,000	6,470,000
Improvement / refunding*	3,214,800	6/16/20	2045	2.37-4.15%	3,214,800	-	97,200	3,117,600	100,800	3,016,800
Total general purpose	32,747,716				26,258,431	-	1,734,156	24,524,275	1,796,644	22,727,631
Schools:										
Improvement	1,285,000	7/17/13	2026	2.00-4.00%	547,400	-	56,000	491,400	67,200	424,200
Refunding	3,468,660	8/5/14	2025	5.00%	1,223,340	-	387,640	835,700	407,780	427,920
Refunding	238,424	11/17/16	2030	3.00-4.00%	215,629	-	29,404	186,225	29,176	157,049
Improvement	420,000	12/27/18	2039	4.25-6.00%	375,000	-	15,000	360,000	15,000	345,000
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%	1,250,200	-	37,800	1,212,400	39,200	1,173,200
Total schools	7,527,284				4,476,569	-	525,844	3,950,725	558,356	3,392,369
Total bonds					30,735,000	-	2,260,000	28,475,000	2,355,000	26,120,000

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022 <i>(as restated)</i>	Additions	Deductions	Balance June 30, 2023	Current Portion	Long-term Portion
<i>(as restated)</i>										
<u>Notes (direct borrowings):</u>										
Equipment financing notes	\$ 1,321,321	9/15/18	2026	2.30-6.70%	\$ 873,811	\$ -	\$ 212,252	\$ 661,559	\$ 188,421	\$ 473,138
Energy financing notes	<u>7,200,000</u>	7/1/19	2034	2.83%	<u>6,335,000</u>	<u>-</u>	<u>450,000</u>	<u>5,885,000</u>	<u>465,000</u>	<u>5,420,000</u>
Total notes	<u>8,521,321</u>				<u>7,208,811</u>	<u>-</u>	<u>662,252</u>	<u>6,546,559</u>	<u>653,421</u>	<u>5,893,138</u>
Total bonds and notes payable					37,943,811	-	2,922,252	35,021,559	3,008,421	32,013,138
Leases payable					549,776	67,295	130,423	486,648	127,590	359,058
Subscription payable					<u>48,004</u>	<u>1,780,846</u>	<u>153,697</u>	<u>1,675,153</u>	<u>160,614</u>	<u>1,514,539</u>
Total long-term debt					38,541,591	1,848,141	3,206,372	37,183,360	3,296,625	33,886,735
Premium					<u>928,437</u>	<u>-</u>	<u>82,516</u>	<u>845,921</u>	<u>-</u>	<u>845,921</u>
Total long-term debt and related liabilities					39,470,028	1,848,141	3,288,888	38,029,281	3,296,625	34,732,656
Compensated absences**					6,263,795	455,670	-	6,719,465	1,343,893	5,375,572
Net pension liability					26,539,525	50,177,407	23,850,248	52,866,684	-	52,866,684
OPEB liability					134,488,394	7,384,510	26,560,903	115,312,001	-	115,312,001
Claims payable					<u>11,932,454</u>	<u>226,720</u>	<u>2,566,351</u>	<u>9,592,823</u>	<u>1,967,215</u>	<u>7,625,608</u>
Total long-term liabilities					<u>\$ 218,694,196</u>	<u>\$ 60,092,448</u>	<u>\$ 56,266,390</u>	<u>\$ 222,520,254</u>	<u>\$ 6,607,733</u>	<u>\$ 215,912,521</u>

* Taxable

** Activity reported net.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)**2. The following is a summary of principal and interest amounts of bond and notes maturities:**

Fiscal Year Ended June 30,	Bonds		Notes	
	Principal	Interest	Principal	Interest
2024	\$ 2,355,000	\$ 1,045,673	\$ 653,421	\$ 184,572
2025	2,445,000	999,001	664,927	166,138
2026	2,085,000	849,066	661,661	147,349
2027	1,975,000	765,894	616,550	129,095
2028	1,935,000	689,025	520,000	111,785
2029	1,990,000	616,234	535,000	97,069
2030	1,635,000	547,110	545,000	81,929
2031	1,050,000	492,928	565,000	66,505
2032	1,075,000	451,357	580,000	50,516
2033	1,105,000	411,064	595,000	34,102
2034	1,135,000	369,517	610,000	17,263
2035	1,165,000	326,391	-	-
2036	1,205,000	281,563	-	-
2037	1,245,000	235,373	-	-
2038	1,105,000	191,413	-	-
2039	1,145,000	149,473	-	-
2040	585,000	119,060	-	-
2041	605,000	100,660	-	-
2042	625,000	80,485	-	-
2043	645,000	58,503	-	-
2044	670,000	35,730	-	-
2045	695,000	12,064	-	-
Total	<u>\$ 28,475,000</u>	<u>\$ 8,827,584</u>	<u>\$ 6,546,559</u>	<u>\$ 1,086,323</u>

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

In October 2023, the Town issued \$4,900,000 of general obligation bonds for Town capital improvements. The bonds have an interest rate of 5.00% and mature in August 2048.

3. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$6,546,559 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, 2023

F. 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	\$ 157,785,847	\$ 24,524,275	\$ 133,261,572
Schools	315,571,694	3,950,725	311,620,969
Sewers	262,976,411	-	262,976,411
Urban renewal	227,912,890	-	227,912,890
Pension deficit	210,381,129	-	210,381,129

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

\$ 490,889,301

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	\$ 13,155,275
Schools	<u>2,846,000</u>
Total	<u>\$ 16,001,275</u>

6. Prior years' advanced refunding

In prior years, the Town has defeased a bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Town's financial statements. At fiscal year-end, the amount of defeased debt outstanding but removed from the Town's financial statements amounted to \$70,000.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)**7. Leases**

Lease agreements are summarized as follows:

Description	Year	Lease Term (years)	Interest Rate*	Original Amount	Balance June 30, 2023
Town copiers	2022/2023	2-6	2.64%	\$ 106,396	\$ 70,406
Town mailing machines	2022	1-6	2.64%	17,551	8,611
Education copiers	2022	6	2.64%	537,499	407,631
Total				<u>\$ 661,446</u>	<u>\$ 486,648</u>

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

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.

Year Ending June 30	Principal	Interest
2024	\$ 127,590	\$ 12,848
2025	129,873	9,479
2026	132,334	6,050
2027	95,327	2,557
2028	1,524	40
Totals	<u>\$ 486,648</u>	<u>\$ 30,974</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)**8. Subscription arrangements**

Subscription arrangements are summarized as follows:

Description	Year	Subscription Term (years)	Interest Rate*	Original Amount	Balance June 30, 2023
Police body camera software	2023	10	4.50%	\$ 1,780,846	\$ 1,635,923
Student social-emotional learning license	2023	4	4.50%	48,004	39,230
Total				<u>\$ 1,828,850</u>	<u>\$ 1,675,153</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.

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

Year Ending June 30	Principal	Interest
2024	\$ 160,614	\$ 75,382
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	<u>215,370</u>	<u>9,692</u>
Totals	<u>\$ 1,675,153</u>	<u>\$ 394,139</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. 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	-	-	-	57,617	57,617
Road maintenance	-	-	-	510,482	510,482
Library building maintenance	-	-	-	1,817,066	1,817,066
Historical document preservation*	-	-	-	54,597	54,597
Housing rehabilitation programs	-	-	-	226,233	226,233
Cafeteria operations*	-	-	-	1,347,288	1,347,288
Education programs	-	-	-	499,510	499,510
School activity programs	-	-	-	42,577	42,577
Total restricted	-	-	-	4,555,370	4,555,370
Committed:					
Library operations	-	-	-	57,354	57,354
Daycare and preschool programs	-	-	-	170,736	170,736
Public safety programs	-	-	-	175,655	175,655
Open space	-	-	-	38,786	38,786
Construction contracts	-	-	-	698,324	698,324
Culture and recreation programs	-	-	-	15,529	15,529
Education programs	-	477,675	-	322,903	800,578
School activity programs	-	-	-	357,265	357,265
Total committed	-	477,675	-	1,836,552	2,314,227
Assigned:					
Debt service	-	-	-	1,274,024	1,274,024
Unassigned	8,260,319	-	(9,087,554)	(178,919)	(1,006,154)
Total	\$8,260,319	\$477,675	\$(9,087,554)	\$ 7,587,027	\$ 7,237,467

*The amount of net position restricted by enabling legislation totaled:

\$ 1,401,885

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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.

