

**Annual Financial Report**  
**of the**  
**Town of East Haven, Connecticut**  
**For the Year Ended June 30, 2021**

**Town of East Haven, Connecticut**

**Annual Financial Report  
For the Year Ended June 30, 2021**

Table of Contents

	<u>Page</u>
<u>Introductory Section</u>	
Organizational Chart	1
<u>Financial Section</u>	
Independent Auditors' Report	2-4
Management's Discussion and Analysis	5-14
<u>Exhibits</u>	
<u>Basic Financial Statements</u>	
<u>Government-Wide Financial Statements</u>	
A Statement of Net Position	15-16
B Statement of Activities	17
<u>Fund Financial Statements</u>	
C Balance Sheet - Governmental Funds and Reconciliation of Fund Balance to Net Position of Governmental Activities	18-19
D Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
E Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21-22
F Statement of Net Position - Internal Service Funds	23
G Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	24
H Statement of Cash Flows - Internal Service Funds	25
I Notes to Financial Statements	26-68

**Town of East Haven, Connecticut**

**Annual Financial Report  
For the Year Ended June 30, 2021**

Table of Contents

		<u>Page</u>
<u>RSI</u>	<u>Required Supplementary Information</u>	
	<u>General Fund</u>	
1A	Schedule of Revenues and Other Financing Sources - Budget and Actual	69-70
1B	Schedule of Expenditures and Other Financing Uses - Budget and Actual	71-72
1C	Notes to Required Supplementary Information	73
	<u>Connecticut Municipal Employees' Retirement System</u>	
2A	Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions	74
2B	Notes to Required Supplementary Information	75
	<u>Connecticut State Teachers' Retirement System</u>	
3A	Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions	76
3B	Notes to Required Supplementary Information	77
	<u>Other Post-Employment Benefit (OPEB) Plans</u>	
4	Schedule of Changes in OPEB Liability	78
	<u>Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan</u>	
5A	Schedule of Proportionate Share of the Net OPEB Liability and Schedule of Contributions	79
5B	Notes to Required Supplementary Information	80

**Town of East Haven, Connecticut**

**Annual Financial Report  
For the Year Ended June 30, 2021**

Table of Contents

<u>Schedules</u>	<u>Supplemental Schedules</u>	<u>Page</u>
	<u>General Fund</u>	
1	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	81
2	Report of Tax Collector	82
	<u>Other Governmental Funds</u>	
3	Combining Balance Sheet	83-85
4	Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	86-88
	<u>Internal Service Funds</u>	
5	Combining Schedule of Net Position	89
6	Combining Schedule of Revenues, Expenses and Changes in Net Position	90
7	Combining Schedule of Cash Flows	91
<u>Tables</u>	<u>Trend Information</u>	
1	Net Position by Component	92
2	Changes in Net Position	93
3	Changes in Fund Balances, General Fund (Budgetary Basis)	94
4	Property Tax Rates, Levies and Collections	95
5	Schedule of Debt Limitation	96

