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**ANNUAL FINANCIAL REPORT**

**OF THE**

**TOWN OF EAST HAVEN, CONNECTICUT**

*FOR THE YEAR ENDED*  
*JUNE 30, 2010*

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**TOWN OF EAST HAVEN, CONNECTICUT**  
ANNUAL FINANCIAL REPORT  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2010  
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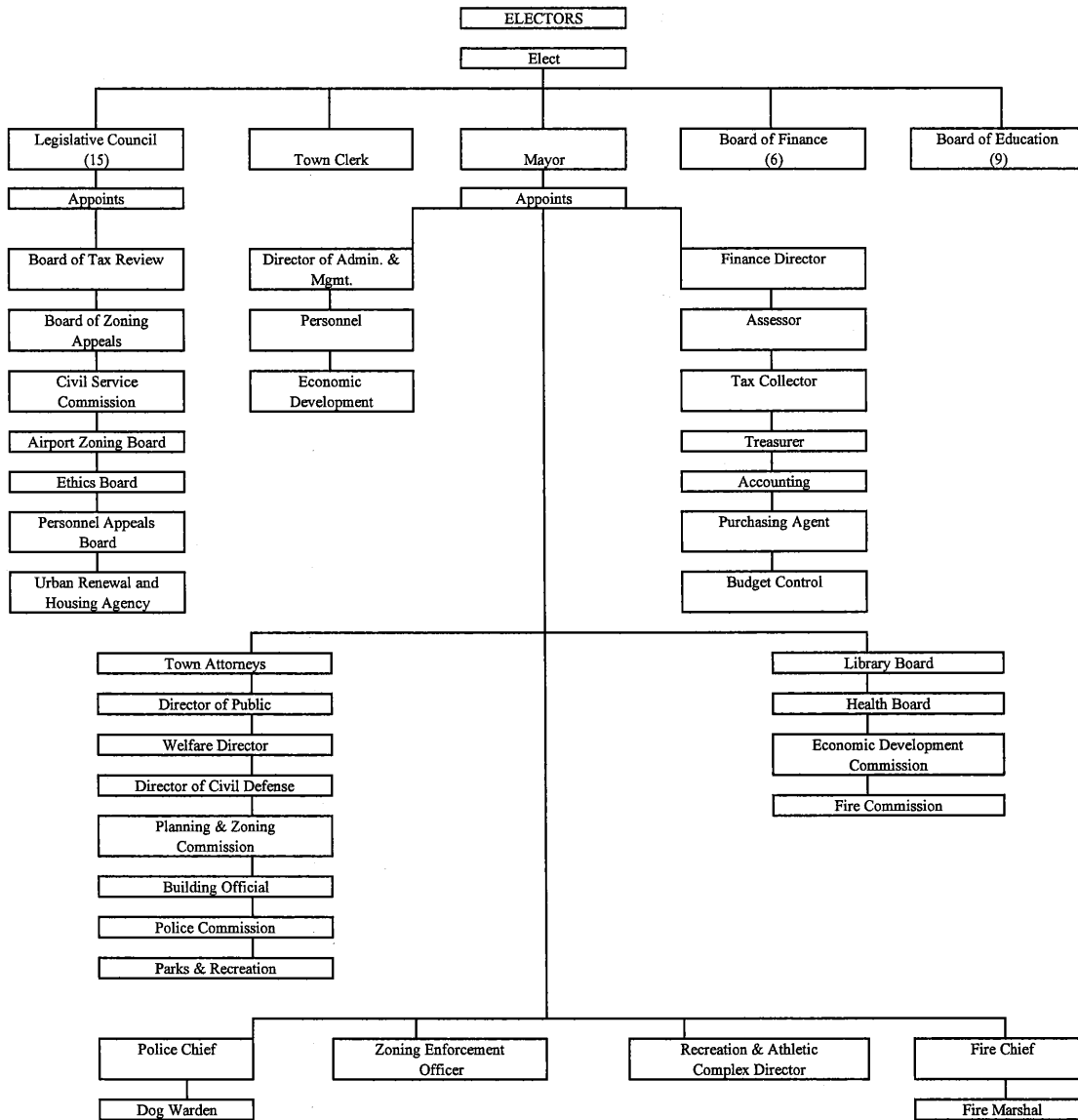
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## **Introductory Section**

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TOWN OF EAST HAVEN, CONNECTICUT

# ORGANIZATIONAL CHART



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## **Financial Section**

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## INDEPENDENT AUDITORS' REPORT

Town Council  
Town of East Haven  
East Haven, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of East Haven, Connecticut, as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the 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 of East Haven, Connecticut, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 17, 2011, 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, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis, and Schedule of Funding Progress and Schedule of Employer Contributions - East Haven Other Post Employment Benefit Plan on pages 4 through 10 and pages 47 and 48, respectively, are not a required part of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

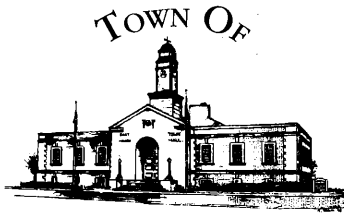


Town of East Haven, Connecticut  
Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of East Haven, Connecticut's basic financial statements. The introductory section and the accompanying financial information listed as supplemental schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements and other schedules as listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and trend information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Kostin, Ruffkess & Company, LLC*

Farmington, Connecticut  
February 17, 2011



## EAST HAVEN

FINANCE DEPARTMENT

Thomas Thompson, CPA, CFP  
Director of Finance

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

As management of the Town of East Haven, we offer readers of the Town of East Haven's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2010.

#### Financial Highlights

- On a government-wide basis, the Town's net assets decreased by \$8,142,680 for the fiscal year. The most significant reasons for the decrease were the operating losses in the capital projects funds of \$(1,118,355) the internal services funds of \$(1,599,698) and the general fund of \$(2,412,128). Additionally, \$2,355,250 of school building grants was recognized as revenue in the fund financials, but had been recorded as revenue in the previous year in the government wide financials.
- The Town's net assets totaled \$30,446,812 at June 30, 2010. Of this amount, the unrestricted net assets was a deficit balance of \$(7,351,451).
- At year end, the unreserved and undesignated fund balance for the general fund was deficit of \$(5,197,136).
- The Town's total long-term obligations increased by \$2,556,360. This is mainly due to a net increase in the other post-retirement benefit liability of \$2,426,967 and the recording of early retirement incentive program liability of \$964,727 implemented this year. These increases were offset by the issuance of new debt net of retirements of \$1,525,000.

#### Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of East Haven's basic financial statements. The Town of East Haven's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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).

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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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 of East Haven uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 a 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.

The Town maintains 35 individual 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, debt service fund, and capital projects fund, which are considered to be major funds. Data from the other 32 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in Schedules 4 and 5 of this report.

The Town adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**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.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the basic 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.

**Other information.** The combining statements and supplemental schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to basic financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by \$30,516,812 at the close of the fiscal year.

#### TOWN OF EAST HAVEN, CONNECTICUT NET ASSETS

	2010	2009
Current and other assets.....	\$ 29,445,882	\$ 33,169,246
Capital assets (net).....	92,350,208	90,116,187
Total assets.....	121,796,090	123,285,433
Current liabilities.....	25,231,600	29,589,116
Long-term liabilities.....	66,117,678	55,252,677
Total liabilities.....	91,349,278	84,841,793
Net assets:		
Invested in capital assets, net of related debt....	35,996,442	36,790,597
Restricted.....	1,801,821	1,829,333
Unrestricted.....	(7,351,451)	(176,290)
TOTAL NET ASSETS.....	\$ 30,446,812	\$ 38,443,640

The largest portion of the Town's net assets reflects its investment in capital assets (e.g., land, construction in progress, land improvements, buildings, building improvements, machinery and equipment, vehicles, and infrastructure); 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.

An additional portion of the Town's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is a deficit in the amount of \$(7,351,451).

**Governmental activities.** Already noted was the statement of activities' purpose in presenting information in how the Town's net assets changed during the most recent fiscal year. The most significant reasons for the decrease were the operating losses in the capital projects funds of \$(1,118,355) the internal services funds of \$(1,599,698) and the general fund of \$(2,412,128). Additionally, \$2,355,250 of school building grants was recognized as revenue in the fund financials, but had been recorded as revenue in the previous year in the government wide financials.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**TOWN OF EAST HAVEN, CONNECTICUT  
CHANGE IN NET ASSETS**

	2010	2009	difference
<b><u>REVENUES:</u></b>			
Program revenues:			
Charges for services.....	\$ 4,742,038	\$ 3,403,976	1,338,062
Operating grants and contributions.....	27,083,953	27,325,227	(241,274)
Capital grants and contributions.....	1,924,549	508,202	1,416,347
General revenues:			
Property taxes.....	51,739,961	50,750,056	989,905
Grants and contributions not restricted to specific programs.....	956,185	1,671,362	(715,177)
Investment income (loss).....	270,295	(316,533)	586,828
Miscellaneous.....	595,559	1,022,800	(427,241)
<b>TOTAL REVENUES.....</b>	<b>87,312,540</b>	<b>84,365,090</b>	<b>2,947,450</b>
<b><u>EXPENSES:</u></b>			
General government.....	5,905,126	7,585,922	(1,680,796)
Public safety.....	13,668,386	13,860,530	(192,144)
Public works.....	10,402,985	9,799,512	603,473
Culture and recreation.....	2,670,130	2,969,521	(299,391)
Health and welfare.....	2,433,413	2,510,330	(76,917)
Education.....	57,924,242	57,168,425	755,817
Interest expense.....	2,450,938	2,163,201	287,737
<b>TOTAL EXPENSES.....</b>	<b>95,455,220</b>	<b>96,057,441</b>	<b>(602,221)</b>
<b>INCREASE (DECREASE) IN NET ASSETS...</b>	<b>(8,142,680)</b>	<b>(11,692,351)</b>	
<b>NET ASSETS - JULY 1 (AS RESTATED).....</b>	<b>38,589,492</b>	<b>50,135,991</b>	
<b>NET ASSETS - JUNE 30.....</b>	<b>\$ 30,446,812</b>	<b>\$ 38,443,640</b>	

**Governmental Activities - Revenues**

The significant changes in revenues for governmental activities for the fiscal year ended June 30, 2010, were as follows:

- Charges for services increased \$1,338,062 substantially due to the activity in the High School rental fund related to the rental activity for the Pathways program.
- Capital grants and contributions increased by \$1,416,347 due to in state grants for capital and public works programs and the school progress payments for the school roof project.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### **Governmental Activities - Expenses**

The significant changes in expenses for governmental activities for the fiscal year ended June 30, 2010, were as follows:

- General government decreased by \$1,680,796 due a decrease in the general government related noncapitalized projects of the capital projects fund as compared to the prior year.
- Public works expense increased \$603,473 due to noncapitalized projects of the capital projects fund.

### **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, unreserved fund balance may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year.

The combined fund balances of governmental funds for the fiscal year ended June 30, 2010, is \$(809,192) including a reserve for endowments in the amount of \$100,000. The unreserved and undesignated portion consists of the general fund in the amount of \$(5,197,136), the special revenue funds of \$597,423, the debt service fund of \$1,814,968, the capital projects funds of \$173,732, and the permanent funds of \$1,701,821 for a total of \$(909,192).

#### **General Fund**

The general fund is the operating fund of the Town. The fund balance of the general fund decreased by \$2,412,128 for the fiscal year. Revenues decreased by \$3,307,443, with tax revenues at \$51,611,706. Intergovernmental revenues decreased by \$3,683,080.

The total final budget was not amended from the original approved budget during the year. Significant budget variances from actual were as follows:

- Police departments had a positive variance of \$245,975 due to a reduction of maintenance costs on vehicles and other equipment.
- Education had a positive variance of \$2,676,984 due to the Stabilization grants being recorded and expended in the Education Grant fund. The same amount was the majority of the revenue decrease noted above since this amount was budgeted as a general fund revenue.

#### **Debt Service Fund**

The debt service fund's net change in fund balance was a decrease of \$390,156 for the fiscal year. This is a result of debt service costs of the sewer bonds greater than investment income earned by the fund.

#### **Capital Projects Fund**

This fund's net change in fund balance was a decrease of \$1,118,355 for the fiscal year, resulting in a fund balance at the end of the year of \$77,318. The decrease was a result of the spending of monies accumulated through debt issuance and general fund appropriations in the prior year.

**Capital Assets and Debt Administration**

At June 30, 2010, the Town of East Haven's investment in capital assets for its governmental activities was \$92,350,208 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, building improvements, machinery and equipment, vehicles and infrastructure (roads, sidewalks and bridges). The net increase in the Town's investment in capital assets for the current fiscal year was \$2,234,021.

The only significant change was that construction in progress increased due the construction of the solar panels on the school roofs.

**TOWN OF EAST HAVEN, CONNECTICUT  
CAPITAL ASSETS - NET**

	2010	2009
Land.....	\$ 2,244,590	\$ 2,244,590
Construction in progress.....	4,590,154	405,275
Land improvements.....	3,355,983	3,173,129
Buildings.....	46,273,405	47,066,115
Building improvements.....	3,030,069	3,163,296
Machinery and equipment.....	2,355,016	2,681,405
Vehicles.....	2,023,659	2,087,631
Infrastructure.....	28,477,332	29,294,746
 TOTAL.....	 \$ 92,350,208	 \$ 90,116,187

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

**Long-term Debt**

For the year ended June 30, 2010, the Town's long-term obligations increased by \$2,556,360. The increase in the net effect of the following items:

- the issuance of new debt of \$95,000
- the issuance of bond anticipation notes of \$4,000,000, which were permanently financed before the report issuance
- the Board of Education implemented an early retirement program during the fiscal year which totaled \$964,727.
- net increase in other post employment retirement benefits of \$2,426,967
- Net new capital lease liability of \$484,047
- principal payments of \$5,620,000

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$48,305,000. Of this amount, \$11,345,814 will be funded from state grants, resulting in net outstanding debt in the amount of \$36,959,186, which is backed by the full faith and credit of the Town of East Haven.