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
Town medical insurance	150,000
Education medical insurance	175,000
Worker's compensation	750,000

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.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Risk management (continued)

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>						
2021-2022	\$ 3,150,000	\$ 29,355	\$ 8,619	\$ 3,170,736	\$ 170,736	\$ 3,000,000
2022-2023	3,170,736	719,075	435,308	3,454,503	454,503	3,000,000
<u>Workers' Compensation Fund</u>						
2021-2022	8,368,777	2,948,291	2,555,350	8,761,718	1,988,881	6,772,837
2022-2023	8,761,718	(492,355)	2,131,043	6,138,320	1,512,712	4,625,608
<u>Subtotal</u>						
2021-2022	11,518,777	2,977,646	2,563,969	11,932,454	2,159,617	9,772,837
2022-2023	11,932,454	226,720	2,566,351	9,592,823	1,967,215	7,625,608
<u>Town Medical Insurance Fund</u>						
2021-2022	402,236	6,267,691	6,060,466	609,461	609,461	-
2022-2023	609,461	6,597,945	6,711,920	495,486	495,486	-
<u>Education Medical Insurance Fund</u>						
2021-2022	571,087	7,441,653	7,359,740	653,000	653,000	-
2022-2023	653,000	6,726,499	6,748,936	630,563	630,563	-
<u>Total</u>						
2021-2022	12,492,100	16,686,990	15,984,175	13,194,915	3,422,078	9,772,837
2022-2023	<u>\$ 13,194,915</u>	<u>\$13,551,164</u>	<u>\$16,027,207</u>	<u>\$10,718,872</u>	<u>\$ 3,093,264</u>	<u>\$ 7,625,608</u>

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 October 2023, the court entered a judgment against the Town for \$9,470,000 for not allowing a business to operate a quarry. The Town intends to pursue an appeal of the judgment.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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.

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.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Connecticut municipal employees' retirement system (continued)

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	5 years of continuous service or 15 years of active aggregate service
Early retirement amount	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
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 pensionable wages.

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

The collective net pension liability was measured as of June 30, 2022, and the collective total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2022. The Town's proportionate share of the collective net pension liability was based upon the Town's 2022 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Connecticut municipal employees' retirement system (continued)

The Town's proportional share and change from the prior year was as follows:

Plan Description	Proportional share	Change from prior year	Prior Year
General employees without social security	6.254264%	(0.345512)%	6.599776%
Police and fire without social security	6.573073%	0.555927%	6.017146%

The Town's proportional share of the collective net pension liability was:

\$ 52,866,684

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 related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 8,048,246	\$ 797,465	\$ 7,250,781
Changes in proportional share	1,808,570	1,887,617	(79,047)
Net difference between projected and actual earnings on pension plan investments	7,008,443	-	7,008,443
Contributions subsequent to measurement date	5,459,541	-	5,459,541
Total	<u>\$22,324,800</u>	<u>\$ 2,685,082</u>	19,639,718

Contributions subsequent to the measurement date to be recognized as a reduction of the collective net pension liability in the subsequent year:

(5,459,541)

Net amortized amount of deferred inflows and outflows

\$ 14,180,177

For the fiscal year, the Town recognized pension expense of:

\$ 10,919,884

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Connecticut municipal employees' retirement system (continued)

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

Year Ending June 30,	
2024	\$ 3,548,265
2025	3,193,416
2026	2,261,214
2027	5,177,282
Total	<u>\$14,180,177</u>

5. Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.00%
Inflation	2.50%
Salary increases	3.50-10.00%, 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	<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. <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. <u>Disabled:</u> For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

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, 2023

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%	6.90%
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 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</u>	<u>1% Increase</u>
Town's proportional share of the collective net pension liability	<u>7.00%</u>	<u>\$ 73,405,149</u>	<u>\$ 52,866,684</u>	<u>\$ 35,719,110</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

Detailed information about the MERS plan's fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

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)
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

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut state teachers' retirement system (continued)

Non-service connected disability service requirement	Five 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

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>94,357,790</u>
Total	<u><u>\$ 94,357,790</u></u>
During the year, the Town recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u><u>\$ 7,439,428</u></u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut state teachers' retirement system (continued)

The collective net pension liability was measured as of June 30, 2022, and the collective total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2022. The Town has no proportionate share of the collective net pension liability.

5. Actuarial assumptions

The collective total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

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 - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% 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, 2022 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.

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.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut state teachers' retirement system (continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity fund	20.00%	5.40%
Developed market international stock fund	11.00%	6.40%
Emerging market international stock fund	9.00%	8.60%
Core fixed income fund	13.00%	0.80%
Emerging market debt fund	5.00%	3.80%
High yield bond fund	3.00%	3.40%
Real estate fund	19.00%	5.20%
Private equity	10.00%	9.40%
Private credit	5.00%	6.50%
Alternative investments	3.00%	3.10%
Liquidity fund	2.00%	(0.40%)
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the collective 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 collective total pension liability.

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

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

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

As of July 1, 2021, the following employees are covered by the benefit terms:

	<u>Town</u>	<u>Education</u>
Inactive plan members or beneficiaries currently receiving benefit payments	273	200
Active plan members	<u>159</u>	<u>292</u>
Total	<u><u>432</u></u>	<u><u>492</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, 2023

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, 2021
Actuarial cost method	Entry age normal
Discount rate	3.54%
Salary increases	3.50%
Healthcare cost trend rates:	
Medical	7.00% decreasing to 4.50% ultimate rate
Prescription drug	6.00% decreasing to 4.50% ultimate rate
Dental, administrative costs	3.00%
Mortality rates	
Healthy participants other than Teachers, Police and Fire participants	Based on the RP-2014 mortality tables projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB
Healthy Police and Fire participants	Based on the RP-2014 Blue Collar mortality tables projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB
Disabled retirees other than Teachers	Based on the RP-2014 disabled mortality tables projected to 2020 with Scale BB
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:

	From	To
Discount rate	2.16%	3.54%

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Other post-employment benefit plan ("OPEB") (continued)**b. Changes in benefit terms**

There were no changes in benefit terms.