**Long-term Debt (Continued)**

**TOWN OF EAST HAVEN  
OUTSTANDING LONG-TERM DEBT**

	<b>2010</b>	<b>2009</b>
General purpose bonds	\$ 23,448,000	\$ 25,234,920
School bonds	22,697,000	26,075,080
Sewer	2,160,000	2,520,000
Total	<u>\$ 48,305,000</u>	<u>\$ 53,830,000</u>

The Town maintains an "Baa1" rating from Moody's and an "A-/ Stable" from Standard and Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 ¼ to 4 ½ times total tax collections including interest and lien fees and the tax relief for the elderly freeze grant. The current debt limitation for the Town is \$355,570,040, 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.

**Next Year's Budgets and Rates**

Town officials considered many factors when setting the fiscal year 2011 budget. The Town decided that it was important to adopt a budget designed to promote long-term fiscal stability. This included an appropriation of \$2,785,008 to fund the prior year deficit fund balance as required by State Statutes. 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 2011 general fund budget was \$85,670,735, an increase of 7.3% over the prior year. Budgeted revenue was decreased to more accurately reflect past performance.

**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 request for additional financial information, should be directed to Mr. Thomas Thompson, Director of Finance, Town of East Haven, 250 Main Street, East Haven, Connecticut 06512.

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## **Basic Financial Statements**

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**TOWN OF EAST HAVEN, CONNECTICUT**

**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

	<b>GOVERNMENTAL ACTIVITIES</b>
<b><u>ASSETS</u></b>	
Current assets:	
Cash.....	\$ 3,576,697
Investments.....	6,583,456
Receivables:	
Property taxes.....	1,156,904
Intergovernmental.....	2,969,892
Other.....	838,750
Other.....	29,275
Total current assets.....	15,154,974
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash.....	17,060
Investments.....	1,684,761
Permanently restricted:	
Investments.....	100,000
Total restricted assets.....	1,801,821
Receivables (net):	
Property taxes.....	1,476,659
Intergovernmental.....	10,984,099
Total receivables (net).....	12,460,758
Other noncurrent assets.....	28,329
Capital assets (net of accumulated depreciation):	
Land.....	2,244,590
Construction in progress.....	4,590,154
Land improvements.....	3,355,983
Buildings.....	46,273,405
Building improvements.....	3,030,069
Machinery and equipment.....	2,355,016
Vehicles.....	2,023,659
Infrastructure.....	28,477,332
Total capital assets (net of accumulated depreciation)...	92,350,208
Total noncurrent assets.....	106,641,116
TOTAL ASSETS.....	121,796,090

(Continued)

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

**TOWN OF EAST HAVEN, CONNECTICUT**

**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

		GOVERNMENTAL ACTIVITIES
<u>LIABILITIES</u>		
LIABILITIES:		
Current liabilities:		
Accounts payable.....	\$	3,387,288
Accrued payroll.....		4,508,272
Accrued interest payable.....		1,024,961
Unearned revenue.....		1,408,881
Bond anticipation notes.....		4,000,000
Bonds and notes payable.....		5,500,000
Capital lease payable.....		235,985
Compensated absences.....		1,473,863
Early retirement incentive.....		321,576
Claims and judgements.....		3,370,774
Total current liabilities.....		25,231,600
Noncurrent liabilities:		
Bonds, notes and related liabilities.....		46,369,719
Capital lease payable.....		248,062
Compensated absences.....		5,895,453
Claims and judgements.....		8,658,326
Early retirement incentive.....		643,151
Net OPEB obligations.....		4,208,123
Other liabilities.....		94,844
Total noncurrent liabilities.....		66,117,678
TOTAL LIABILITIES.....		91,349,278
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt.....		35,996,442
Restricted for:		
Endowments:		
Nonexpendable.....		100,000
Expendable.....		1,701,821
Unrestricted.....		(7,351,451)
TOTAL NET ASSETS.....	\$	30,446,812
(Concluded)		

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

**EXHIBIT B****TOWN OF EAST HAVEN, CONNECTICUT**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010

					NET REVENUE (EXPENSES) AND CHANGES IN NET ASSETS
FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			TOTAL GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES:					
General government.....	\$ 5,905,126	\$ 994,031	\$ 10,000	\$	\$ (4,901,095)
Public safety.....	13,668,386	864,981	114,958		(12,688,447)
Public works.....	10,402,985	174,740		975,665	(9,252,580)
Culture and recreation.....	2,670,130	563,289	69,688		(2,037,153)
Health and welfare.....	2,433,413	327,637	34,319		(2,071,457)
Education.....	57,924,242	1,817,360	26,854,988	948,884	(28,303,010)
Interest expense.....	2,450,938				(2,450,938)
TOTAL.....	\$ 95,455,220	\$ 4,742,038	\$ 27,083,953	\$ 1,924,549	\$ (61,704,680)
GENERAL REVENUES:					
Property taxes.....					\$ 51,739,961
Grants and contributions not restricted to specific programs.....					956,185
Investment income (loss).....					270,295
Miscellaneous.....					595,559
TOTAL GENERAL REVENUES .....					53,562,000
CHANGE IN NET ASSETS.....					(8,142,680)
NET ASSETS - JULY 1, 2009 (AS RESTATED).....					38,589,492
NET ASSETS - JUNE 30, 2010.....					\$ 30,446,812

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

TOWN OF EAST HAVEN, CONNECTICUTBALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010

	GENERAL	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>					
Cash.....	\$ 2,924,841	\$ 25,611	\$	\$ 512,792	\$ 3,463,244
Investments.....	3,350,422	1,809,397		1,784,761	6,944,580
Receivables:					
Property taxes.....	2,436,395				2,436,395
Intergovernmental .....				837,394	837,394
Other.....	462,898		7,499	253,190	723,587
Due from other funds.....	1,117,639		4,693,507	407,934	6,219,080
Other.....				29,276	29,276
TOTAL ASSETS.....	\$ 10,292,195	\$ 1,835,008	\$ 4,701,006	\$ 3,825,347	\$ 20,653,556
<u>LIABILITIES AND FUND BALANCES</u>					
LIABILITIES:					
Accounts payable.....	\$ 3,044,365	\$	\$ 141,169	\$ 201,754	\$ 3,387,288
Accrued payroll.....	4,201,091			307,181	4,508,272
Due to other funds.....	5,265,504	20,040	482,519	359,082	6,127,145
Deferred and unearned revenue.....	2,978,371			461,672	3,440,043
Bond anticipation notes.....			4,000,000		4,000,000
TOTAL LIABILITIES.....	15,489,331	20,040	4,623,688	1,329,689	21,462,748
FUND BALANCES:					
Reserved for:					
Endowments.....				100,000	100,000
Unreserved, reported in:					
General fund.....	(5,197,136)				(5,197,136)
Special revenue funds.....				597,423	597,423
Debt service funds.....		1,814,968			1,814,968
Capital projects funds.....			77,318	96,414	173,732
Permanent funds.....				1,701,821	1,701,821
TOTAL FUND BALANCES.....	(5,197,136)	1,814,968	77,318	2,495,658	(809,192)
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 10,292,195	\$ 1,835,008	\$ 4,701,006	\$ 3,825,347	\$ 20,653,556

(Continued)

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

**TOWN OF EAST HAVEN, CONNECTICUT**  
RECONCILIATION OF FUND BALANCES  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2010

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS (EXHIBIT A) ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET. THE DETAILS OF THIS DIFFERENCE ARE AS FOLLOWS:

TOTAL FUND BALANCES (EXHIBIT C, PAGE 1).....	\$	(809,192)
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CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning net capital assets.....		90,116,187
Capital asset additions.....		4,900,105
Depreciation expense.....		(2,666,084)

OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS:

School building grant receivable.....		13,116,597
Property tax interest and lien accrual.....		1,612,168
Property tax receivable - accrual basis change.....		2,031,161
Allowance for doubtful accounts.....		(1,415,000)
Other assets.....		28,329

INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COST OF MEDICAL INSURANCE BENEFITS TO INDIVIDUAL DEPARTMENTS:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.....		(10,451,722)
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SOME LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Bonds and notes payable.....		(52,305,000)
Deferred charge on refunding.....		435,281
Compensated absences.....		(7,369,316)
Capital leases.....		(484,047)
Early retirement.....		(964,727)
Landfill closure costs.....		(94,844)
Net OPEB obligation.....		(4,208,123)
Accrued interest payable.....		(1,024,961)

NET ASSETS OF GOVERNMENTAL ACTIVITIES.....	\$	30,446,812
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(Concluded)

## TOWN OF EAST HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Property taxes.....	\$ 51,611,706	\$	\$	\$	\$ 51,611,706
Charges for services.....	1,854,503		7,499	2,880,036	4,742,038
Intergovernmental.....	22,884,200		948,884	8,441,468	32,274,552
Investment income.....	58,149	66,976		39,436	164,561
Change in fair value of investments.....		4,928		93,300	98,228
Contributions.....				45,385	45,385
Other.....	532,381			63,178	595,559
TOTAL REVENUES.....	76,940,939	71,904	956,383	11,562,803	89,532,029
EXPENDITURES:					
Current:					
General government.....	2,187,345			558,885	2,746,230
Public safety.....	9,770,365			261,967	10,032,332
Public works.....	4,961,020			149,204	5,110,224
Culture and recreation.....	1,064,272			1,062,140	2,126,412
Health and welfare.....	939,844			167,778	1,107,622
Employee benefits and insurance.....	6,503,467				6,503,467
Education.....	44,137,267		746,047	9,918,914	54,802,228
General services.....	1,868,968				1,868,968
Debt service:					
Principal.....	5,353,750	360,000			5,713,750
Interest.....	1,779,536	102,060	40,455		1,922,051
Capital outlay.....			6,129,283	386,563	6,515,846
TOTAL EXPENDITURES.....	78,565,834	462,060	6,915,785	12,505,451	98,449,130
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(1,624,895)	(390,156)	(5,959,402)	(942,648)	(8,917,101)
OTHER FINANCING SOURCES (USES):					
Issuance of debt.....			4,095,000		4,095,000
Capital lease.....			746,047		746,047
Transfers in.....				787,233	787,233
Transfers out.....	(787,233)				(787,233)
NET OTHER FINANCING SOURCES (USES).....	(787,233)	-	4,841,047	787,233	4,841,047
NET CHANGE IN FUND BALANCES.....	(2,412,128)	(390,156)	(1,118,355)	(155,415)	(4,076,054)
FUND BALANCES, JULY 1, 2009 (AS RESTATED).....	(2,785,008)	2,205,124	1,195,673	2,651,073	3,266,862
FUND BALANCES, JUNE 30, 2010.....	\$ (5,197,136)	\$ 1,814,968	\$ 77,318	\$ 2,495,658	\$ (809,192)

The notes to the 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 STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES  
(EXHIBIT B) ARE DUE TO:

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D).....	\$ (4,076,054)
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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 expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay.....	4,900,105
Depreciation expense.....	(2,666,084)

Total .....	2,234,021
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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:

School building grant receipts.....	(2,355,250)
Change in property tax receivable - accrual basis change.....	61,413
Change in property tax interest and lien revenue.....	81,842
Increase in property tax allowance for doubtful accounts.....	(15,000)

Total .....	(2,226,995)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds and notes.....	(4,095,000)
Capital lease.....	(746,047)
Principal repayments:	
General obligation bonds.....	5,620,000
Capital lease.....	262,000

Total .....	1,040,953
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(Continued)

**TOWN OF EAST HAVEN, CONNECTICUT**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010

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:

Compensated absences.....	\$ 311,924
Early retirement.....	(964,727)
Net OPEB obligation.....	(2,426,967)
Accrued interest payable.....	(364,342)
Amortization of deferred charges.....	(69,129)
Other.....	(1,666)
Total .....	<u>(3,514,907)</u>
Internal Service Funds are used by management to charge costs of medical insurance benefits to individual departments.....	<u>(1,607,205)</u>
The net revenue of the activities of the Internal Service Fund is reported with governmental activities.....	<u>7,507</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B) .....	<u>\$ (8,142,680)</u>

(Concluded)

## TOWN OF EAST HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 52,900,748	\$ 52,900,748	\$ 51,611,706	\$ (1,289,042)
Intergovernmental.....	22,598,765	22,598,765	19,737,061	(2,861,704)
Investment income.....	150,000	150,000	58,149	(91,851)
Charges for services.....	3,425,000	3,425,000	1,854,503	(1,570,497)
Other.....	749,187	749,187	532,381	(216,806)
TOTAL REVENUES.....	79,823,700	79,823,700	73,793,800	(6,029,900)
EXPENDITURES:				
Current:				
General government.....	2,533,347	2,544,247	2,187,345	356,902
Public safety.....	9,802,957	10,032,302	9,770,365	261,937
Highways and engineering.....	2,216,212	2,214,899	2,196,770	18,129
Sanitation and maintenance.....	2,771,493	2,772,806	2,764,250	8,556
Health and welfare.....	972,433	979,754	939,844	39,910
Culture and recreation.....	1,090,865	1,147,365	1,064,272	83,093
Employee benefits and insurance.....	6,542,372	6,561,338	6,503,467	57,871
Education.....	43,667,112	43,667,112	40,990,128	2,676,984
General services.....	2,246,500	1,983,358	1,868,968	114,390
Debt service.....	7,193,176	7,133,286	7,133,286	-
TOTAL EXPENDITURES.....	79,036,467	79,036,467	75,418,695	3,617,772
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	787,233	787,233	(1,624,895)	(2,412,128)
OTHER FINANCING SOURCES (USES):				
Transfers out.....	(787,233)	(787,233)	(787,233)	-
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	(2,412,128)	\$ (2,412,128)
FUND BALANCE - JULY 1, 2009.....			(2,785,008)	
FUND BALANCE - JUNE 30, 2010.....			\$ (5,197,136)	

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

**EXHIBIT G****TOWN OF EAST HAVEN, CONNECTICUT****STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2010****ASSETS**

Cash.....	\$ 135,213
Investments.....	1,423,637
Accounts receivable.....	115,163
Due from other funds.....	<u>171,717</u>
TOTAL ASSETS.....	<u>1,845,730</u>

**LIABILITIES**

Current liabilities:	
Cash overdraft.....	4,700
Claims and judgments payable.....	3,370,774
Due to other funds.....	<u>263,652</u>
Total current liabilities.....	3,639,126
Noncurrent liability:	
Claims and judgments payable.....	<u>8,658,326</u>
TOTAL LIABILITIES.....	<u>12,297,452</u>

**NET ASSETS**

Unrestricted.....	<u><u>\$ (10,451,722)</u></u>
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The notes to the financial statements are an integral part of this statement.

**EXHIBIT H****TOWN OF EAST HAVEN, CONNECTICUT**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

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OPERATING REVENUES:	
Charges for services.....	\$ 12,421,482
OPERATING EXPENSES:	
Claims.....	12,480,321
Administration.....	1,548,366
TOTAL OPERATING EXPENSES.....	14,028,687
OPERATING INCOME (LOSS).....	(1,607,205)
NONOPERATING REVENUES:	
Investment income (loss).....	7,507
CHANGES IN NET ASSETS.....	(1,599,698)
NET ASSETS - JULY 1, 2009.....	(8,852,024)
NET ASSETS - JUNE 30, 2010.....	\$ (10,451,722)

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

**EXHIBIT I****TOWN OF EAST HAVEN, CONNECTICUT****STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Premiums received.....	\$ 12,805,253
Payments to vendors.....	(1,548,366)
Payments for claims.....	<u>(12,031,908)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(775,021)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Income (loss) on investments.....	<u>7,507</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(767,514)
CASH AND CASH EQUIVALENTS - JULY 1, 2009.....	<u>2,321,664</u>
CASH AND CASH EQUIVALENTS - JUNE 30, 2010.....	<u><u>\$ 1,554,150</u></u>
<b>RECONCILIATION TO BALANCE SHEET CASH:</b>	
Cash and cash equivalents per above.....	\$ 1,554,150
Cash and cash equivalents reported as investments.....	<u>(1,423,637)</u>
BALANCE SHEET CASH (NET OF CASH OVERDRAFT).....	<u><u>\$ 130,513</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>	
Operating income (loss).....	\$ (1,607,205)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable.....	(27,035)
Due from other funds.....	370,268
Increase (decrease) in:	
Claims and judgments payable.....	448,413
Due to other funds.....	<u>40,538</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u><u>\$ (775,021)</u></u>

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

**TOWN OF EAST HAVEN, CONNECTICUT**STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2010

	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUNDS
<u>ASSETS</u>		
Cash.....	\$ 34,727	\$ 215,513
Investments.....	47,000	44,022
TOTAL ASSETS.....	81,727	259,535
<u>LIABILITY</u>		
LIABILITY:		
Accounts payable.....		259,535
<u>NET ASSETS</u>		
Held in trust for:		
Individuals.....	81,727	
NET ASSETS HELD IN TRUST.....	\$ 81,727	\$ -

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

**EXHIBIT K**

**TOWN OF EAST HAVEN, CONNECTICUT**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

	PRIVATE PURPOSE TRUST FUNDS
ADDITIONS:	
Contributions:	
Private.....	\$ 47,000
Investment income (loss):	
Interest and dividends.....	<u>63</u>
TOTAL ADDITIONS.....	47,063
DEDUCTIONS:	
Scholarships awarded.....	<u>1,000</u>
CHANGE IN NET ASSETS.....	46,063
NET ASSETS, JULY 1, 2009 (AS RESTATED).....	<u>35,664</u>
NET ASSETS, JUNE 30, 2010.....	<u><u>\$ 81,727</u></u>

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

**TOWN OF EAST HAVEN, CONNECTICUT****NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010****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.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *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 are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

**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 fiduciary fund financial statements. Agency funds do not have a measurement focus but are reported on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing 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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

Property taxes, reimbursement type grants, certain intergovernmental revenues, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The *General Fund* is 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.

The *Debt Service Fund* is used to account for resources used to pay off the WPCA bonds.

The *Capital Projects Fund* is used to account for resources to be used for capital expenditures.

Additionally, the Town reports the following fund types:

The *Internal Service Funds* account for risk activities for insurance benefits as allowed by GASB Statement No. 10 and for management services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

The Shinder and Patsy Dilungo Scholarship Funds are *Private-Purpose Trust Funds* and are used to account for resources legally held in trust for various scholarships. All resources of the fund, including any earnings on invested resources, may not be used to support the Town's activities. There is no requirement that any portion of these resources be preserved as capital.

The *Agency Funds* account for monies held on behalf of students and employees and amounts held for performance related activities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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 BASIC FINANCIAL STATEMENTS (CONTINUED)

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 customers for medical insurance benefits, workers' compensation claims and property insurance deductibles. Operating expenses for the enterprise fund and the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**C. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

Deposits - The Town considers cash equivalents as cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Investments - Eligible investments are governed by State of Connecticut Statutes which, in general, 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% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

Investments for the Town are reported at fair value. State Treasurers 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 3-27a - 3-27c. Investment guidelines are adapted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

**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).

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Net Assets or Equity (Continued)**

**2. Receivables and Payables (Continued)**

**b. Property Taxes and Other Receivables**

In the government-wide financial statements, all trade, property tax, sewer use, and sewer assessment receivable are shown net of an allowance for uncollectibles. Allowance percentages range from 17 to 62% 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 within 60 days of June 30, have been recorded as unearned revenue, since they are not considered to be available to finance expenditures of the current fiscal year. Taxes collected during the 60-day period have been recorded as revenue.

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, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$4,000, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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.

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

<u>Assets</u>	<u>Years</u>
Buildings	10-75
Building improvements	50
Land improvements	25
Roads	80
Bridges	50
Vehicles	10-20
Equipment	5-40

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Net Assets or Equity (Continued)**

**5. 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.

**6. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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.

**7. Fund Equity and Net Assets**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

In the government-wide financial statements, net assets are classified into the following categories:

**Invested in Capital Assets, Net of Related Debt**

This category presents the net assets that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purpose is excluded.

**Restricted Net Assets**

This category presents the net assets restricted by external parties (creditors, grantors, contributors or laws and regulations).

**Unrestricted Net Assets**

This category presents the net assets of the Town which are not restricted.

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Net Assets or Equity (Continued)**

**8. 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 including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year.

**9. Comparative Data/Reclassifications**

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

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets and Budgetary Accounting**

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements.

- 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 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. There were no additional appropriations during the year.
- Formal budgetary integration is employed as a management control device during the year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- Budgeted amounts shown are as originally adopted, or as amended by the Town Council during the course of the year.
- 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.

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**A. Budgets and Budgetary Accounting (Continued)**

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 budgetary reports (Exhibit F) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

**B. Budget - GAAP Reconciliation**

A reconciliation of revenues, expenditures, and fund balance between the accounting treatment required by GAAP (Exhibit D), and budgetary requirements (Exhibit F), is as follows:

	<u>REVENUES</u>	<u>EXPENDITURES</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F -		
JUNE 30, 2010 .....	\$ 73,793,800	\$ 75,418,695
State Teachers' Retirement on-behalf payment .....	<u>3,147,139</u>	<u>3,147,139</u>
BALANCE, GAAP BASIS, EXHIBIT D -		
JUNE 30, 2010 .....	<u>\$ 76,940,939</u>	<u>\$ 78,565,834</u>

**C. Donor Restricted Endowments**

The Town has received certain endowments for the Hagan Memorial Library. The amounts are reflected in net assets as restricted for endowments. Investment income (including appreciation) is approved for expenditure by the individual Board of the benefiting activities. At June 30, 2010, the amount of appreciation (depreciation) included in unreserved undesignated fund balance for the Hagan Memorial Library was \$21,880.

**D. Deficit Fund Balance**

The following funds had a deficit fund balance at June 30, 2010:

Day Care Fund.....	\$ 15,147
Workers' Compensation Fund .....	10,657,640

The deficits will be eliminated by future charges for services, premiums charged other funds and transfers from the general fund

The general fund deficit at June 30, 2010 totaled \$5,197,136. In accordance with state statutes, the Town has budgeted the prior year general fund deficit of \$2,785,008 in their 2011 budget.

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### III. DETAILED NOTES

#### A. Cash and Investments

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2010, \$2,844,383 of the Town's bank balance of \$8,055,293, including certificates of deposits and money market accounts, was exposed to custodial credit risk as follows:

Uninsured and uncollateralized .....	\$ 2,509,945
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name .....	<u>334,438</u>
Total amount subject to custodial credit risk.....	<u>\$ 2,844,383</u>

On October 3, 2008, the Emergency Economic Stabilization Act of 2008 increased the insurance coverage offered by the Federal Deposit Insurance Corporation (FDIC) from \$100,000 to \$250,000 per depositor. This limit is anticipated to return to \$100,000 after December 31, 2013. Additionally, under the FDIC's Temporary Liquidity Guarantee Program (TAG), amounts held in non-interest bearing transaction accounts at participating institutions are fully guaranteed by the FDIC through December 31, 2010. Participation in the TAG program by a financial institution is optional, and therefore, not all financial institutions currently participate in the program. This guarantee is anticipated to be reduced to the \$250,000 limit on January 1, 2011, and the \$100,000 limit on January 1, 2014. The Town had amounts in excess of \$250,000 in a single bank during the year. Amounts over \$250,000 are not insured by the FDIC. These balances fluctuate during the year and can exceed this \$250,000 limit. Management regularly monitors the financial institution, together with its cash balances, and tries to keep this potential risk to a minimum.

At June 30, 2010, the Town's investments (including restricted investments) consisted of the following:

TYPE OF INVESTMENT	FAIR VALUE	INVESTMENT MATURITIES (IN YEARS)			
		N/A	LESS THAN 1	1-5 YEARS	5-10 YEARS
Mutual funds:					
Money market mutual funds .....	\$ 116,816	\$	\$ 116,816	\$	\$
Equity mutual funds .....	105,470	105,470			
Bond funds .....	413,095			413,095	
Certificates of deposit.....	1,887,869		525,566	306,673	1,055,630
Bank money market funds.....	1,581,888		1,581,888		
U.S. Treasury notes .....	146,974		39,985	106,989	
Pooled fixed income.....	3,607,633		3,607,633		
Equities .....	<u>599,494</u>	<u>599,494</u>			
TOTAL .....	<u>\$ 8,459,239</u>	<u>\$ 704,964</u>	<u>\$ 5,871,888</u>	<u>\$ 826,757</u>	<u>\$ 1,055,630</u>

Of the \$3,607,633 of pooled fixed income, \$3,131,332 was invested in Short Term Investment Fund (STIF). STIF is an investment pool managed by the State of Connecticut Office of the State Treasurer. The balance was invested in a 2a-7 like pool.

Interest rate risk - 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 - 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.

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**A. Cash and Investments (Continued)**

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

AVERAGE RATING	MONEY MARKET MUTUAL FUNDS	BOND MUTUAL FUNDS	POOLED FIXED INCOME
AAA.....	\$ 40,084	\$ 221,380	\$ 3,607,633
AA.....			
BB.....		42,781	
Unrated.....	76,732	148,934	
TOTAL .....	<u>\$ 116,816</u>	<u>\$ 413,095</u>	<u>\$ 3,607,633</u>

Custodial credit risk - The Town has no formal policy regarding 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.

	TOTAL	LESS INSURED AMOUNTS	AMOUNT SUBJECT TO CUSTODIAL CREDIT RISK
US Treasury notes.....	\$ 146,974	\$ 146,974	\$ -
Equities.....	599,494	500,000	99,494
TOTAL .....	<u>\$ 746,468</u>	<u>\$ 646,974</u>	<u>\$ 99,494</u>

**B. Receivables**

Receivables as of year end for the Town's government-wide financial statements by type, including the applicable allowances for uncollectibles, are as follows:

	TAXES	PROPERTY TAXES INTEREST & LIEN FEES	TOTAL
Current Portion.....	<u>\$ 994,049</u>	<u>\$ 162,855</u>	<u>\$ 1,156,904</u>
Long-term Portion.....	\$ 1,442,346	\$ 1,449,313	\$ 2,891,659
Less Allowance for Uncollectibles .....	<u>( 415,000)</u>	<u>( 1,000,000)</u>	<u>( 1,415,000)</u>
Net Long-term Portion.....	<u>\$ 1,027,346</u>	<u>\$ 449,313</u>	<u>\$ 1,476,659</u>

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

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

B. Receivables (Continued)

	UNAVAILABLE	UNEARNED	TOTAL
Delinquent property taxes receivable .....	\$ 2,031,162	\$	\$ 2,031,162
Advance taxes collections .....		947,209	947,209
Grand draw downs prior to meeting all eligibility requirements .....		461,672	461,672
Totals .....	<u>\$ 2,031,162</u>	<u>\$ 1,408,881</u>	<u>\$ 3,440,043</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	BALANCE JULY 1, 2009	INCREASES	DECREASES	BALANCE JUNE 30, 2010
<u>Capital Assets, not Being Depreciated:</u>				
Land .....	\$ 2,244,590	\$	\$	\$ 2,244,590
Construction in progress .....	405,275	4,720,440	535,561	4,590,154
Total Capital Assets, not Being Depreciated .....	<u>2,649,865</u>	<u>4,720,440</u>	<u>535,561</u>	<u>6,834,744</u>
<u>Capital Assets, Being Depreciated:</u>				
Land improvements .....	4,181,824	350,000		4,531,824
Buildings .....	62,511,257	185,561		62,696,818
Building improvements .....	4,468,471			4,468,471
Machinery and equipment .....	4,944,116			4,944,116
Vehicles .....	2,927,822	179,665		3,107,487
Infrastructure .....	36,499,321			36,499,321
Total Capital Assets, Being Depreciated .....	<u>115,532,811</u>	<u>715,226</u>	<u>-</u>	<u>116,248,037</u>
Total Capital Assets .....	<u>118,182,676</u>	<u>5,435,666</u>	<u>535,561</u>	<u>123,082,781</u>
<u>Less Accumulated Depreciation for:</u>				
Land improvements .....	1,008,695	167,146		1,175,841
Buildings .....	15,445,142	978,271		16,423,413
Building improvements .....	1,305,175	133,227		1,438,402
Machinery and equipment .....	2,262,711	326,389		2,589,100
Vehicles .....	840,191	243,637		1,083,828
Infrastructure .....	7,204,575	817,414		8,021,989
Total Accumulated Depreciation .....	<u>28,066,489</u>	<u>2,666,084</u>	<u>-</u>	<u>30,732,573</u>
Total Capital Assets, Being Depreciated, net .....	<u>87,466,322</u>	<u>( 1,950,858)</u>	<u>-</u>	<u>85,515,464</u>
Governmental Activities Capital Assets, net .....	<u>\$ 90,116,187</u>	<u>\$ 2,769,582</u>	<u>\$ 535,561</u>	<u>\$ 92,350,208</u>

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**C. Capital Assets (Continued)**

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

Governmental Activities:

General government .....	\$ 42,431
Public safety .....	267,732
Public works .....	1,027,983
Culture and recreation .....	74,929
Health and welfare .....	2,829
Education .....	<u>1,250,180</u>

Total Depreciation Expense - Governmental Activities .....	<u>\$2,666,084</u>
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**Construction Commitments**

At June 30, 2010, the Town had no construction commitments.