6. Changes in the OPEB liability

	Town	Education	Total
Balance at July 1, 2022	\$ 101,588,159	\$ 32,900,235	\$ 134,488,394
Service cost	4,173,874	272,598	4,446,472
Interest	2,241,409	696,629	2,938,038
Changes in assumptions	(16,652,789)	(4,047,679)	(20,700,468)
Benefit payments	(4,007,581)	(1,852,854)	(5,860,435)
Net change	(14,245,087)	(4,931,306)	(19,176,393)
Balance at June 30, 2023	\$ 87,343,072	\$ 27,968,929	\$ 115,312,001

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:

OPEB Liability	Discount Rate	1% Decrease	Discount Rate	1% Increase
Town	3.54%	\$ 98,939,530	\$ 87,343,072	\$ 77,773,356
Education	3.54%	\$ 30,812,873	\$ 27,968,929	\$ 25,525,666

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:

OPEB Liability	Trend Rate	1% Decrease	Current Trend Rate	1% Increase
Town	7.00% decreasing to 4.50%	\$ 76,257,646	\$ 87,343,072	\$101,053,875
Education	7.00% decreasing to 4.50%	\$ 25,445,796	\$ 27,968,929	\$ 30,911,736

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

For the fiscal year, the Town and Education plans recognized OPEB expense as follows:

Town	\$ 9,050,447
Education	<u>(803,108)</u>
Total	<u>\$ 8,247,339</u>

The Town and Education plans reported deferred outflows and inflows of resources related to OPEB from the following sources:

Town	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 7,131,807	\$ 534,612	\$ 6,597,195
Changes in assumptions	<u>6,855,181</u>	<u>13,847,474</u>	<u>(6,992,293)</u>
Total	<u>\$ 13,986,988</u>	<u>\$ 14,382,086</u>	<u>\$ (395,098)</u>

Education	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 101,289	\$ 72,136	\$ 29,153
Changes in assumptions	<u>3,414,315</u>	<u>4,326,263</u>	<u>(911,948)</u>
Total	<u>\$ 3,515,604</u>	<u>\$ 4,398,399</u>	<u>\$ (882,795)</u>

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

Plan	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, 2023

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
2024	\$ 3,018,826	\$ 28,055
2025	1,054,270	191,364
2026	(605,842)	367,920
2027	(2,487,353)	(249,045)
2028	(1,374,999)	(565,318)
Thereafter	-	(655,771)
Total	<u>\$ (395,098)</u>	<u>\$ (882,795)</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. 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, 2023****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. 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.

The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

Any member 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 contributions are not currently actuarially funded. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employer (school districts)

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

Employees

Each member is required to contribute 1.25% of their annual salary.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Connecticut state teachers' retirement board retiree health insurance plan (continued)**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>8,263,578</u>
Total	<u>\$ 8,263,578</u>
During the year, the Town recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 105,223</u>

The collective net OPEB liability was measured as of June 30, 2022, and the collective total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The Town has no proportionate share of the collective net OPEB liability.

5. Actuarial assumptions

The collective total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.00%
Discount rate	3.53%
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	2027

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Connecticut state teachers' retirement board retiree health insurance plan (continued)**Changes in assumptions and inputs**

The discount rate was increased from 2.17% to 3.53% 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 due to the need for liquidity. The expected geometric rate of return is 1.50%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2022.

6. Discount rate

The discount rate used to measure the total OPEB liability was 3.53%. The Municipal Bond Index Rate of 3.54% was used in the determination in the discount rate. 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.

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 rates would only impact the amount recorded by the State of Connecticut.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

E. Total OPEB plans

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Town	\$ 87,343,072	\$ 13,986,988	\$ 14,382,086	\$ 9,050,447
Education	27,968,929	3,515,604	4,398,399	(803,108)
Total	<u>\$115,312,001</u>	<u>\$ 17,502,592</u>	<u>\$ 18,780,485</u>	<u>\$ 8,247,339</u>

Town of East Haven, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

VI. Prior period adjustments and fund reclassifications

A. Fund reclassifications

The Preschool Fund was reclassified from the Education Grant Fund to the Daycare and Preschool Fund, a nonmajor fund. As a result, the Education Grant Fund beginning fund balance increased by \$54,709 and the other governmental funds beginning fund balance decreased by \$54,709.

B. Prior period adjustments

As a result of the implementation of GASB Statement No. 96, intangible right-to-use subscription assets and subscription liability were recorded as beginning balances. There was no impact on beginning net position. The amounts recorded were increases to the following financial statement accounts:

	<u>Governmental Activities</u>
Capital assets:	
Intangible right-to-use subscription assets	\$ 48,004
Long-term liabilities:	
Subscription liability	48,004

Required Supplementary Information

Type	Description
General Fund - Budgetary	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
	Schedule of Expenditures and Other Financing Uses - 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 Teacher's 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, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Real estate	\$ 62,449,687	\$ -	\$ 62,449,687	\$ 62,673,246	\$ 223,559
Motor vehicle and personal property	10,506,124	-	10,506,124	9,399,025	(1,107,099)
Supplemental motor vehicle	956,135	-	956,135	933,679	(22,456)
Delinquent taxes	788,100	-	788,100	895,875	107,775
Suspense collections	50,000	-	50,000	27,457	(22,543)
Interest, penalties and liens	475,000	-	475,000	557,815	82,815
PILOT water authority	753,133	-	753,133	754,340	1,207
PILOT GNHWPCA	63,000	-	63,000	63,000	-
Telecommunication property tax	52,000	-	52,000	46,703	(5,297)
Total property taxes	76,093,179	-	76,093,179	75,351,140	(742,039)
Intergovernmental:					
Education cost sharing	18,764,125	-	18,764,125	18,776,952	12,827
PILOT state property	462,357	-	462,357	462,357	-
PILOT Pequot funds	82,006	-	82,006	82,006	-
Tax relief elderly	2,000	-	2,000	-	(2,000)
Veterans' exemption	43,324	-	43,324	42,130	(1,194)
Disability reimbursement	4,500	-	4,500	4,405	(95)
State of CT department of children	20,526	-	20,526	20,527	1
Absentee ballot grant	-	-	-	2,607	2,607
Total intergovernmental	19,378,838	-	19,378,838	19,390,984	12,146
Charges for services:					
Zoning board of appeals	2,800	-	2,800	9,672	6,872
Zoning fees	15,000	-	15,000	14,062	(938)
Police permits, tags, etc.	35,000	-	35,000	43,303	8,303
Fire permits/fees	200	-	200	1,568	1,368
Town clerk fees	586,251	-	586,251	563,227	(23,024)
Building department permits	325,000	-	325,000	418,540	93,540
Recreation fees	20,000	-	20,000	62,162	42,162
Athletic complex fees	150,000	-	150,000	234,710	84,710
C.A.M. fees	500	-	500	640	140
Landfill fees	20,000	-	20,000	37,225	17,225
Inland/wetland prints	500	-	500	1,719	1,219
Police special assignments	812,597	-	812,597	1,628,048	815,451
Total charges for services	1,967,848	-	1,967,848	3,014,876	1,047,028
Income from investments	25,000	-	25,000	702,010	677,010

(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, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Other:					
Employee benefit cost sharing	\$ 800,000	\$ -	\$ 800,000	\$ 692,013	\$ (107,987)
Workers' compensation reimbursement	125,000	-	125,000	161,812	36,812
Other	40,000	-	40,000	49,267	9,267
Total other	965,000	-	965,000	903,092	(61,908)
Total revenues	98,429,865	-	98,429,865	99,362,102	932,237
Other financing sources:					
Sale of Town owned property	20,000	-	20,000	11,584	(8,416)
Transfers in	-	-	-	141	141
Total other financing sources	20,000	-	20,000	11,725	(8,275)
Total revenues and other financing sources	\$ 98,449,865	\$ -	\$ 98,449,865	\$ 99,373,827	\$ 923,962

(Concluded)

See Notes to Required Supplementary Information.