**D. Interfund Accounts**

**1. Interfund Payables and Receivables**

A summary of interfund balances as of June 30, 2010 is as follows:

MAJOR FUNDS:	CORRESPONDING FUND	DUE FROM	DUE TO
GENERAL FUND:			
Debt service .....	N/A	\$ 20,040	\$
Capital projects .....	N/A	482,519	1,456,028
Public safety .....	N/A	20,107	41,940
Historical documents preservation .....	N/A		51,918
Economic Development .....	N/A		3,445
Town pool repair .....	N/A		880
Open space .....	N/A		45,000
Workforce Alliance .....	N/A		31
Marine enforcement grants .....	N/A		14,665
Public works state aid .....	N/A		54,645
Permanent patch fund .....	N/A		3,346
East Haven kennel club .....	N/A		15,891
Dog licenses .....	N/A		10,454
Senior center special funding .....	N/A		12
Health and welfare .....	N/A	1,565	89,983
Land acquisition .....	N/A		3,860
Emergency management fund .....	N/A		24,129
High school rental .....	N/A	126,884	
Education grants .....	N/A	175,000	
Road Bonding 2008 .....	N/A		6,840
LOCIP .....	N/A	27,872	
School roofs and solar panels .....	N/A		3,237,479
LOCIP town clerk fees .....	N/A		33,241
Self insurance reserve .....	N/A	65,942	
Workers' compensation .....	N/A	197,710	
Medical insurance .....	N/A		<u>171,717</u>
TOTAL GENERAL FUND .....		<u>1,117,639</u>	<u>5,265,504</u>

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**D. Interfund Accounts (Continued)**

**1. Interfund Payables and Receivables (Continued)**

MAJOR FUNDS: (Continued)	CORRESPONDING FUND	DUE FROM	DUE TO
DEBT SERVICE FUND:			
WPCA debt service fund.....	General Fund	\$	\$ 20,040
CAPITAL PROJECTS:			
Capital Projects .....	General Fund	1,456,028	482,519
School roof and solar panels .....	General Fund	3,237,479	
TOTAL CAPITAL PROJECTS .....		4,693,507	482,519
NONMAJOR FUNDS:			
SPECIAL REVENUE FUNDS:			
Public safety .....	General Fund	41,940	20,107
Historical documents preservation .....	General Fund	51,918	
Economic Development .....	General Fund	3,445	
Town pool repair .....	General Fund	880	
Open space .....	General Fund	45,000	
Workforce Alliance.....	General Fund	31	
Marine enforcement grants .....	General Fund	14,665	
Public works state aid .....	General Fund	54,645	
Permanent patch fund.....	General Fund	3,346	
East Haven kennel club .....	General Fund	15,891	
Dog licenses .....	General Fund	10,454	
Senior center special funding.....	General Fund	12	
Health and welfare .....	General Fund	89,983	1,565
Land acquisition.....	General Fund	3,860	
Emergency management fund.....	General Fund	24,129	
High school rental .....	General Fund		126,884
School lunch.....	Education Grants		7,654
Education grants fund .....	General Fund		175,000
Education grants fund .....	General Fund		
Education grants fund .....	School Lunch	7,654	
TOTAL SPECIAL REVENUE FUNDS.....		367,853	331,210
CAPITAL PROJECTS:			
Road Bonding 2008 .....	General Fund	6,840	
LOCIP .....	General Fund		27,872
LOCIP town clerk fees.....	General Fund	33,241	
TOTAL CAPITAL PROJECTS FUNDS.....		40,081	27,872
TOTAL NONMAJOR GOVERNMENTAL FUNDS.....		407,934	359,082
INTERNAL SERVICE FUNDS:			
Self insurance reserve.....	General Fund		65,942
Workers' compensation.....	General Fund		197,710
Medical self-insurance .....	General Fund	171,717	
TOTAL INTERNAL SERVICE FUNDS .....		171,717	263,652
TOTAL .....		\$ 6,390,797	\$ 6,390,797

All interfund balances result from the time lag between the debt payments occurred between funds for short-term internal financing.

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**D. Interfund Accounts (Continued)**

**2. Interfund Transfers**

A summary of interfund transfers as of June 30, 2010 is as follows:

	<u>CORRESPONDING FUND</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
<u>MAJOR FUNDS:</u>			
GENERAL FUND:			
Hagaman Memorial Library.....	N/A	\$	\$ 701,733
Athletic Department.....	N/A		25,500
School Lunch.....	N/A		60,000
TOTAL GENERAL FUND.....			<u>787,233</u>
<u>NONMAJOR FUNDS:</u>			
SPECIAL REVENUE FUNDS:			
Hagaman Memorial Library.....	General Fund	701,733	
Athletic Department.....	General Fund	25,500	
School Lunch.....	General Fund	60,000	
TOTAL SPECIAL REVENUE FUNDS.....		<u>787,233</u>	-
GRAND TOTAL.....		<u>\$ 787,233</u>	<u>\$ 787,233</u>

Transfers are used to account for the financing by the general fund of various program and activities in other funds.

**E. Short-Term Obligations - Bond Anticipation Notes**

The Town uses bond anticipation notes during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Short-term obligation activity for the year ended June 30, 2010, was as follows:

	<u>BALANCE JULY 1, 2009</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>PERMANENTLY FINANCED</u>	<u>BALANCE JUNE 30, 2010</u>
<u>BOND ANTICIPATION NOTES:</u>					
Capital Improvements 2010.....	\$	\$ 2,500,000	\$	\$ 2,500,000	\$ -
School Improvements.....		5,500,000		1,500,000	4,000,000
TOTAL .....	<u>\$ -</u>	<u>\$ 8,000,000</u>	<u>\$ -</u>	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>

The bond anticipation notes mature August 2, 2010, and carry an interest rate of 3.24%. The notes were issued to provide interim funding for various capital projects.

In July 2010, the Town issued \$4,000,000 of bond anticipation notes with an interest rate of 3.00%, maturing in August 2011 to provide money for school projects.

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**F. Changes in Long-Term Obligations**

**1. Summary of Changes**

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

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2009	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2010	CURRENT PORTION
<b><u>BONDS/NOTES:</u></b>									
General Purpose:									
Refunding Bond.....	\$ 7,873,000	10/01/98	2011	4.25-4.80%	\$ 566,800	\$	\$ 296,400	\$ 270,400	\$ 270,400
Improvement Bond.	6,800,000	12/01/01	2022	4.39%	4,420,000		340,000	4,080,000	340,000
Refunding Bond.....	4,505,600	02/15/03	2016	3.44%	2,252,120		425,520	1,826,600	412,150
Improvement Bond.	6,031,000	08/15/05	2025	4.10%	5,296,000		260,000	5,036,000	285,000
Refunding Bond.....	3,609,000	08/15/05	2019	3.84%	2,350,000		410,000	1,940,000	400,000
Improvement Bond.	3,000,000	08/24/07	2028	4.1-5.5%	2,850,000		150,000	2,700,000	150,000
Improvement Bond.	7,595,000	7/22/09	2028	5.00-6.00%	7,500,000	95,000		7,595,000	
Total General Purpose.....					25,234,920	95,000	1,881,920	23,448,000	1,857,550
Schools:									
Refunding .....	7,267,000	10/01/98	2011	4.25-4.80%	523,200		273,600	249,600	249,600
Refunding .....	25,294,400	02/15/03	2017	3.4386%	14,657,880		2,089,480	12,568,400	2,057,850
School Bonds .....	149,000	08/15/05	2025	4.1005%	104,000		15,000	89,000	15,000
Refunding .....	13,991,000	08/15/05	2019	3.8399%	10,790,000		1,000,000	9,790,000	960,000
Total Schools .....					26,075,080	-	3,378,080	22,697,000	3,282,450
Sewer:									
Sewer Bond.....	5,000,000	12/01/01	2016	4.3899%	2,520,000		360,000	2,160,000	360,000
TOTAL BONDS/NOTES.....					53,830,000	95,000	5,620,000	48,305,000	5,500,000
DEFERRED CHARGES.....					( 504,410)		( 69,129)	( 435,281)	
TOTAL BONDS/NOTES AND RELATED LIABILITIES.....					53,325,590	95,000	5,550,871	47,869,719	5,500,000
BOND ANTICIPATION NOTES .....						4,000,000		4,000,000	
CAPITAL LEASE.....						746,047	262,000	484,047	235,985
COMPENSATED ABSENCES .....					7,681,239	1,922,954	2,234,877	7,369,316	1,473,863
EARLY RETIREMENT.....						964,727		964,727	321,576
NET OPEB OBLIGATIONS.....					1,781,156	4,728,218	2,301,251	4,208,123	
LANDFILL CLOSURE COSTS.....					94,844			94,844	
CLAIMS AND JUDGMENTS (Internal Service Funds).....					11,580,687	448,413		12,029,100	3,370,774
TOTAL LONG-TERM OBLIGATIONS .....					\$ 74,463,516	\$ 12,905,359	\$ 10,348,999	\$ 77,019,876	\$ 10,902,198

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**F. Changes in Long-Term Obligations (Continued)**

**1. Summary of Changes (Continued)**

The following is a summary of amounts to be provided by the State of Connecticut for the retirement of school bonds and bond and note maturities:

FISCAL YEAR ENDED JUNE 30,	AMOUNT TO BE PROVIDED BY STATE PRINCIPAL	AMOUNT TO BE PROVIDED BY STATE INTEREST	BONDS	
			PRINCIPAL	INTEREST
2011	\$ 1,685,918	\$ 446,579	\$ 5,500,000	\$ 2,163,616
2012	1,623,707	374,251	5,170,000	1,757,555
2013	1,625,313	307,591	5,610,000	1,537,505
2014	1,531,783	244,906	5,360,000	1,311,675
2015	1,429,567	181,563	5,120,000	1,081,133
2016	1,430,129	117,053	4,745,000	858,306
2017	1,050,385	63,363	3,495,000	679,129
2018	629,385	28,219	2,500,000	551,688
2019	339,627	7,258	1,940,000	456,063
2020			1,290,000	386,325
2021			1,290,000	328,176
2022			1,290,000	268,688
2023			950,000	217,488
2024			950,000	174,101
2025			950,000	130,501
2026			600,000	93,563
2027			565,000	64,313
2028			565,000	35,962
2029			415,000	10,894
TOTALS	<u>\$11,345,814</u>	<u>\$ 1,770,783</u>	<u>\$48,305,000</u>	<u>\$12,106,681</u>

All long-term liabilities listed above after bonds and notes are generally liquidated by the General Fund.

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

CATEGORY	DEBT LIMIT	INDEBTEDNESS	NET BALANCE
General purpose .....	\$ 114,290,370	\$ 25,948,000	\$ 88,342,370
Schools .....	228,580,740	16,851,186	211,729,554
Sewers .....	190,483,950	2,160,000	188,323,950
Urban renewal .....	165,086,090		165,086,090
Pension deficit .....	152,387,160		152,387,160

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**F. Changes in Long-Term Obligations (Continued)**

**1. Summary of Changes (Continued)**

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$355,570,040.

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. School building grants receivable of \$11,345,814 for bond principal is reflected as deductions in the computation of net indebtedness.

**2. Landfill Closure and Postclosure Care Costs**

State and Federal laws and regulations require landfill closures to meet certain standards. The Town is in the process of finalizing an agreement with the State Department of Environmental Protection for final closing of the land fill. The monitoring costs for the next 30 years at \$3,161 per year are \$94,844. These amounts are based on estimates which are subject to change due to inflation, technology or applicable laws and regulations.

**3. Capital Lease**

The Town/Board of Education has entered into a lease agreement for the purchase of computers. The annual payments for the agreement are provided for by annual general fund appropriations.

The computers are below the capitalization threshold and therefore are not reported as capital assets

The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The following is a schedule of the minimum lease payments under the lease, and the present value of the future minimum lease payments at June 30, 2010.

YEAR ENDING <u>JUNE 30,</u>	
2011	\$ 262,000
2012	262,000
Less: amount representing interest	( 39,953)
Present value of minimum lease payments	<u>\$ 484,047</u>

**4. Authorized/Unissued Bonds**

At June 30, 2010, the Town had authorized and unissued bonds as follows:

	<u>AUTHORIZED/ UNISSUED BONDS</u>
General purpose.....	\$ 4,552,493
Schools .....	<u>5,135,000</u>
Total.....	<u>\$ 9,687,493</u>

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**III. DETAILED NOTES (CONTINUED)**

**F. Changes in Long-Term Obligations (Continued)**

**5. 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. As of June 30, 2010, the amount of defeased debt outstanding but removed from the Town's financial statements amounted to \$25,580,000.

**5. Subsequent Event**

In July 2010, the Town issued \$5,155,000 of general obligation bonds and \$3,880,000 of refunding bonds with interest rates of 3.00% to 5.00% maturing through 2030. The bonds were issued to pay off the \$4,000,000 of bond anticipation notes outstanding and \$1,155,000 for capital improvements.

**IV. OTHER INFORMATION**

**A. Risk Management**

The Town is exposed to various risks of loss related to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town purchases commercial insurance for all risks of loss, including blanket and umbrella policies. 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 established internal service funds, the Medical Insurance Fund and the Workers' Compensation Fund, to account for and finance the retained risk of loss for Town Employee medical benefits coverage and workers' compensation claims. A third party administers the plans for which the fund pays a fee.

The Town has purchased a stop loss policy for individual claims exceeding \$100,000 for the medical insurance, and \$500,000 for the workers' compensation fund.

In addition, the Town has established an Internal Service Fund to reduce the cost of commercial insurance by raising the deductibles on the policies purchased.

The claims liability reported is based upon the requirements of GASB Statements No. 10 and 30, 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.

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**A. Risk Management**

The claim accrual does not include other allocated or unallocated claims adjustment expenses.

	CLAIMS PAYABLE JULY 1,	CURRENT YEAR CLAIMS AND CHANGES IN ESTIMATES	CLAIMS PAID	CLAIMS PAYABLE JUNE 30,
Self-Insurance Fund:				
2009	\$ 590,300	\$ 537,739	\$ 531,660	\$ 596,379
2010	596,379	475,379	301,758	770,000
Workers' Compensation Fund:				
2009	\$ 7,724,690	4,457,798	2,119,406	10,063,082
2010	10,063,082	2,585,275	2,193,127	10,455,230
Medical Insurance Fund:				
2009	\$ 790,843	9,925,015	9,794,632	921,226
2010	921,226	9,419,667	9,537,023	803,870

**B. Commitments and Litigation**

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by legal counsel to be likely to result in a judgment or judgments, which would materially affect the Town's financial position.

**C. Pension Plans**

**Municipal Employees' Retirement Fund**

**a. Plan Description**

All Town employees participate in the Municipal Employees' Retirement System (MERS). MERS is the administrator of a cost-sharing, multiple employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. The Pension Commission makes recommendations for plan provisions which are approved by the Board of Finance. MERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. MERS issues a publicly available financial report which may be obtained by writing to the State of Connecticut Retirement and Benefit Services Division, Office of the State Comptroller, 55 Elm Street, Hartford, CT 06106.

**b. Plan Provisions**

Plan provisions are set by Statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. All benefits vest after 5 years of continuous service. Members who retire after age 55 with 10 years of service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life.

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plans**

**Municipal Employees' Retirement Fund**

**c. Funding Policy**

Covered employees are required by State Statute to contribute 2¼% of earnings upon which Social Security tax is paid, plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining costs of the plan.

The required and actual contributions for the years ended June 30, 2008, 2009 and 2010 were \$1,257,771, \$1,336,156 and \$1,496,298, respectively.

**D. Other Post-Employment Benefits Plan**

**1. Plan Description**

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 do not issue stand alone financial reports.

**2. Benefit Provisions**

**a. 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.

**b. Employer Contributions**

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town and Board of Education's total plan contributions were \$1,098,009 and \$1,203,242, respectively.

**c. Employee Contributions**

There are no employee contributions to the plan.

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**D. Other Post-Employment Benefits Plan (Continued)**

**3. Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2009, the date of the last available actuarial valuation, was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER/ (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
<u>TOWN</u>						
JULY 1, 2008	\$ -	\$55,747,276	\$(55,747,276)	0.0%	N/A	N/A
<u>BOARD OF EDUCATION</u>						
JULY 1, 2008	\$ -	\$18,154,621	\$(18,154,621)	0.0%	N/A	N/A

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, immediately following the notes to the financial statements (RSI), presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

**4. Actuarial Methods and Assumptions**

Projections of benefits are based on the substantive plans (the plans as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarially accrued liabilities and the actuarial value of assets.

The data presented in the schedules of funding progress and schedules of contributions were determined as part of the actuarial valuation at the date indicated. Additional information for all plans as of the latest valuation date is as follows:

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**D. Other Post-Employment Benefits Plan (Continued)**

**4. Actuarial Methods and Assumptions (Continued)**

VALUATION DATE	July 1, 2008
ACTUARIAL COST METHOD	Projected Unit Credit
AMORTIZATION METHOD	Level Dollar
REMAINING AMORTIZATION PERIOD - TOWN	29 years open
REMAINING AMORTIZATION PERIOD - BOE	18 years open
ASSET VALUATION METHOD	Fair Value

**ACTUARIAL ASSUMPTIONS:**

Investment rate of return	4.5%
Healthcare inflation rate:	
Initial	10%
Ultimate	5%

**5. Annual OPEB Cost and Net OPEB Obligation (NOO)**

The changes in the NOO were as follows:

	TOWN	BOARD OF EDUCATION
Annual required contribution.....	\$ 3,402,672	\$ 1,311,234
Interest on net OPEB obligation .....	78,711	1,441
Adjustment to annual required contribution.....	( 63,840)	( 2,000)
Annual OPEB cost.....	3,417,543	1,310,675
Contributions made .....	<u>1,098,009</u>	<u>1,203,242</u>
Change in net OPEB obligation .....	2,319,534	107,433
Net OPEB obligation - July 1, 2009 .....	<u>1,749,140</u>	<u>32,016</u>
Net OPEB obligation - June 30, 2010.....	<u>\$ 4,068,674</u>	<u>\$ 139,449</u>

TOWN OF EAST HAVEN, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**D. Other Post-Employment Benefits Plan (Continued)**

**6. Two Year Trend Information**

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
TOWN			
2010	\$ 3,417,543	32.1%	\$ 4,068,674
2009	3,251,952	46.2%	1,749,140
BOARD OF EDUCATION			
2010	\$ 1,310,675	91.8%	\$ 139,449
2009	1,252,326	97.4%	32,016

**E. On-Behalf Payments**

The amount of the State Teachers' Retirement Plan contribution recognized in the General Fund intergovernmental revenues and education expenditures for contributions made by the State on-behalf of the Town's teachers was \$3,147,139.

**F. Prior Period Adjustment**

The beginning net assets and fund balances were restated as follows:

	Governmental Activities	Capital Projects Funds	Nonmajor Governmental Funds	Private Purpose Trust Funds
BALANCE, JUNE 30, 2009.....	\$ 38,443,640	\$ 822,764	\$ 3,058,965	\$ -
To reclass School Roof & Solar Panels Fund to Capital Projects Fund.....		372,909	( 372,909)	
To reclass Adult Education from Agency Funds to Nonmajor Governmental Funds.....	681		681	
To adjust for prior year Private Purpose Trust Funds recorded as Nonmajor Funds.....	( 35,664)		( 35,664)	35,664
To adjust net OPEB obligation.....	180,835			
BALANCE, JULY 1, 2009.....	\$ 38,589,492	\$ 1,195,673	\$ 2,651,073	\$ 35,664

**TOWN OF EAST HAVEN, CONNECTICUT****REQUIRED SUPPLEMENTARY INFORMATION  
EAST HAVEN OTHER POST EMPLOYMENT BENEFIT PLANS****SCHEDULE OF FUNDING PROGRESS****TOWN PLAN**

	<b>A</b>	<b>B</b>	<b>(A-B)</b>	<b>(A/B)</b>	<b>C</b>	<b>[(A-B)/C]</b>
<b>ACTUARIAL VALUATION DATE</b>	<b>ACTUARIAL VALUE OF ASSETS</b>	<b>ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT</b>	<b>OVER (UNDER) FUNDED AAL</b>	<b>FUNDED AAL RATIO</b>	<b>COVERED PAYROLL</b>	<b>OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL</b>
<b>JUNE 30,</b>						
2009	\$ -	\$ 55,747,276	\$ (55,747,276)	0.0%	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A

**BOARD OF EDUCATION PLAN**

	<b>A</b>	<b>B</b>	<b>(A-B)</b>	<b>(A/B)</b>	<b>C</b>	<b>[(A-B)/C]</b>
<b>ACTUARIAL VALUATION DATE</b>	<b>ACTUARIAL VALUE OF ASSETS</b>	<b>ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT</b>	<b>OVER (UNDER) FUNDED AAL</b>	<b>FUNDED AAL RATIO</b>	<b>COVERED PAYROLL</b>	<b>OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL</b>
<b>JUNE 30,</b>						
2009	\$ -	\$ 18,154,621	\$ (18,154,621)	0.0%	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A

N/A - No data available due to biennial valuations being performed

**TOWN OF EAST HAVEN, CONNECTICUT****REQUIRED SUPPLEMENTARY INFORMATION  
EAST HAVEN OTHER POST EMPLOYMENT BENEFIT PLANS****SCHEDULE OF EMPLOYER CONTRIBUTIONS****TOWN PLAN**

<b>ACTUARIAL VALUATION DATE</b>	<b>ANNUAL REQUIRED CONTRIBUTIONS</b>	<b>ACTUAL CONTRIBUTIONS</b>	<b>PERCENTAGE CONTRIBUTED</b>
<b>JUNE 30,</b>			
2009	\$ 3,251,952	\$ 1,502,812	46.2%
2010	3,402,672	1,098,009	32.3%

**BOARD OF EDUCATION PLAN**

<b>ACTUARIAL VALUATION DATE</b>	<b>ANNUAL REQUIRED CONTRIBUTIONS</b>	<b>ACTUAL CONTRIBUTIONS</b>	<b>PERCENTAGE CONTRIBUTED</b>
<b>JUNE 30,</b>			
2009	\$ 1,252,326	\$ 1,220,310	97.4%
2010	1,311,234	1,203,242	91.8%

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## **Supplemental Schedules**

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## **General Fund**

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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, development and conservation, 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 AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>PROPERTY TAXES:</b>				
Real estate.....	\$ 45,715,671	\$ 45,715,671	\$ 45,377,850	\$ (337,821)
Motor vehicle & personal property.....	4,331,408	4,331,408	4,187,903	(143,505)
Supplemental motor vehicle.....	450,000	450,000	320,434	(129,566)
Delinquent taxes.....	910,000	910,000	482,510	(427,490)
Suspense collections.....	197,000	197,000	124,669	(72,331)
Interest, penalties & liens.....	625,000	625,000	470,421	(154,579)
P.I.L.O.T. water authority.....	486,933	486,933	487,176	243
P.I.L.O.T. GNHWPCA.....	63,000	63,000	63,000	-
Telecommunication property tax.....	121,736	121,736	97,743	(23,993)
<b>TOTAL PROPERTY TAXES.....</b>	<b>52,900,748</b>	<b>52,900,748</b>	<b>51,611,706</b>	<b>(1,289,042)</b>
<b>INTERGOVERNMENTAL REVENUES:</b>				
State aid school construction.....	2,355,250	2,355,250	2,355,253	3
Health & welfare non public school.....	32,998	32,998	17,344	(15,654)
Pupil transportation.....	446,830	446,830	291,115	(155,715)
Education block grant.....	18,764,125	18,764,125	16,095,095	(2,669,030)
P.I.L.O.T. state property.....	241,296	241,296	241,705	409
P.I.L.O.T. Pequot funds.....	157,352	157,352	155,757	(1,595)
Elderly circuit breaker.....	355,696	355,696	339,453	(16,243)
Tax relief elderly.....	25,165	25,165	25,166	1
Veterans' exemption.....	83,356	83,356	82,497	(859)
Disability reimbursement.....	4,597	4,597	4,348	(249)
Manufacturer equipment.....	32,500	32,500	38,360	5,860
P.I.L.O.T. Aircraft.....	3,000	3,000		(3,000)
Off Track Betting (OTB).....	70,000	70,000	68,899	(1,101)
General assistance reimb.....	1,000	1,000		(1,000)
State of CT. dept of children.....	25,600	25,600	22,069	(3,531)
<b>TOTAL INTERGOVERNMENTAL REVENUES.....</b>	<b>22,598,765</b>	<b>22,598,765</b>	<b>19,737,061</b>	<b>(2,861,704)</b>
<b>INVESTMENT INCOME.....</b>	<b>150,000</b>	<b>150,000</b>	<b>58,149</b>	<b>(91,851)</b>
<b>CHARGES FOR SERVICES:</b>				
Zoning board of appeals.....	5,000	5,000	4,116	(884)
Zoning fees.....	20,000	20,000	14,455	(5,545)
Police permits, tags, etc.....	15,000	15,000	15,218	218
Fire permits/fees.....	2,500	2,500	1,570	(930)
Town clerk fees.....	400,000	400,000	419,629	19,629
Building dept permits.....	150,000	150,000	105,559	(44,441)
Recreation fees.....	115,000	115,000	102,249	(12,751)
Pool fees.....	20,000	20,000	7,450	(12,550)
Athletic complex fees.....	300,000	300,000	280,088	(19,912)
C.A.M. fees.....	1,000	1,000	200	(800)
Human services fees.....	155,000	155,000	165,162	10,162
Landfill fees.....	27,500	27,500	17,795	(9,705)
Solid waste hauler fees.....	20,000	20,000	17,230	(2,770)
Inland/wetland prints.....	3,000	3,000	466	(2,534)
Flood and erosion.....	3,500	3,500	460	(3,040)
Police special assignments.....	687,500	687,500	696,156	8,656
Sale of town property.....	1,500,000	1,500,000	6,700	(1,493,300)
<b>TOTAL CHARGES FOR SERVICES.....</b>	<b>3,425,000</b>	<b>3,425,000</b>	<b>1,854,503</b>	<b>(1,570,497)</b>