Town of East Haven, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Town council	\$ 74,300	\$ (8,608)	\$ 65,692	\$ 65,692	\$ -
Board of finance	7,700	(1,375)	6,325	6,325	-
Mayor	174,346	(1,113)	173,233	173,194	39
Finance	535,065	(56,154)	478,911	478,908	3
Purchasing	76,545	(1,179)	75,366	75,352	14
Tax collector	296,362	(68,685)	227,677	227,669	8
Assessor	296,475	(71,948)	224,527	224,527	-
Personnel, administration and management	270,274	(749)	269,525	269,521	4
Board of assessment appeals	3,500	(1,205)	2,295	2,295	-
Town clerk	328,986	(29,290)	299,696	299,689	7
Registrar of voters	161,234	(21,979)	139,255	139,232	23
Planning and zoning	219,404	(31,945)	187,459	187,459	-
Zoning board of appeals	4,725	(2,113)	2,612	2,605	7
Legal	615,660	475,000	1,090,660	1,090,659	1
Probate	19,000	(5,475)	13,525	13,525	-
Civil service	55,246	(14,160)	41,086	41,086	-
Flood and erosion	550	(550)	-	-	-
Inland/wetland	3,150	(1,060)	2,090	2,088	2
School building committee	2,600	(800)	1,800	1,800	-
Information technology	140,665	17,641	158,306	158,273	33
Total general government	3,285,787	174,253	3,460,040	3,459,899	141
Public safety:					
Board of police commissioners	3,525	(1,195)	2,330	2,330	-
Animal shelter	299,828	(11,694)	288,134	288,133	1
Police department	7,735,632	177,101	7,912,733	7,912,733	-
Board of fire commissioners	14,075	(635)	13,440	13,440	-
Fire department	6,993,226	184,752	7,177,978	7,177,978	-
Public safety command center	1,124,065	(47,344)	1,076,721	1,076,721	-
Emergency operations center	35,000	(3,182)	31,818	31,818	-
Total public safety	16,205,351	297,803	16,503,154	16,503,153	1
Public services and engineering:					
Engineering	68,097	(23,262)	44,835	44,835	-
Public services	2,497,530	(151,457)	2,346,073	2,346,072	1
Total public services and engineering	2,565,627	(174,719)	2,390,908	2,390,907	1
Sanitation and maintenance:					
Building department	182,111	(21,593)	160,518	160,518	-
Sanitation	2,610,265	206,724	2,816,989	2,816,989	-
Building maintenance	748,195	(3,447)	744,748	744,748	-
Total sanitation and maintenance	3,540,571	181,684	3,722,255	3,722,255	-

(Continued)

See Notes to Required Supplementary Information.

Town of East Haven, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Health and welfare:					
Public health	\$ 356,643	\$ (100)	\$ 356,543	\$ 356,543	\$ -
Social services	61,226	(11,897)	49,329	49,327	2
Counseling and community services	131,436	-	131,436	131,436	-
Housing authority	300	(169)	131	131	-
Urban renewal	3,375	-	3,375	3,374	1
Total health and welfare	552,980	(12,166)	540,814	540,811	3
Culture and recreation:					
Recreation	463,931	(10,381)	453,550	453,456	94
Ice rink	297,281	(56,056)	241,225	241,191	34
Senior center	360,960	(30,066)	330,894	330,633	261
Library	904,068	(45,351)	858,717	858,717	-
Community services	123,268	(9,378)	113,890	113,889	1
Total culture and recreation	2,149,508	(151,232)	1,998,276	1,997,886	390
Employee benefits and insurance:					
Employee benefits	12,804,000	115,213	12,919,213	12,836,274	82,939
Insurance	3,304,300	(147,300)	3,157,000	3,157,000	-
Total employee benefits and insurance	16,108,300	(32,087)	16,076,213	15,993,274	82,939
Education	48,144,271	-	48,144,271	48,144,271	-
General services	1,864,500	(283,536)	1,580,964	1,580,963	1
Debt service:					
Principal	2,710,000	-	2,710,000	2,710,000	-
Interest	1,322,970	-	1,322,970	1,322,970	-
Total debt service	4,032,970	-	4,032,970	4,032,970	-
Total expenditures	\$ 98,449,865	\$ -	\$ 98,449,865	\$ 98,366,389	\$ 83,476

(Concluded)

See Notes to Required Supplementary Information.

Town of East Haven, Connecticut

Notes to Required Supplementary Information

Budgets and Budgetary Accounting For the Year Ended June 30, 2023

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	\$ 99,362,102	\$ 98,366,389
State Teachers' pension on behalf amount	7,439,428	7,439,428
State Teachers' OPEB on behalf amount	<u>105,223</u>	<u>105,223</u>
GAAP Basis - Exhibit D	<u><u>\$ 106,906,753</u></u>	<u><u>\$ 105,911,040</u></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 Nine Years (1)

	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>6.254264%</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>6.573073%</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>\$ 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>\$ 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>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>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	\$ 4,777,609	\$ 3,998,834	\$ 3,565,853	\$ 2,736,019	\$ 2,968,956	\$ 2,295,586	\$ 2,295,586	\$ 2,567,016	\$ 2,502,937
Contributions in relation to the contractually required contribution	<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>
Town's covered payroll	<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>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>

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

Town of East Haven, Connecticut

Notes to Required Supplementary Information

Connecticut Municipal Employees' Retirement System
Schedule of Contributions
Last Nine Years (1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None								
The actuarially determined contribution rates are calculated as of	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	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
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
Remaining amortization period	18 years	19 years	20 years	21 years	23 years	23 years	25 years	25 years	27 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
Inflation rate	2.50%	2.50%	2.50%	2.50%	3.25%	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	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	4.50%-11.25%, average, including inflation
Cost-of-living adjustments	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards
Social security wage base	3.00%	3.00%	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%
Investment rate of return (net)	7.00%	7.00%	7.00%	7.00%	8.00%	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	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 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

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

Town of East Haven, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement System
Last Nine Years (3)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Schedule of Proportionate Share of the Collective Net Pension Liability									
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>
Town's proportionate share of the collective net pension liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the collective net pension liability associated with the Town	<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>\$ 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>
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>
Plan fiduciary net position as a percentage of the collective total pension liability	<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>
Schedule of Contributions									
Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<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>	<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>
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>
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>

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

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

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

Town of East Haven, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Nine Years (1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	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
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
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
Remaining amortization period	27.8 years	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	21.4 years	22.4 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
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	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
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
Investment rate of return (net)	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%	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

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

Town of East Haven, Connecticut

Required Supplementary Information

**Schedule of Changes in OPEB Liability
Other Post-Employment Benefit (OPEB) Plans
Last Six Years (1)**

	<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	\$ 4,173,874	\$ 3,176,864	\$ 2,578,351	\$ 1,475,596	\$ 1,652,879	\$ 2,715,495
Interest	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	-	11,493,767	-	(2,218,424)	-	11,771,199
Changes in assumptions	(16,652,789)	(403,297)	6,739,058	16,400,900	(2,576,018)	(10,188,458)
Benefit payments	<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	(14,245,087)	13,365,632	8,903,916	15,722,883	(890,502)	4,576,727
OPEB liability - July 1	<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 (2)	<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	\$ 272,598	\$ 471,953	\$ 345,379	\$ 171,969	\$ 198,053	\$ 440,264
Interest	696,629	682,436	956,022	1,149,729	1,120,214	1,520,774
Differences between expected and actual experience	-	(109,804)	-	322,681	-	(7,302,204)
Changes in assumptions	(4,047,679)	2,331,332	3,878,602	(2,357,248)	(916,308)	(8,048,304)
Benefit payments	<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	(4,931,306)	1,619,114	3,457,987	(2,714,425)	(1,512,506)	(15,750,835)
OPEB liability - July 1	<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 (2)	<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) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available.