(Continued)

**SCHEDULE 1**  
(2 of 2)

TOWN OF EAST HAVEN, CONNECTICUT  
GENERAL FUND

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL (CONTINUED)**

OTHER REVENUES:

Employee benefit cost sharing.....	\$	385,000	\$	385,000	\$	318,785	\$	(66,215)
Workman comp. reimbursement.....		200,000		200,000		195,099		(4,901)
Miscellaneous.....		164,187		164,187		18,497		(145,690)
TOTAL OTHER REVENUES.....		749,187		749,187		532,381		(216,806)
TOTAL REVENUES.....	\$	79,823,700	\$	79,823,700	\$	73,793,800	\$	(6,029,900)

(Concluded)

**TOWN OF EAST HAVEN, CONNECTICUT**

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>GENERAL GOVERNMENT:</b>				
Town council.....	\$ 45,600	\$ 50,100	\$ 48,521	\$ 1,579
Board of finance.....	2,000	4,901	4,900	1
Mayor.....	130,525	130,525	122,873	7,652
Finance.....	370,486	370,152	366,296	3,856
Purchasing.....	127,456	127,289	124,276	3,013
Tax collector.....	264,931	264,931	263,513	1,418
Assessor.....	252,541	256,541	256,313	228
Personnel, administration and management.....	302,732	302,732	291,356	11,376
Board of assessment appeals.....	1,900	1,900	1,900	-
Town clerk.....	234,726	234,726	231,132	3,594
Registrar of Voters.....	97,105	97,105	86,010	11,095
Planning & zoning.....	119,988	119,988	116,295	3,693
Zoning board of appeals.....	2,975	2,975	2,419	556
Legal.....	273,400	273,400	233,814	39,586
Probate.....	6,500	6,500	6,028	472
Civil service.....	44,597	44,597	27,157	17,440
Flood & erosion.....	1,500	1,500	1,200	300
Inland/wetland.....	2,400	2,400	1,489	911
Fund balance contribution	250,000	250,000		250,000
School building committee.....	1,985	1,985	1,853	132
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>2,533,347</b>	<b>2,544,247</b>	<b>2,187,345</b>	<b>356,902</b>
<b>PUBLIC SAFETY:</b>				
Board of police commissioners.....	2,025	2,025	1,601	424
Canine control.....	187,547	187,547	176,399	11,148
Police Departments.....	4,799,200	4,848,700	4,602,725	245,975
Board of fire commissioners.....	13,400	13,400	10,940	2,460
Fire department.....	4,800,785	4,980,630	4,978,700	1,930
<b>TOTAL PUBLIC SAFETY.....</b>	<b>9,802,957</b>	<b>10,032,302</b>	<b>9,770,365</b>	<b>261,937</b>
<b>HIGHWAYS AND ENGINEERING:</b>				
Engineering.....	205,944	205,944	202,586	3,358
Highways.....	2,010,268	2,008,955	1,994,184	14,771
<b>TOTAL HIGHWAYS AND ENGINEERING.....</b>	<b>2,216,212</b>	<b>2,214,899</b>	<b>2,196,770</b>	<b>18,129</b>
<b>SANITATION AND MAINTENANCE:</b>				
Building department.....	141,041	141,041	139,424	1,617
Sanitation.....	1,987,437	1,997,333	1,997,012	321
Building maintenance.....	643,015	634,432	627,814	6,618
<b>TOTAL SANITATION AND MAINTENANCE.....</b>	<b>2,771,493</b>	<b>2,772,806</b>	<b>2,764,250</b>	<b>8,556</b>

(Continued)

**SCHEDULE 2**

(2 of 2)

TOWN OF EAST HAVEN, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL (CONTINUED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
HEALTH AND WELFARE:				
Public health.....	\$ 218,697	\$ 218,697	\$ 215,948	\$ 2,749
Social services.....	87,409	87,409	77,717	9,692
Housing code.....	1,900	1,900		1,900
Counseling & community services.....	566,084	573,405	569,556	3,849
Housing authority.....	26,904	26,904	19,621	7,283
Urban renewal.....	71,439	71,439	57,002	14,437
TOTAL HEALTH AND WELFARE.....	972,433	979,754	939,844	39,910
CULTURE AND RECREATION:				
Recreation.....	460,430	477,590	474,750	2,840
Recreation - ice rink.....	312,796	352,136	346,928	5,208
Senior center.....	197,189	197,189	183,245	13,944
Community services.....	120,450	120,450	59,349	61,101
TOTAL CULTURE AND RECREATION.....	1,090,865	1,147,365	1,064,272	83,093
EMPLOYEE BENEFITS AND INSURANCE:				
Employee benefits.....	4,256,000	4,274,966	4,274,290	676
Insurance.....	2,286,372	2,286,372	2,229,177	57,195
TOTAL EMPLOYEE BENEFITS AND INSURANCE..	6,542,372	6,561,338	6,503,467	57,871
EDUCATION.....	43,667,112	43,667,112	40,990,128	2,676,984
GENERAL SERVICES.....	2,246,500	1,983,358	1,868,968	114,390
DEBT SERVICE:				
Principal.....	5,260,000	5,353,750	5,353,750	-
Interest.....	1,933,176	1,779,536	1,779,536	-
TOTAL DEBT SERVICE.....	7,193,176	7,133,286	7,133,286	-
TOTAL EXPENDITURES.....	79,036,467	79,036,467	75,418,695	3,617,772
OTHER FINANCING USES:				
Transfer out.....	787,233	787,233	787,233	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 79,823,700	\$ 79,823,700	\$ 76,205,928	\$ 3,617,772

(Concluded)

**SCHEDULE 3**

**TOWN OF EAST HAVEN, CONNECTICUT**

**REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2010**

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2009	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED AMOUNT COLLECTIBLE	TAXES COLLECTED	INTEREST & LIEN FEES	TOTAL	UNCOLLECTED TAXES JUNE 30, 2010
			ADDITIONS	DEDUCTIONS						
1993	\$ 59,975	\$	\$	\$ 59,975	\$	\$ -	\$	\$ 55	\$ 55	\$ -
1994	68,326				32	68,294			-	68,294
1995	86,048		203		236	86,015	203		203	85,812
1996	63,132		202		902	62,432	202		202	62,230
1997	54,315				371	53,944	57	144	201	53,887
1998	49,894					49,894			-	49,894
1999	52,325				454	51,871			-	51,871
2000	62,098				169	61,929	183		183	61,746
2001	61,982				455	61,527	275	372	647	61,252
2002	74,405				328	74,077			-	74,077
2003	69,459				407	69,052	1,567	1,142	2,709	67,485
2004	90,098			1,840	1,441	86,817	7,444	4,209	11,653	79,373
2005	100,156		66,833		285	166,704	77,246	5,118	82,364	89,458
2006	204,995			25,375	1,006	178,614	39,696	17,106	56,802	138,918
2007	1,114,288			40,418	148,473	925,397	594,957	112,936	707,893	330,440
TOTAL PRIOR YEARS	2,211,496	-	67,238	127,608	154,559	1,996,567	721,830	141,082	862,912	1,274,737
2008		50,830,258		90,403	2,984	50,736,871	49,575,213	207,760	49,782,973	1,161,658
TOTAL	\$ 2,211,496	\$ 50,830,258	\$ 67,238	\$ 218,011	\$ 157,543	\$ 52,733,438	50,297,043	348,842	50,645,885	\$ 2,436,395
Suspense collections							124,669		124,669	
							\$ 50,421,712	\$ 348,842	\$ 50,770,554	

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# Nonmajor Governmental Funds

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## Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Public Safety

Hagaman Memorial Library

Historical Documents Preservation

Health and Welfare

Economic Development

Land Acquisition

Town Pool Repair

Clean Energy

Open Space

Emergency Management Fund

Workforce Alliance

Day Care

Marine Enforcement Grants

Athletic Department

Public Works State Aid

High School Rental

Permanent Patch Fund

School Lunch

East Haven Kennel Club

Adult Education

Small Cities

Education Grants

Dog Licenses

BOE Rental

Senior Center Special Funding

Senior Center

# **NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

## **Capital Projects Funds**

Capital projects funds are used to account for financial resources to be used for major capital asset construction and/or purchase.

Road Bonding 2008

LOCIP

CBD Revitalization Construction Phase II

147 Cosey Beach Avenue Purchase

School Roofs and Solar Panels

LOCIP Town Clerk Fees

## **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 that support the reporting government's programs.

J. Woodward Thompson Education Fund

Library Fund

Elizabeth McHardy Trust

Isaac Hagaman Library Fund

A. J. Berman Library Fund

**TOWN OF EAST HAVEN, CONNECTICUT**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2010

	SPECIAL REVENUE FUNDS						
	PUBLIC SAFETY	HISTORICAL DOCUMENTS PRESERVATION	ECONOMIC DEVELOPMENT	TOWN POOL REPAIR	OPEN SPACE	WORKFORCE ALLIANCE	MARINE ENFORCEMENT GRANTS
<b><u>ASSETS</u></b>							
Cash.....	\$ 6,668	\$	\$	\$	\$	\$	\$
Receivables:							
Other.....	15,165						
Due from other funds.....	41,940	51,918	3,445	880	45,000	31	14,665
<b>TOTAL ASSETS.....</b>	<b>\$ 63,773</b>	<b>\$ 51,918</b>	<b>\$ 3,445</b>	<b>\$ 880</b>	<b>\$ 45,000</b>	<b>\$ 31</b>	<b>\$ 14,665</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>							
<b>LIABILITIES:</b>							
Due to other funds.....	\$ 20,107	\$	\$	\$	\$	\$	\$
<b>FUND BALANCES:</b>							
Unreserved and undesignated.....	43,666	51,918	3,445	880	45,000	31	14,665
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 63,773</b>	<b>\$ 51,918</b>	<b>\$ 3,445</b>	<b>\$ 880</b>	<b>\$ 45,000</b>	<b>\$ 31</b>	<b>\$ 14,665</b>

(Continued)

TOWN OF EAST HAVEN, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE FUNDS						
	PUBLIC WORKS STATE AID	PERMANENT PATCH FUND	EAST HAVEN KENNEL CLUB	SMALL CITIES	DOG LICENSES	SENIOR CENTER SPECIAL FUNDING	SENIOR CENTER
<u>ASSETS</u>							
Cash.....	\$	\$	\$	\$ 87,700	\$	\$	\$ 4,823
Receivables:							
Intergovernmental.....		217		234,997			
Other.....	54,645	3,346	15,891		10,454	12	
Due from other funds.....				183			
Other.....							
TOTAL ASSETS.....	<u>\$ 54,645</u>	<u>\$ 3,563</u>	<u>\$ 15,891</u>	<u>\$ 322,880</u>	<u>\$ 10,454</u>	<u>\$ 12</u>	<u>\$ 4,823</u>
<u>LIABILITIES AND FUND BALANCES</u>							
LIABILITIES:							
Deferred and unearned revenue.....	\$	\$	\$	\$ 234,997	\$	\$	\$
FUND BALANCES:							
Unreserved and undesignated.....	54,645	3,563	15,891	87,883	10,454	12	4,823
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 54,645</u>	<u>\$ 3,563</u>	<u>\$ 15,891</u>	<u>\$ 322,880</u>	<u>\$ 10,454</u>	<u>\$ 12</u>	<u>\$ 4,823</u>

(Continued)

TOWN OF EAST HAVEN, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE FUNDS			
	HAGAMAN MEMORIAL LIBRARY	HEALTH AND WELFARE	LAND ACQUISITION	EMERGENCY MANAGEMENT FUND
<u>ASSETS</u>				
Cash.....	\$ 93,566	\$ 73	\$	\$
Receivables:				
Other.....		2,811		
Due from other funds.....		89,983	3,860	24,129
TOTAL ASSETS.....	<u>\$ 93,566</u>	<u>\$ 92,867</u>	<u>\$ 3,860</u>	<u>\$ 24,129</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts payable.....	\$	\$ 3,611	\$	\$
Due to other funds.....		1,565		
Deferred and unearned revenue.....		769		
TOTAL LIABILITIES.....	-	5,945	-	-
<u>FUND BALANCES:</u>				
Unreserved and undesignated.....	93,566	86,922	3,860	24,129
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 93,566</u>	<u>\$ 92,867</u>	<u>\$ 3,860</u>	<u>\$ 24,129</u>

(Continued)

TOWN OF EAST HAVEN, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE FUNDS							
	DAY CARE	ATHLETIC DEPARTMENT	HIGH SCHOOL RENTAL	SCHOOL LUNCH	ADULT EDUCATION	EDUCATION GRANTS	TOTAL	
<u>ASSETS</u>								
Cash.....	\$ 8,365	\$ 7,408	\$ 187,345	\$ 32,992	\$ 783	\$ 66,009	\$ 495,732	
Receivables:								
Intergovernmental.....				101,650		649,930	751,580	
Other.....							253,190	
Due from other funds.....						7,654	367,853	
Other.....				29,093			29,276	
TOTAL ASSETS.....	\$ 8,365	\$ 7,408	\$ 187,345	\$ 163,735	\$ 783	\$ 723,593	\$ 1,897,631	
<u>LIABILITIES AND FUND BALANCES</u>								
LIABILITIES:								
Accounts payable.....	\$	\$	\$ 40,520	\$ 130,737	\$	\$ 25,277	\$ 200,145	
Accrued payroll.....	23,512			25,098		258,571	307,181	
Due to other funds.....			126,884	7,654		175,000	331,210	
Deferred and unearned revenue.....						225,906	461,672	
TOTAL LIABILITIES.....	23,512	-	167,404	163,489	-	684,754	1,300,208	
FUND BALANCES:								
Unreserved and undesignated.....	(15,147)	7,408	19,941	246	783	38,839	597,423	
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 8,365	\$ 7,408	\$ 187,345	\$ 163,735	\$ 783	\$ 723,593	\$ 1,897,631	

(Continued)

TOWN OF EAST HAVEN, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

	CAPITAL PROJECTS FUNDS			
	ROAD BONDING 2008	LOCIP	LOCIP TOWN CLERK FEES	TOTAL
<u>ASSETS</u>				
Receivables:				
Intergovernmental.....	\$	\$ 85,814	\$	\$ 85,814
Due from other funds.....	6,840		33,241	40,081
TOTAL ASSETS.....	<u>\$ 6,840</u>	<u>\$ 85,814</u>	<u>\$ 33,241</u>	<u>\$ 125,895</u>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts payable.....	\$	\$ 1,609	\$	\$ 1,609
Due to other funds.....		27,872		27,872
TOTAL LIABILITIES.....	-	29,481	-	29,481
FUND BALANCES:				
Unreserved and undesignated.....	6,840	56,333	33,241	96,414
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 6,840</u>	<u>\$ 85,814</u>	<u>\$ 33,241</u>	<u>\$ 125,895</u>

(Continued)

TOWN OF EAST HAVEN, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

	PERMANENT FUNDS						
	J. WOODWARD THOMPSON EDUCATION FUND	LIBRARY FUND	ELIZABETH MCHARDY TRUST	ISAAC HAGAMAN LIBRARY FUND	A. J. BERMAN LIBRARY FUND	TOTAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS</b>							
Cash.....	\$	\$ 16,954	\$	\$ 106	\$	\$ 17,060	\$ 512,792
Investments.....	415,462	184,546	118,825	1,055,158	10,770	1,784,761	1,784,761
Receivables:							
Intergovernmental.....						-	837,394
Other.....						-	253,190
Due from other funds.....						-	407,934
Other.....						-	29,276
<b>TOTAL ASSETS.....</b>	<b>\$ 415,462</b>	<b>\$ 201,500</b>	<b>\$ 118,825</b>	<b>\$ 1,055,264</b>	<b>\$ 10,770</b>	<b>\$ 1,801,821</b>	<b>\$ 3,825,347</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES:</b>							
Accounts payable.....	\$	\$	\$	\$	\$	\$ -	\$ 201,754
Accrued payroll.....						-	307,181
Due to other funds.....						-	359,082
Deferred and unearned revenue.....						-	461,672
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,329,689</b>
<b>FUND BALANCES:</b>							
Reserved for endowments.....				100,000		100,000	100,000
Unreserved and undesignated.....	415,462	201,500	118,825	955,264	10,770	1,701,821	2,395,658
<b>TOTAL FUND BALANCES.....</b>	<b>415,462</b>	<b>201,500</b>	<b>118,825</b>	<b>1,055,264</b>	<b>10,770</b>	<b>1,801,821</b>	<b>2,495,658</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 415,462</b>	<b>\$ 201,500</b>	<b>\$ 118,825</b>	<b>\$ 1,055,264</b>	<b>\$ 10,770</b>	<b>\$ 1,801,821</b>	<b>\$ 3,825,347</b>

(Concluded)

**TOWN OF EAST HAVEN, CONNECTICUT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

	SPECIAL REVENUE FUNDS						
	PUBLIC SAFETY	HISTORICAL DOCUMENTS PRESERVATION	ECONOMIC DEVELOPMENT	TOWN POOL REPAIR	OPEN SPACE	WORKFORCE ALLIANCE	MARINE ENFORCEMENT GRANTS
REVENUES:							
Charges for services.....	\$ 118,521	\$ 19,722	\$	\$ 818	\$	\$	\$
Other.....			37,946				
TOTAL REVENUES.....	227,964	29,722	37,946	818	-	-	4,399
EXPENDITURES:							
Current:							
General government.....		40,106				3,719	30,707
Public safety.....	226,105		91				
Culture and recreation.....				1,674			
TOTAL EXPENDITURES.....	226,105	40,106	91	1,674	-	3,719	30,707
NET CHANGE IN FUND BALANCES.....	1,859	(10,384)	37,855	(856)	-	(3,719)	(26,308)
FUND BALANCES, JULY 1, 2009 (AS RESTATED).....	41,807	62,302	(34,410)	1,736	45,000	3,750	40,973
FUND BALANCES, JUNE 30, 2010.....	\$ 43,666	\$ 51,918	\$ 3,445	\$ 880	\$ 45,000	\$ 31	\$ 14,665

(Continued)

TOWN OF EAST HAVEN, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE FUNDS						
	PUBLIC WORKS STATE AID	PERMANENT PATCH FUND	EAST HAVEN KENNEL CLUB	SMALL CITIES	DOG LICENSES	SENIOR CENTER SPECIAL FUNDING	SENIOR CENTER
REVENUES:							
Charges for services.....	\$	\$	\$ 12,995	\$ 25,839	\$ 19,310	\$	\$ 80,513
Intergovernmental.....	203,614			429,228			
Investment income.....		3,395					
Other.....				25,232			
TOTAL REVENUES.....	203,614	3,395	12,995	480,299	19,310	-	80,513
EXPENDITURES:							
Current:							
General government.....				433,907			
Public safety.....			8,072		20,526		
Public works.....	149,204						
Health and welfare.....							81,984
TOTAL EXPENDITURES.....	149,204	-	8,072	433,907	20,526	-	81,984
NET CHANGE IN FUND BALANCES.....	54,410	3,395	4,923	46,392	(1,216)	-	(1,471)
FUND BALANCES, JULY 1, 2009 (AS RESTATED).....	235	168	10,968	41,491	11,670	12	6,294
FUND BALANCES, JUNE 30, 2010.....	\$ 54,645	\$ 3,563	\$ 15,891	\$ 87,883	\$ 10,454	\$ 12	\$ 4,823

(Continued)

**SCHEDULE 5****(3 of 6)**

TOWN OF EAST HAVEN, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE FUNDS			
	HAGAMAN MEMORIAL LIBRARY	HEALTH AND WELFARE	LAND ACQUISITION	EMERGENCY MANAGEMENT FUND
REVENUES:				
Charges for services.....	\$ 92,789	\$ 162,475	\$	\$ 1,211
Intergovernmental.....	17,894	10,750		1,116
Investment income.....	108			
Contributions.....	37,829	1,500		
Other.....				
TOTAL REVENUES.....	148,620	174,725	-	2,327
EXPENDITURES:				
Current:				
General government.....			50,446	
Public safety.....				7,173
Culture and recreation.....	847,536	42,252		
Health and welfare.....		85,794		
TOTAL EXPENDITURES.....	847,536	128,046	50,446	7,173
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(698,916)	46,679	(50,446)	(4,846)
OTHER FINANCING SOURCES (USES):				
Transfers in.....	701,733			
NET CHANGE IN FUND BALANCES.....	2,817	46,679	(50,446)	(4,846)
FUND BALANCES, JULY 1, 2009 (AS RESTATED).....	90,749	40,243	54,306	28,975
FUND BALANCES, JUNE 30, 2010.....	\$ 93,566	\$ 86,922	\$ 3,860	\$ 24,129

(Continued)

TOWN OF EAST HAVEN, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE FUNDS						
	DAY CARE	ATHLETIC DEPARTMENT	HIGH SCHOOL RENTAL	SCHOOL LUNCH	ADULT EDUCATION	EDUCATION GRANTS	TOTAL
REVENUES:							
Charges for services.....	\$ 512,887	\$ 34,866	\$ 1,182,565	\$ 526,976	\$ 11,327	\$ 61,626	\$ 2,864,440
Intergovernmental.....				727,703		6,576,589	8,090,736
Investment income.....							3,503
Contributions.....							39,329
Other.....							63,178
TOTAL REVENUES.....	512,887	34,866	1,182,565	1,254,679	11,327	6,638,215	11,061,186
EXPENDITURES:							
Current:							
General government.....							558,885
Public safety.....							261,967
Public works.....							149,204
Culture and recreation.....							891,462
Health and welfare.....							167,778
Education.....	514,957	69,609	1,330,599	1,282,447	11,225	6,710,077	9,918,914
TOTAL EXPENDITURES.....	514,957	69,609	1,330,599	1,282,447	11,225	6,710,077	11,948,210
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(2,070)	(34,743)	(148,034)	(27,768)	102	(71,862)	(887,024)
OTHER FINANCING SOURCES (USES):							
Transfers in.....		25,500		60,000			787,233
NET CHANGE IN FUND BALANCES.....	(2,070)	(9,243)	(148,034)	32,232	102	(71,862)	(99,791)
FUND BALANCES, JULY 1, 2009 (AS RESTATED).....	(13,077)	16,651	167,975	(31,986)	681	110,701	697,214
FUND BALANCES, JUNE 30, 2010.....	\$ (15,147)	\$ 7,408	\$ 19,941	\$ 246	\$ 783	\$ 38,839	\$ 597,423

(Continued)

TOWN OF EAST HAVEN, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

	CAPITAL PROJECTS FUNDS				
	ROAD BONDING 2008	LOCIP	147 COSEY BEACH AVENUE PURCHASE	LOCIP TOWN CLERK FEES	TOTAL
REVENUES:					
Charges for services.....	\$	\$	\$	\$ 15,596	\$ 15,596
Intergovernmental.....		342,823			342,823
Investment income.....		32			32
TOTAL REVENUES.....	-	342,855	-	15,596	358,451
EXPENDITURES:					
Capital outlay.....		342,823	39,755	3,985	386,563
Debt service.....					-
TOTAL EXPENDITURES.....	-	342,823	39,755	3,985	386,563
NET CHANGE IN FUND BALANCES.....	-	32	(39,755)	11,611	(28,112)
FUND BALANCES, JULY 1, 2009 (AS RESTATED).....	6,840	56,301	39,755	21,630	124,526
FUND BALANCES, JUNE 30, 2010.....	\$ 6,840	\$ 56,333	\$ -	\$ 33,241	\$ 96,414

(Continued)

TOWN OF EAST HAVEN, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

	PERMANENT FUNDS						
	J. WOODWARD THOMPSON EDUCATION FUND	LIBRARY FUND	ELIZABETH MCHARDY TRUST	ISAAC HAGAMAN LIBRARY FUND	A. J. BERMAN LIBRARY FUND	TOTAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:							
Charges for services.....	\$	\$	\$	\$	\$	\$ -	\$ 2,880,036
Intergovernmental.....		7,909				7,909	8,441,468
Investment income.....	1,548	1,492	2,187	30,586	88	35,901	39,436
Change in fair value of investments.....			13,077	79,306	917	93,300	93,300
Contributions.....		4,682		1,374		6,056	45,385
Other.....						-	63,178
TOTAL REVENUES.....	1,548	14,083	15,264	111,266	1,005	143,166	11,562,803
EXPENDITURES:							
Current:							
General government.....						-	558,885
Public safety.....						-	261,967
Public works.....						-	149,204
Culture and recreation.....		110,989	1,496	58,193		170,678	1,062,140
Health and welfare.....						-	167,778
Education.....						-	9,918,914
Debt service.....						-	
Capital outlay.....						-	386,563
TOTAL EXPENDITURES.....	-	110,989	1,496	58,193	-	170,678	12,505,451
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	1,548	(96,906)	13,768	53,073	1,005	(27,512)	(942,648)
OTHER FINANCING SOURCES (USES):							
Transfers in.....						-	787,233
NET OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	-	787,233
NET CHANGE IN FUND BALANCES.....	1,548	(96,906)	13,768	53,073	1,005	(27,512)	(155,415)
FUND BALANCES, JULY 1, 2009 (AS RESTATED).....	413,914	298,406	105,057	1,002,191	9,765	1,829,333	2,651,073
FUND BALANCES, JUNE 30, 2010.....	\$ 415,462	\$ 201,500	\$ 118,825	\$ 1,055,264	\$ 10,770	\$ 1,801,821	\$ 2,495,658

(Concluded)

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## Internal Service Funds

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Internal Service funds are used to account for the providing of goods or services provided by one department to other departments of the Town on a cost reimbursement basis or accounting for risk retention as allowed by GASB Statement No. 10.

### **Self-Insurance Reserve**

To account for the resources used to pay various claims and judgments.

### **Workers' Compensation Fund**

To account for the provision of Workers' Compensation Insurance for the Town. All activities necessary to provide such coverage are accounted for in this fund.

### **Medical Insurance Fund**

To account for self-insured medical benefits for Town employees.