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

(3) 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 Six Years (3)

	<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>
Town's proportionate share of the collective net OPEB liability	<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>8,263,578</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>\$ 8,263,578</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>
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>
Plan fiduciary net position as a percentage of the collective total OPEB liability	<u>9.46%</u>	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

Schedule of Contributions

Contractually required contribution (1)	<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>
Contribution deficiency (excess)	<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>
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>

(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 Six Years (1)

	2023	2022	2021	2020	2019	2018
Changes of benefit terms	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
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial cost method	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, open	Level percentage, open	Level percentage, open
Amortization period	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
Inflation rate	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%
Healthcare inflation rate	Initial 6.75% decreasing to 4.50% (ultimate) by 2023	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
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
Investment rate of return (net)	3.00%	3.00%	3.00%	3.00%	3.00%	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

(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, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 76,093,179	\$ -	\$ 76,093,179	\$ 75,351,140	\$ (742,039)
Intergovernmental	19,378,838	-	19,378,838	19,390,984	12,146
Charges for services	1,967,848	-	1,967,848	3,014,876	1,047,028
Income from investments	25,000	-	25,000	702,010	677,010
Other	965,000	-	965,000	903,092	(61,908)
Total revenues	98,429,865	-	98,429,865	99,362,102	932,237
Expenditures:					
Current:					
General government	3,285,787	174,253	3,460,040	3,459,899	141
Public safety	16,205,351	297,803	16,503,154	16,503,153	1
Public services and engineering	2,565,627	(174,719)	2,390,908	2,390,907	1
Sanitation and maintenance	3,540,571	181,684	3,722,255	3,722,255	-
Health and welfare	552,980	(12,166)	540,814	540,811	3
Culture and recreation	2,149,508	(151,232)	1,998,276	1,997,886	390
Employee benefits and insurance	16,108,300	(32,087)	16,076,213	15,993,274	82,939
Education	48,144,271	-	48,144,271	48,144,271	-
General services	1,864,500	(283,536)	1,580,964	1,580,963	1
Debt service	4,032,970	-	4,032,970	4,032,970	-
Total expenditures	98,449,865	-	98,449,865	98,366,389	83,476
Excess (deficiency) of revenues over expenditures	(20,000)	-	(20,000)	995,713	1,015,713
Other financing sources (uses):					
Sale of Town owned property	20,000	-	20,000	11,584	(8,416)
Transfers in	-	-	-	141	141
Total other financing sources (uses)	20,000	-	20,000	11,725	(8,275)
Net change in fund balance	\$ -	\$ -	\$ -	1,007,438	\$ 1,007,438
Fund balance - July 1, 2022				7,252,881	
Fund balances - June 30, 2023				\$ 8,260,319	

Town of East Haven, Connecticut

General Fund
Report of Tax Collector
For the Year Ended June 30, 2023

Grand List Year	Uncollected Taxes July 1, 2022	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2023
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2006	\$ 53,896	\$ -	\$ -	\$ 53,896	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2007	53,710	-	-	-	-	53,710	-	-	-	53,710
2008	56,185	-	-	-	-	56,185	-	-	-	56,185
2009	74,623	-	-	-	-	74,623	-	-	-	74,623
2010	72,921	-	-	-	-	72,921	-	-	-	72,921
2011	38,432	-	-	-	-	38,432	-	-	-	38,432
2012	125,979	-	-	-	-	125,979	-	-	-	125,979
2013	223,835	-	-	-	-	223,835	188	130	318	223,647
2014	223,976	-	-	-	-	223,976	3,240	4,058	7,298	220,736
2015	224,187	-	-	-	-	224,187	3,240	3,474	6,714	220,947
2016	80,687	-	2	-	5,249	75,440	3,635	73	3,708	71,805
2017	117,154	-	258	13,307	10,935	93,170	3,906	4,284	8,190	89,264
2018	329,347	-	21,063	13,964	33,097	303,349	55,260	30,538	85,798	248,089
2019	593,545	-	11,892	13,985	44,449	547,003	137,136	65,698	202,834	409,867
2020	1,360,829	-	57,888	34,465	15,451	1,368,801	621,842	159,099	780,941	746,959
Total Prior Years	3,629,306	-	91,103	129,617	109,181	3,481,611	828,447	267,354	1,095,801	2,653,164
2021	-	81,418,762	181,816	827,203	14,384	80,758,991	79,140,164	309,233	79,449,397	1,618,827
Total	<u>\$ 3,629,306</u>	<u>\$ 81,418,762</u>	<u>\$ 272,919</u>	<u>\$ 956,820</u>	<u>\$ 123,565</u>	<u>\$ 84,240,602</u>	<u>\$ 79,968,611</u>	<u>\$ 576,587</u>	<u>\$ 80,545,198</u>	<u>\$ 4,271,991</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	User 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	Charges for services, 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	Sale of lunches and grants	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	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, 2023

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	\$ 11,447	\$ -	\$ 2,539	\$ 406,372	\$ -	\$ 224,166	\$ 102,705
Investments	-	-	-	-	-	-	-
Receivables:							
Intergovernmental	-	-	-	448,750	-	-	-
Loans	-	-	-	-	-	2,067	-
Other	175	-	-	-	-	-	-
Due from other funds	202,999	54,597	12,990	-	517,456	-	-
Other	-	-	-	-	-	-	-
Total assets	<u>\$ 214,621</u>	<u>\$ 54,597</u>	<u>\$ 15,529</u>	<u>\$ 855,122</u>	<u>\$ 517,456</u>	<u>\$ 226,233</u>	<u>\$ 102,705</u>
<u>Liabilities</u>							
Accounts payable	\$ 2,153	\$ -	\$ -	\$ 293,389	\$ 6,974	\$ -	\$ 45,351
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	28,368	-	-	-
Unearned revenue	36,813	-	-	13,960	-	-	-
Total liabilities	<u>38,966</u>	<u>-</u>	<u>-</u>	<u>335,717</u>	<u>6,974</u>	<u>-</u>	<u>45,351</u>
<u>Fund balances</u>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	54,597	-	-	510,482	226,233	-
Committed	175,655	-	15,529	698,324	-	-	57,354
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	(178,919)	-	-	-
Total fund balances	<u>175,655</u>	<u>54,597</u>	<u>15,529</u>	<u>519,405</u>	<u>510,482</u>	<u>226,233</u>	<u>57,354</u>
Total liabilities and fund balances	<u>\$ 214,621</u>	<u>\$ 54,597</u>	<u>\$ 15,529</u>	<u>\$ 855,122</u>	<u>\$ 517,456</u>	<u>\$ 226,233</u>	<u>\$ 102,705</u>

(Continued)

Town of East Haven, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2023

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
<u>Assets</u>									
Cash	\$ 232,238	\$ 25,048	\$ 403,655	\$1,076,795	\$ 44,928	\$ 372,106	\$ -	\$ 2,901,999	\$ -
Investments	-	-	528	-	-	42,577	-	43,105	-
Receivables:									
Intergovernmental	-	-	-	317,672	-	-	-	766,422	-
Loans	-	-	-	-	-	-	-	2,067	-
Other	-	-	-	-	-	8,959	-	9,134	-
Due from other funds	8,359	-	-	-	-	-	46,424	842,825	1,274,024
Other	-	-	-	36,285	-	-	-	36,285	-
Total assets	<u>\$ 240,597</u>	<u>\$ 25,048</u>	<u>\$ 404,183</u>	<u>\$1,430,752</u>	<u>\$ 44,928</u>	<u>\$ 423,642</u>	<u>\$ 46,424</u>	<u>\$ 4,601,837</u>	<u>\$ 1,274,024</u>
<u>Liabilities</u>									
Accounts payable	\$ -	\$ -	\$ 139,400	\$ 71,585	\$ 2,491	\$ 9,189	\$ 13,352	\$ 583,884	\$ -
Accrued payroll	15,152	-	-	-	-	-	-	15,152	-
Due to other funds	54,709	-	-	946	-	14,611	-	98,634	-
Unearned revenue	-	-	-	10,933	-	-	-	61,706	-
Total liabilities	<u>69,861</u>	<u>-</u>	<u>139,400</u>	<u>83,464</u>	<u>2,491</u>	<u>23,800</u>	<u>13,352</u>	<u>759,376</u>	<u>-</u>
<u>Fund balances</u>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	1,347,288	42,437	42,577	-	2,223,614	-
Committed	170,736	25,048	264,783	-	-	357,265	33,072	1,797,766	-
Assigned	-	-	-	-	-	-	-	-	1,274,024
Unassigned	-	-	-	-	-	-	-	(178,919)	-
Total fund balances	<u>170,736</u>	<u>25,048</u>	<u>264,783</u>	<u>1,347,288</u>	<u>42,437</u>	<u>399,842</u>	<u>33,072</u>	<u>3,842,461</u>	<u>1,274,024</u>
Total liabilities and fund balances	<u>\$ 240,597</u>	<u>\$ 25,048</u>	<u>\$ 404,183</u>	<u>\$1,430,752</u>	<u>\$ 44,928</u>	<u>\$ 423,642</u>	<u>\$ 46,424</u>	<u>\$ 4,601,837</u>	<u>\$ 1,274,024</u>