**TOWN OF EAST HAVEN, CONNECTICUT**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2010

	SELF- INSURANCE RESERVE	WORKERS' COMPENSATION	MEDICAL INSURANCE	TOTAL
<b><u>ASSETS</u></b>				
Cash.....	\$	\$	\$ 135,213	\$ 135,213
Investments.....	947,336		476,301	1,423,637
Accounts receivable.....			115,163	115,163
Due from other funds.....			171,717	171,717
TOTAL ASSETS.....	947,336	-	898,394	1,845,730
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Cash overdraft.....		4,700		4,700
Claims and judgments payable.....	770,000	1,796,904	803,870	3,370,774
Due to other funds.....	65,942	197,710		263,652
Total current liabilities.....	835,942	1,999,314	803,870	3,639,126
Noncurrent liability:				
Claims and judgments payable.....		8,658,326		8,658,326
TOTAL LIABILITIES.....	835,942	10,657,640	803,870	12,297,452
<b><u>NET ASSETS</u></b>				
Unrestricted.....	\$ 111,394	\$ (10,657,640)	\$ 94,524	\$ (10,451,722)

**SCHEDULE 7****TOWN OF EAST HAVEN, CONNECTICUT**

INTERNAL SERVICE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2010

	SELF- INSURANCE RESERVE	WORKERS' COMPENSATION	MEDICAL INSURANCE	TOTAL
OPERATING REVENUES:				
Charges for services.....	\$ 252,462	\$ 2,083,780	\$ 10,085,240	\$ 12,421,482
OPERATING EXPENSES:				
Claims.....	475,379	2,585,275	9,419,667	12,480,321
Administration.....			1,548,366	1,548,366
TOTAL OPERATING EXPENSES.....	475,379	2,585,275	10,968,033	14,028,687
OPERATING INCOME (LOSS).....	(222,917)	(501,495)	(882,793)	(1,607,205)
NONOPERATING REVENUES:				
Investment income (loss).....	4,164		3,343	7,507
CHANGES IN NET ASSETS.....	(218,753)	(501,495)	(879,450)	(1,599,698)
NET ASSETS - JUNE 30, 2009.....	330,147	(10,156,145)	973,974	(8,852,024)
NET ASSETS - JUNE 30, 2010.....	\$ 111,394	\$ (10,657,640)	\$ 94,524	\$ (10,451,722)

## TOWN OF EAST HAVEN, CONNECTICUT

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2010

	SELF- INSURANCE RESERVE	WORKERS' COMPENSATION	MEDICAL INSURANCE	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Premiums received.....	\$ 183,653	\$ 2,193,127	\$ 10,428,473	\$ 12,805,253
Payments to vendors.....			(1,548,366)	(1,548,366)
Payments for claims.....	(301,758)	(2,193,127)	(9,537,023)	(12,031,908)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(118,105)	-	(656,916)	(775,021)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Income from investments.....	4,164		3,343	7,507
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(113,941)	-	(653,573)	(767,514)
CASH AND CASH EQUIVALENTS - JULY 1, 2009.....	1,061,277	(4,700)	1,265,087	2,321,664
CASH AND CASH EQUIVALENTS (OVERDRAFT) - JUNE 30, 2010.....	\$ 947,336	\$ (4,700)	\$ 611,514	\$ 1,554,150
RECONCILIATION TO BALANCE SHEET CASH:				
Cash and cash equivalents per above.....	\$ 947,336	\$ (4,700)	\$ 611,514	\$ 1,554,150
Cash and cash equivalents reported as investments.....	(947,336)		(476,301)	(1,423,637)
BALANCE SHEET CASH (OVERDRAFT).....	\$ -	\$ (4,700)	\$ 135,213	\$ 130,513
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (222,917)	\$ (501,495)	\$ (882,793)	\$ (1,607,205)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable.....			(27,035)	(27,035)
Due from other funds.....			370,268	370,268
Increase (decrease) in:				
Claims and judgments payable.....	173,621	392,148	(117,356)	448,413
Due to other funds.....	(68,809)	109,347		40,538
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ (118,105)	\$ -	\$ (656,916)	\$ (775,021)

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# Fiduciary Funds

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Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

## **AGENCY FUNDS**

### **Performance Bonds**

To account for cash bonds and other cash and investments held by the Town to ensure compliance with specifications and regulations with respect to various building projects and improvements.

### **Student Activities**

These funds are used to control various activities as defined by State Statutes undertaken by students of the public school system.

**SCHEDULE 9**

**TOWN OF EAST HAVEN, CONNECTICUT**

COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2010

	<u>PRIVATE PURPOSE TRUST FUNDS</u>		
	SHINDER SCHOLARSHIP FUND	PATSY DILUNGO SCHOLARSHIP FUND	TOTAL PRIVATE- PURPOSE TRUST FUNDS
<u>ASSETS</u>			
Cash.....	\$	\$ 34,727	\$ 34,727
Investments.....	47,000		47,000
TOTAL ASSETS.....	\$ 47,000	\$ 34,727	\$ 81,727
<u>NET ASSETS</u>			
Held in trust for:			
Individuals.....	\$ 47,000	\$ 34,727	\$ 81,727
TOTAL NET ASSETS HELD IN TRUST.....	\$ 47,000	\$ 34,727	\$ 81,727

**TOWN OF EAST HAVEN, CONNECTICUT**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

	PRIVATE PURPOSE TRUST FUNDS		
	SHINDER SCHOLARSHIP FUND	PATSY DILUNGO SCHOLARSHIP FUND	TOTAL PRIVATE- PURPOSE TRUST FUNDS
ADDITIONS:			
Contributions:			
Private.....	\$ 47,000	\$	\$ 47,000
Investment income (loss):			
Interest and dividends.....		63	63
TOTAL ADDITIONS.....	47,000	63	47,063
DEDUCTIONS:			
Scholarships awarded.....		1,000	1,000
CHANGE IN NET ASSETS.....	47,000	(937)	46,063
NET ASSETS, JULY 1, 2009 (AS RESTATED).....		35,664	35,664
NET ASSETS, JUNE 30, 2010.....	\$ 47,000	\$ 34,727	\$ 81,727

TOWN OF EAST HAVEN, CONNECTICUT

AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2010

	BALANCE JULY 1, 2009 (AS RESTATED)*	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2010
<u>ASSETS</u>				
CASH:				
East Haven High School Activity Fund.....	\$ 119,436	\$ 266,103	\$ 288,016	\$ 97,523
Joseph Melillo Middle School Activity Fund.....	15,896	28,689	31,890	12,695
General Activity Fund.....	4,184	5		4,189
EH School Fund.....	1,778	4		1,782
EH Highland School.....	8,978	17		8,995
BOE Medicare Account.....	30,736	80,008	46,084	64,660
Momauguin School Media.....	621	3,057	3,678	-
DC Moore School Library.....	1,608	4,729	5,044	1,293
R.W. Carbone School	-	5,421		5,421
Flex Spending.....	15,408	64,218	61,628	17,998
Performance bonds.....	11,467		10,510	957
TOTAL CASH.....	210,112	452,251	446,850	215,513
INVESTMENTS:				
East Haven High School Activity Fund.....	43,914	608	500	44,022
TOTAL ASSETS.....	\$ 254,026	\$ 452,859	\$ 447,350	\$ 259,535
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
East Haven High School Activity Fund.....	\$ 163,350	\$ 266,711	\$ 288,516	\$ 141,545
Joseph Melillo Middle School Activity Fund.....	15,896	28,689	31,890	12,695
General Activity Fund.....	4,184	5		4,189
EH School Fund.....	1,778	4		1,782
EH Highland School.....	8,978	17		8,995
BOE Medicare Account.....	30,736	80,008	46,084	64,660
Momauguin School Media.....	621	3,057	3,678	-
DC Moore School Library.....	1,608	4,729	5,044	1,293
R.W. Carbone School	-	5,421		5,421
Flex Spending.....	15,408	64,218	61,628	17,998
Performance bonds.....	11,467		10,510	957
TOTAL LIABILITIES.....	\$ 254,026	\$ 452,859	\$ 447,350	\$ 259,535

\* Restated for reclassification of Adult Education Fund of \$681 to Nonmajor Governmental Funds

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## **Trend Information**

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**TABLE 1****TOWN OF EAST HAVEN, CONNECTICUT****NET ASSETS BY COMPONENT  
LAST FIVE YEARS  
(UNAUDITED)**

	FISCAL YEAR				
	2010	2009 (AS RESTATED)	2008	2007	2006
<b>GOVERNMENTAL ACTIVITIES:</b>					
Invested in capital assets, net of related debt.....	\$ 35,996,442	\$ 36,790,597	\$ 37,516,717	\$ 32,585,690	\$ 10,602,768
Restricted for:					
Endowments:					
Nonexpendable.....	100,000	100,000	100,000	100,000	100,000
Expendable.....	1,701,821	1,729,333	1,963,496	2,193,639	1,667,578
Unrestricted.....	(7,351,451)	(30,438)	15,914,574	26,928,603	5,239,393
<b>TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS.....</b>	<b>\$ 30,446,812</b>	<b>\$ 38,589,492</b>	<b>\$ 55,494,787</b>	<b>\$ 61,807,932</b>	<b>\$ 17,609,739</b>

**TABLE 2**  
(1 of 2)

**TOWN OF EAST HAVEN, CONNECTICUT**

CHANGES IN NET ASSETS  
LAST FIVE YEARS  
(UNAUDITED)

	FISCAL YEAR				
	2010	2009	2008	2007	2006
EXPENSES:					
Governmental activities:					
General government.....	\$ 5,905,126	\$ 7,585,922	\$ 5,517,911	\$ 5,501,604	\$ 8,106,306
Public safety.....	13,668,386	13,860,530	14,949,291	12,710,019	12,618,534
Public works.....	10,402,985	9,799,512	8,709,675	8,281,435	7,535,709
Culture and recreation.....	2,670,130	2,969,521	2,506,521	2,389,974	2,316,075
Health and welfare.....	2,433,413	2,510,330	1,487,119	1,553,644	1,462,279
Education.....	57,924,242	57,168,425	59,780,686	48,310,573	48,719,633
Interest expense.....	2,450,938	2,163,201	2,451,064	2,459,162	2,560,775
Total Governmental activities expenses.....	95,455,220	96,057,441	95,402,267	81,206,411	83,319,311
Business-type activities:					
WPCA.....					948,162
TOTAL EXPENSES.....	95,455,220	96,057,441	95,402,267	81,206,411	84,267,473
PROGRAM REVENUES:					
Governmental activities:					
Charges for services:					
General government.....	994,031	1,005,818	1,145,877	1,800,808	1,154,455
Public safety.....	864,981	717,495	784,725	762,533	876,316
Public works.....	174,740	177,137	266,067	339,911	41,885
Culture and recreation.....	563,289	554,137	500,184	527,920	403,708
Health and welfare.....	327,637	239,590	214,861	217,931	171,728
Education.....	1,817,360	709,799	848,760	858,575	687,627
Operating grants and contributions.....	27,083,953	27,325,227	33,285,847	23,416,379	27,894,969
Capital grants and contributions.....	1,924,549	508,202	462,595	560,949	1,795,969
Total Governmental activities program revenues.....	33,750,540	31,237,405	37,508,916	28,485,006	33,026,657
Business-type activities:					
WPCA.....					506,057
TOTAL PROGRAM REVENUES.....	33,750,540	31,237,405	37,508,916	28,485,006	33,532,714

(Continued)

**TABLE 2**  
**(2 of 2)**

**TOWN OF EAST HAVEN, CONNECTICUT**

**CHANGES IN NET ASSETS  
LAST FIVE YEARS  
(UNAUDITED)**

	FISCAL YEAR				
	2010	2009	2008	2007	2006
NET REVENUE (EXPENSES):					
Governmental activities.....	\$ (61,704,680)	\$ (64,820,036)	\$ (57,893,351)	\$ (52,721,405)	\$ (50,292,654)
Business-type activities.....					(442,105)
TOTAL NET EXPENSES.....	(61,704,680)	(64,820,036)	(57,893,351)	(52,721,405)	(50,734,759)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:					
Governmental activities:					
Property taxes.....	51,739,961	50,750,056	49,901,476	47,962,038	47,714,546
Grants and contributions not restricted to specific programs.....	956,185	1,671,362	1,203,035	1,442,446	2,540,442
Investment income.....	270,295	(316,533)	407,672	1,217,950	799,589
Miscellaneous.....	595,559	1,022,800	68,023	48,256	
Gain on sale of assets.....					6,403
Transfers.....					1,851,825
Total Governmental activities revenues.....	53,562,000	53,127,685	51,580,206	50,670,690	52,912,805
Business-type activities:					
Investment income.....					10,318
Transfers.....					(1,851,825)
Extraordinary item.....					7,321,731
Total Business-type activities revenues.....	-	-	-	-	5,480,224
TOTAL GENERAL REVENUES.....	53,562,000	53,127,685	51,580,206	50,670,690	58,393,029
CHANGE IN NET ASSETS:					
Governmental activities.....	(8,142,680)	(11,692,351)	(6,313,145)	(2,050,715)	2,620,151
Business-type activities.....					5,038,119
TOTAL CHANGE IN NET ASSETS.....	\$ (8,142,680)	\$ (11,692,351)	\$ (6,313,145)	\$ (2,050,715)	\$ 7,658,270

(Concluded)

TABLE 3

## TOWN OF EAST HAVEN, CONNECTICUT

SCHEDULE OF DEBT LIMITATION  
FOR THE YEAR ENDED JUNE 30, 2010  
(UNAUDITED)

Total tax collections (including interest and lien fees) for current year.....	\$ 50,770,554
Reimbursement for revenue loss on:	
Tax relief for elderly freeze.....	25,166
BASE FOR DEBT LIMITATION COMPUTATION.....	<u>\$ 50,795,720</u>

	GENERAL PURPOSES	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
DEBT LIMITATION:					
2 1/4 times base.....	\$ 114,290,370	\$	\$	\$	\$
4 1/2 times base.....		228,580,740			
3 3/4 times base.....			190,483,950		
3 1/4 times base.....				165,086,090	
3 times base.....					152,387,160
TOTAL DEBT LIMITATION.....	<u>114,290,370</u>	<u>228,580,740</u>	<u>190,483,950</u>	<u>165,086,090</u>	<u>152,387,160</u>
INDEBTEDNESS:					
Bonds payable.....	23,448,000	22,697,000	2,160,000		
Bonds anticipation notes payable.....	2,500,000	5,500,000			
Less: School building grants.....		(11,345,814)			
NET INDEBTEDNESS (1).....	<u>25,948,000</u>	<u>16,851,186</u>	<u>2,160,000</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS OF OUTSTANDING AND AUTHORIZED DEBT.....	<u>\$ 88,342,370</u>	<u>\$ 211,729,554</u>	<u>\$ 188,323,950</u>	<u>\$ 165,086,090</u>	<u>\$ 152,387,160</u>

(1) The total of the above net indebtedness amounts to: \$ 44,959,186

In no event shall total indebtedness exceed seven times the base for debt limitation computation. \$ 355,570,040

(2) There is no overlapping debt for the Town of East Haven.