(Continued)

Town of East Haven, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2023

	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	\$ -	\$ -	\$ -	\$ -	\$ 49,004	\$ -	\$ 49,004	\$ 2,951,003
Investments	-	-	-	457,073	543,924	1,324,138	2,325,135	2,368,240
Receivables:								
Intergovernmental	-	-	-	-	-	-	-	766,422
Loans	-	-	-	-	-	-	-	2,067
Other	-	36	36	-	-	-	-	9,170
Due from other funds	42,106	57,581	99,687	-	-	-	-	2,216,536
Other	-	-	-	-	-	-	-	36,285
Total assets	<u>\$ 42,106</u>	<u>\$ 57,617</u>	<u>\$ 99,723</u>	<u>\$ 457,073</u>	<u>\$ 592,928</u>	<u>\$ 1,324,138</u>	<u>\$ 2,374,139</u>	<u>\$ 8,349,723</u>
<u>Liabilities</u>								
Accounts payable	\$ 3,320	\$ -	\$ 3,320	\$ -	\$ -	\$ -	\$ -	\$ 587,204
Accrued payroll	-	-	-	-	-	-	-	15,152
Due to other funds	-	-	-	-	-	-	-	98,634
Unearned revenue	-	-	-	-	-	-	-	61,706
Total liabilities	<u>3,320</u>	<u>-</u>	<u>3,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>762,696</u>
<u>Fund balances</u>								
Nonspendable	-	-	-	-	-	100,000	100,000	100,000
Restricted	-	57,617	57,617	457,073	592,928	1,224,138	2,274,139	4,555,370
Committed	38,786	-	38,786	-	-	-	-	1,836,552
Assigned	-	-	-	-	-	-	-	1,274,024
Unassigned	-	-	-	-	-	-	-	(178,919)
Total fund balances	<u>38,786</u>	<u>57,617</u>	<u>96,403</u>	<u>457,073</u>	<u>592,928</u>	<u>1,324,138</u>	<u>2,374,139</u>	<u>7,587,027</u>
Total liabilities and fund balances	<u>\$ 42,106</u>	<u>\$ 57,617</u>	<u>\$ 99,723</u>	<u>\$ 457,073</u>	<u>\$ 592,928</u>	<u>\$ 1,324,138</u>	<u>\$ 2,374,139</u>	<u>\$ 8,349,723</u>

(Concluded)

Town of East Haven, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

Special Revenue Funds

	Public Safety	General Government	Culture and Recreation	Health and Welfare	Roads State Aid	Small Cities	Hagaman Memorial Library
Revenues:							
Intergovernmental	\$ 28,010	\$ 11,734	\$ -	\$ 469,128	\$ 434,537	\$ -	\$ 1,564
Charges for services	43,177	13,422	12,086	210,523	-	19,314	26,722
Income from investments	-	-	-	-	-	-	60,722
Change in fair value of investments	-	-	-	-	-	-	-
Contributions	82,746	-	-	-	-	-	24,874
Total revenues	153,933	25,156	12,086	679,651	434,537	19,314	113,882
Expenditures:							
Current:							
General government	-	12,150	-	-	-	-	-
Public safety	67,268	-	-	-	-	-	-
Public works	-	-	-	-	504,526	-	-
Health and welfare	-	-	-	761,421	-	9,534	-
Culture and recreation	-	-	12,589	-	-	-	173,315
Education	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	67,268	12,150	12,589	761,421	504,526	9,534	173,315
Excess (deficiency) of revenues over expenditures	86,665	13,006	(503)	(81,770)	(69,989)	9,780	(59,433)
Other financing sources (uses):							
Issuance of debt	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-
Transfers out	-	-	-	(141)	-	-	-
Net other financing sources (uses)	-	-	-	(141)	-	-	-
Net change in fund balances	86,665	13,006	(503)	(81,911)	(69,989)	9,780	(59,433)
Fund balances - July 1, 2022 (as restated)	88,990	41,591	16,032	601,316	580,471	216,453	116,787
Fund balances - June 30, 2023	\$ 175,655	\$ 54,597	\$ 15,529	\$ 519,405	\$ 510,482	\$ 226,233	\$ 57,354

(Continued)

Town of East Haven, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

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	\$ -	\$ -	\$ -	\$ 2,223,080	\$ -	\$ -	\$ -	\$ 3,168,053	\$ 739,948
Charges for services	518,439	-	255,741	76,896	241	378,715	-	1,555,276	-
Income from investments	1,492	4	1,622	6,187	4,065	1,747	-	75,839	-
Change in fair value of investments	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	107,620	-
Total revenues	519,931	4	257,363	2,306,163	4,306	380,462	-	4,906,788	739,948
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	12,150	-
Public safety	-	-	-	-	-	-	-	67,268	-
Public works	-	-	-	-	-	-	-	504,526	-
Health and welfare	-	-	-	-	-	-	-	770,955	-
Culture and recreation	-	-	-	-	-	-	-	185,904	-
Education	392,758	2,000	333,035	2,301,703	3,420	310,145	123,007	3,466,068	-
Capital outlay	-	-	-	-	-	-	-	-	1,848,141
Total expenditures	392,758	2,000	333,035	2,301,703	3,420	310,145	123,007	5,006,871	1,848,141
Excess (deficiency) of revenues over expenditures	127,173	(1,996)	(75,672)	4,460	886	70,317	(123,007)	(100,083)	(1,108,193)
Other financing sources (uses):									
Issuance of debt	-	-	-	-	-	-	-	-	1,848,141
Insurance recoveries	-	-	-	-	-	-	156,079	156,079	-
Transfers out	-	-	-	-	-	-	-	(141)	-
Net other financing sources (uses)	-	-	-	-	-	-	156,079	155,938	1,848,141
Net change in fund balances	127,173	(1,996)	(75,672)	4,460	886	70,317	33,072	55,855	739,948
Fund balances - July 1, 2022 (as restated)	43,563	27,044	340,455	1,342,828	41,551	329,525	-	3,786,606	534,076
Fund balances - June 30, 2023	\$ 170,736	\$ 25,048	\$ 264,783	\$ 1,347,288	\$ 42,437	\$ 399,842	\$ 33,072	\$ 3,842,461	\$ 1,274,024

(Continued)

Town of East Haven, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	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	\$ -	\$ 513,049	\$ 513,049	\$ -	\$ -	\$ -	\$ -	\$ 4,421,050
Charges for services	-	9,861	9,861	-	-	-	-	1,565,137
Income from investments	-	-	-	515	9,122	24,899	34,536	110,375
Change in fair value of investments	-	-	-	-	554	98,238	98,792	98,792
Contributions	-	-	-	-	20,973	-	20,973	128,593
Total revenues	-	522,910	522,910	515	30,649	123,137	154,301	6,323,947
Expenditures:								
Current:								
General government	6,214	16,883	23,097	-	-	-	-	35,247
Public safety	-	214,982	214,982	-	-	-	-	282,250
Public works	-	-	-	-	-	-	-	504,526
Health and welfare	-	-	-	-	-	-	-	770,955
Culture and recreation	-	-	-	-	114,855	63,013	177,868	363,772
Education	-	-	-	-	-	-	-	3,466,068
Capital outlay	-	300,000	300,000	-	-	-	-	2,148,141
Total expenditures	6,214	531,865	538,079	-	114,855	63,013	177,868	7,570,959
Excess (deficiency) of revenues over expenditures	(6,214)	(8,955)	(15,169)	515	(84,206)	60,124	(23,567)	(1,247,012)
Other financing sources (uses):								
Issuance of debt	-	-	-	-	-	-	-	1,848,141
Insurance recoveries	-	-	-	-	-	-	-	156,079
Transfers out	-	-	-	-	-	-	-	(141)
Net other financing sources (uses)	-	-	-	-	-	-	-	2,004,079
Net change in fund balances	(6,214)	(8,955)	(15,169)	515	(84,206)	60,124	(23,567)	757,067
Fund balances - July 1, 2022 (as restated)	45,000	66,572	111,572	456,558	677,134	1,264,014	2,397,706	6,829,960
Fund balances - June 30, 2023	<u>\$ 38,786</u>	<u>\$ 57,617</u>	<u>\$ 96,403</u>	<u>\$ 457,073</u>	<u>\$ 592,928</u>	<u>\$ 1,324,138</u>	<u>\$ 2,374,139</u>	<u>\$ 7,587,027</u>

(Concluded)

Internal Service Funds

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

Fund	Function
Self-Insurance	Various claims and judgements
Workers' Compensation	Workers' compensation claims of the Town
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 Schedule of Net Position
June 30, 2023

	Self- Insurance Fund	Workers' Compensation Fund	Town Medical Insurance Fund	Education Medical Insurance Fund	Total
<u>Assets</u>					
Current assets:					
Cash	\$ -	\$ 138,426	\$ 105,884	\$ 544,148	\$ 788,458
Investments	434,846	-	-	3,549,318	3,984,164
Accounts receivable	-	-	28,711	129,549	158,260
Due from other funds	-	6,264,913	2,031,779	-	8,296,692
	<u>434,846</u>	<u>6,403,339</u>	<u>2,166,374</u>	<u>4,223,015</u>	<u>13,227,574</u>
Total assets	<u>434,846</u>	<u>6,403,339</u>	<u>2,166,374</u>	<u>4,223,015</u>	<u>13,227,574</u>
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	-	-	-	1,659	1,659
Claims payable	454,503	1,512,712	495,486	630,563	3,093,264
Due to other funds	984,290	-	-	75,543	1,059,833
	<u>1,438,793</u>	<u>1,512,712</u>	<u>495,486</u>	<u>707,765</u>	<u>4,154,756</u>
Total current liabilities	<u>1,438,793</u>	<u>1,512,712</u>	<u>495,486</u>	<u>707,765</u>	<u>4,154,756</u>
Noncurrent liabilities:					
Claims payable	<u>3,000,000</u>	<u>4,625,608</u>	<u>-</u>	<u>-</u>	<u>7,625,608</u>
Total liabilities	<u>4,438,793</u>	<u>6,138,320</u>	<u>495,486</u>	<u>707,765</u>	<u>11,780,364</u>
<u>Net Position</u>					
Unrestricted	<u><u>\$ (4,003,947)</u></u>	<u><u>\$ 265,019</u></u>	<u><u>\$ 1,670,888</u></u>	<u><u>\$ 3,515,250</u></u>	<u><u>\$ 1,447,210</u></u>

Town of East Haven, Connecticut

Internal Service Funds
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2023

	Self- Insurance Fund	Workers' Compensation Fund	Town Medical Insurance Fund	Education Medical Insurance Fund	Total
Operating revenues:					
Charges for services	\$ 73,455	\$ 2,876,156	\$ 6,307,422	\$ 5,798,800	\$ 15,055,833
Operating expenses:					
Claims	719,075	(492,355)	6,597,945	6,726,499	13,551,164
Administration	-	-	241,964	1,021,969	1,263,933
Total operating expenses	719,075	(492,355)	6,839,909	7,748,468	14,815,097
Operating income (loss)	(645,620)	3,368,511	(532,487)	(1,949,668)	240,736
Nonoperating revenues:					
Income from investments	-	-	3,055	145,373	148,428
Change in net position	(645,620)	3,368,511	(529,432)	(1,804,295)	389,164
Total net position - July 1, 2022	(3,358,327)	(3,103,492)	2,200,320	5,319,545	1,058,046
Total net position - June 30, 2023	\$ (4,003,947)	\$ 265,019	\$ 1,670,888	\$ 3,515,250	\$ 1,447,210

Town of East Haven, Connecticut

Internal Service Funds
Combining Schedule of Cash Flows
For the Year Ended June 30, 2023

	Self- Insurance Fund	Workers' Compensation Fund	Town Medical Insurance Fund	Education Medical Insurance Fund	Total
Cash flows from (used in) operating activities:					
Premiums received	\$ 73,455	\$ 2,158,455	\$ 6,301,780	\$ 7,130,857	\$ 15,664,547
Payments for interfund services	558,911	-	-	-	558,911
Payments to vendors	-	-	(241,964)	(1,145,213)	(1,387,177)
Payments for claims	<u>(435,308)</u>	<u>(2,131,043)</u>	<u>(6,711,920)</u>	<u>(6,748,936)</u>	<u>(16,027,207)</u>
Net cash from (used in) operating activities	<u>197,058</u>	<u>27,412</u>	<u>(652,104)</u>	<u>(763,292)</u>	<u>(1,190,926)</u>
Cash flows from (used in) investing activities:					
Income from investments	<u>-</u>	<u>-</u>	<u>3,055</u>	<u>145,373</u>	<u>148,428</u>
Net increase (decrease) in cash and cash equivalents	197,058	27,412	(649,049)	(617,919)	(1,042,498)
Cash and cash equivalents - July 1, 2022	<u>237,788</u>	<u>111,014</u>	<u>754,933</u>	<u>4,711,385</u>	<u>5,815,120</u>
Cash and cash equivalents - June 30, 2023	<u><u>\$ 434,846</u></u>	<u><u>\$ 138,426</u></u>	<u><u>\$ 105,884</u></u>	<u><u>\$ 4,093,466</u></u>	<u><u>\$ 4,772,622</u></u>
Reconciliation to statement of net position cash:					
Cash and cash equivalents per above	\$ 434,846	\$ 138,426	\$ 105,884	\$ 4,093,466	\$ 4,772,622
Cash and cash equivalents reported as investments	<u>(434,846)</u>	<u>-</u>	<u>-</u>	<u>(3,549,318)</u>	<u>(3,984,164)</u>
Statement of net position cash	<u><u>\$ -</u></u>	<u><u>\$ 138,426</u></u>	<u><u>\$ 105,884</u></u>	<u><u>\$ 544,148</u></u>	<u><u>\$ 788,458</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:					
Operating income (loss)	\$ (645,620)	\$ 3,368,511	\$ (532,487)	\$ (1,949,668)	\$ 240,736
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:					
(Increase) decrease in:					
Accounts receivable	-	-	(8,550)	59,515	50,965
Due from other funds	558,911	(717,701)	2,908	1,196,999	1,041,117
Increase (decrease) in:					
Due to other funds	-	-	-	75,543	75,543
Accounts payable	-	-	-	(123,244)	(123,244)
Claims payable	<u>283,767</u>	<u>(2,623,398)</u>	<u>(113,975)</u>	<u>(22,437)</u>	<u>(2,476,043)</u>
Net cash from (used in) operating activities	<u><u>\$ 197,058</u></u>	<u><u>\$ 27,412</u></u>	<u><u>\$ (652,104)</u></u>	<u><u>\$ (763,292)</u></u>	<u><u>\$ (1,190,926)</u></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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
				(as restated)						
Net investment in capital assets	\$ 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	\$ 52,762,397
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	2,274,139	2,297,706	2,649,135	2,087,711	1,665,733	1,670,014	1,613,042	1,528,957	1,616,073	1,674,276
Capital replacement	57,617	2,871,481	145,181	154,108	143,053	364,232	-	-	-	-
Road maintenance	510,482	580,471	544,297	540,633	384,605	182,928	308,113	89,075	173,286	36,929
Health and welfare	-	-	-	-	6,364	161,817	402,150	167,226	224,418	69,256
Historical document preservation	54,597	41,591	34,191	25,103	31,919	24,081	24,413	22,450	23,528	17,690
Housing rehabilitation programs	226,233	216,453	216,763	190,538	136,096	131,372	66,260	49,247	20,727	6,835
Public safety	-	-	-	-	-	34,238	20,274	28,236	25,076	21,975
Cafeteria operations	1,347,288	1,342,828	930,284	284,477	27,937	70,904	-	-	-	-
Education programs	85,014	84,124	83,590	46,237	285,774	343,021	243,100	171,937	132,147	81,604
Unrestricted	(147,450,987)	(139,374,221)	(128,990,902)	(124,657,463)	(121,914,345)	(108,252,829)	(24,440,551)	(29,291,319)	(25,117,096)	(32,679,922)
Total net position	<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>	<u>\$ 22,091,040</u>

Source: Current and prior year financial statements.

Town of East Haven, Connecticut

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

For the Year Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental activities:										
General government	\$ 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	\$ 4,569,185
Public safety	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	20,060,343
Public works	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	8,836,442
Health and welfare	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	1,662,460
Culture and recreation	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	2,419,910
Education	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	62,587,934
Interest	892,106	1,016,693	643,397	1,060,160	764,279	3,146,589	944,761	1,158,231	1,467,224	1,752,349
Total expenses	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	101,888,623
Program revenues:										
Governmental activities:										
Charges for services:										
General government	602,102	842,603	801,387	766,813	570,555	470,579	490,447	493,847	501,595	404,022
Public safety	1,716,096	1,381,874	766,731	959,929	760,070	770,094	580,678	768,586	855,473	556,395
Public works	484,940	411,592	389,992	454,973	474,289	304,998	300,614	299,185	265,860	256,565
Health and welfare	210,523	238,416	425,092	448,940	482,616	237,887	307,195	298,403	246,843	323,616
Culture and recreation	309,598	61,570	4,927	280,020	453,855	393,485	500,631	497,181	497,191	495,828
Education	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	2,465,337
Operating grants and contributions	39,824,045	39,663,376	38,255,403	33,164,366	33,005,422	35,450,104	34,998,871	30,819,650	29,716,676	30,937,361
Capital grants and contributions	3,527,941	1,555,191	6,471,738	1,001,266	730,578	816,822	57,206	331,519	331,519	639,485
Total program revenues	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	36,078,609
Net revenue (expenses)	(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)	(65,804,611)
General revenues:										
Property taxes	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	62,223,623
Grants and contributions not restricted to specific programs	614,032	617,823	681,205	728,790	688,620	544,213	1,470,420	897,510	1,039,493	990,995
Income (loss) from investments	1,065,574	(181,684)	460,087	395,659	388,485	355,811	373,983	43,120	147,232	313,667
Gain on sale of capital assets	-	-	29,766	-	559,769	-	-	-	-	-
Other	49,267	31,917	58,196	46,292	165,595	358,507	77,904	124,135	129,870	186,932
Total general revenues	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	63,715,217
Change in net position	<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>	<u>\$ (2,089,394)</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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
				<i>(as restated)</i>						
Revenues:										
Property taxes	\$ 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	\$ 62,439,118
Intergovernmental	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	21,540,125
Charges for services	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	1,820,124
Income from investments	702,010	54,532	30,045	280,956	333,234	247,238	100,899	46,659	20,894	23,742
Other	903,092	834,513	1,905,848	1,019,247	1,175,125	742,302	980,080	828,263	644,473	796,263
Total revenues	<u>99,362,102</u>	<u>94,040,652</u>	<u>93,040,729</u>	<u>88,350,709</u>	<u>87,578,498</u>	<u>87,132,962</u>	<u>89,073,777</u>	<u>88,510,626</u>	<u>88,662,010</u>	<u>86,619,372</u>
Expenditures:										
Current:										
General government	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	2,534,763
Public safety	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	11,002,841
Public services and engineering	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	2,213,932
Sanitation and maintenance	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	2,842,320
Health and welfare	540,811	531,446	953,464	1,001,041	1,141,332	1,016,003	1,098,996	958,128	927,309	948,859
Culture and recreation	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	1,759,712
Employee benefits and insurance	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	10,443,692
Education	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	45,437,659
General services	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	1,379,304
Debt service	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	7,103,860
Total expenditures	<u>98,366,389</u>	<u>92,459,134</u>	<u>90,224,904</u>	<u>90,172,151</u>	<u>89,316,652</u>	<u>87,076,219</u>	<u>88,630,520</u>	<u>87,401,792</u>	<u>87,424,438</u>	<u>85,666,942</u>
Excess (deficiency) of revenues over expenditures	<u>995,713</u>	<u>1,581,518</u>	<u>2,815,825</u>	<u>(1,821,442)</u>	<u>(1,738,154)</u>	<u>56,743</u>	<u>443,257</u>	<u>1,108,834</u>	<u>1,237,572</u>	<u>952,430</u>
Other financing sources (uses):										
Sale of Town owned property	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)	-	-	-	-	-	-	(904)
Net other financing sources (uses)	<u>11,725</u>	<u>(26,792)</u>	<u>38,289</u>	<u>2,299</u>	<u>584,769</u>	<u>322,832</u>	<u>9,023</u>	<u>25,015</u>	<u>61,290</u>	<u>(904)</u>
Net change in fund balances	<u>\$ 1,007,438</u>	<u>\$ 1,554,726</u>	<u>\$ 2,854,114</u>	<u>\$ (1,819,143)</u>	<u>\$ (1,153,385)</u>	<u>\$ 379,575</u>	<u>\$ 452,280</u>	<u>\$ 1,133,849</u>	<u>\$ 1,298,862</u>	<u>\$ 951,526</u>
Debt service as a percentage of expenditures	<u>4.10%</u>	<u>1.97%</u>	<u>1.73%</u>	<u>3.00%</u>	<u>3.42%</u>	<u>3.68%</u>	<u>4.93%</u>	<u>6.23%</u>	<u>7.76%</u>	<u>8.29%</u>

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%

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, 2023
(Unaudited)

Tax Base:

Total tax collections (including interest and lien fees) for prior year \$ 70,127,043

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$ 157,785,847	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	315,571,694	-	-	-
3 3/4 times base	-	-	262,976,411	-	-
3 1/4 times base	-	-	-	227,912,890	-
3 times base	-	-	-	-	210,381,129
Total debt limitation	157,785,847	315,571,694	262,976,411	227,912,890	210,381,129
Indebtedness:					
Bonds payable	<u>24,524,275</u>	<u>3,950,725</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u>\$ 133,261,572</u>	<u>\$311,620,969</u>	<u>\$ 262,976,411</u>	<u>\$227,912,890</u>	<u>\$ 210,381,129</u>

The total of the above net indebtedness amounts to: \$ 28,475,000

In no event shall total indebtedness exceed seven times the base for debt limitation computation. \$ 490,889,301

Source: Current and prior year financial statements.

Note:

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