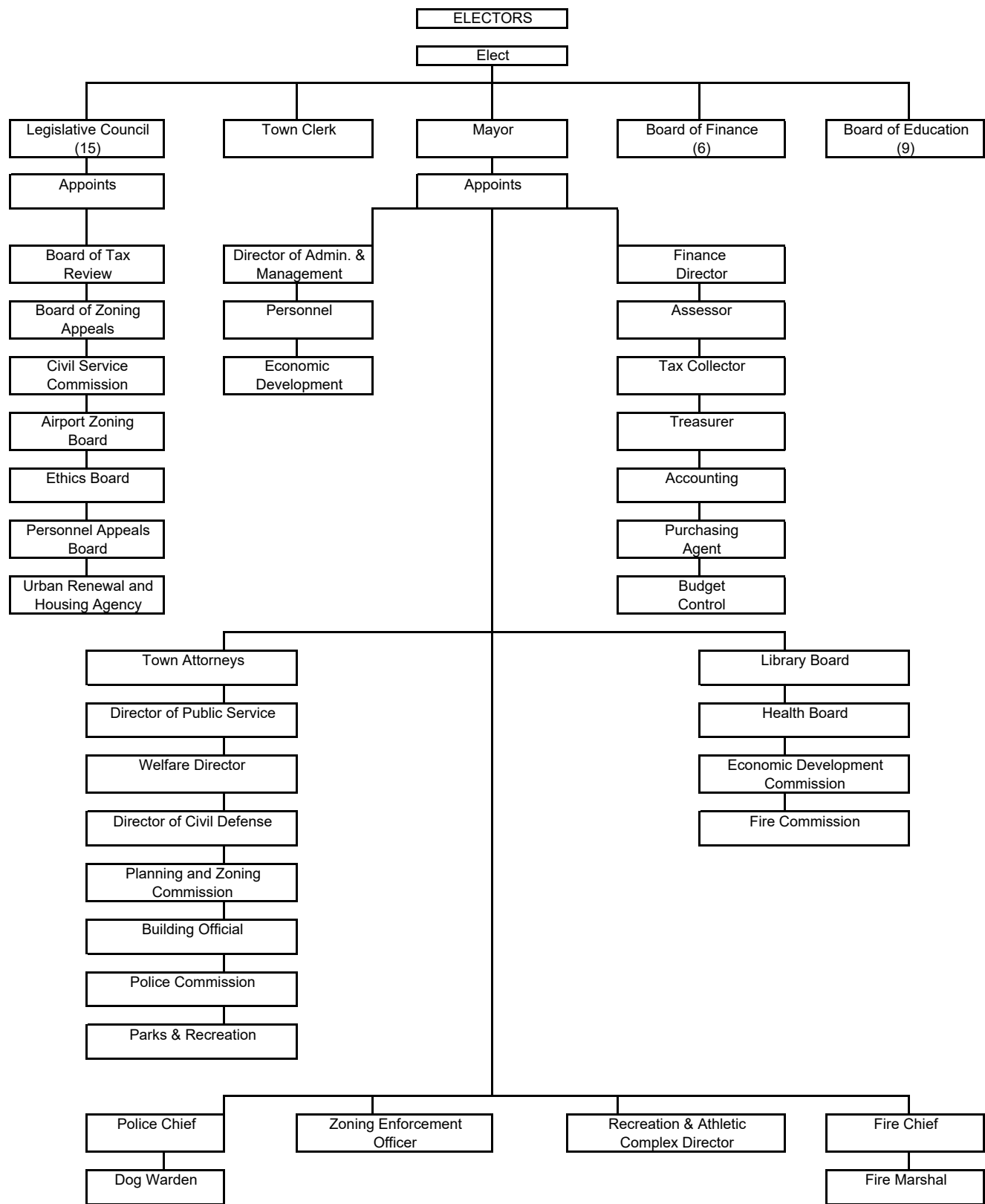
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## **Introductory Section**

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Town of East Haven, Connecticut

Organizational Chart



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## Financial Section

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## **Independent Auditors' Report**

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

### **Report on the Financial Statements**

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 ("Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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

Page 2

***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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison for the general fund and the pension and other post-employment benefit plans schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, supplemental schedules and trend information section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and trend information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

Page 3

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2021, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
December 28, 2021



## Management's Discussion and Analysis For the Year Ended June 30, 2021

As management of the Town of East Haven, Connecticut ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021.

### **Financial highlights**

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

Change in net position	\$ 428,075
Total net position	(70,008,400)
Unrestricted net position	(128,990,902)

- The significant factors of the increase are as follows:

#### Governmental funds activity:

The increase is due to the following:

➤ positive operations of the General Fund of	\$ 2,854,114
➤ positive operations of the School Lunch Fund of	645,807
➤ positive operations of the Library Fund (permanent fund) of	221,464
➤ positive operations of the Isaac Hagaman Library Fund of	332,880
➤ negative operations of the Hagaman Memorial Library fund of	(87,676)
➤ negative operations of the Education Grants Fund of	(128,673)
➤ negative operations of the debt service fund of	(92,216)

#### Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation expense of	3,626,646
➤ change in property tax, interest, and lien revenue of	779,778
➤ change in net pension liability of	(3,183,524)
➤ change in OPEB liability of	(12,361,903)
➤ change in pension and OPEB deferred outflows of resources of	1,917,395
➤ change in pension and OPEB deferred inflows of resources of	5,298,967

- At year end, the unassigned fund balance for the general fund was \$5,698,155, an increase of \$2,854,114 from the prior year. The unassigned fund balance represents 6.3% of total budgetary expenditures as compared to 3.2% in the prior year.

- Net capital asset additions of \$6,702,902 were offset by depreciation expense of \$3,076,256 and disposals of \$37,433, resulting in the net increase in capital assets of \$3,589,213. The most significant addition was for energy performance equipment totaling \$7,437,475.
- The Town's total long-term debt decreased by \$172,009. The decrease was due to the issuance of notes payable of \$805,821, offset by scheduled debt service payments of \$977,830.

### **Overview of the basic financial statements**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Government-wide financial analysis**

The analysis below focuses on the net position and the changes in net position. Unrestricted net position at year-end totaled \$(128,990,902). This is a decrease of \$4,594,176 from the prior year.

**Summary Statement of Net Position  
June 30**

	<u>2021</u>	<u>2020</u> (as restated)
Current and other assets	\$ 45,977,977	\$ 38,289,007
Capital assets (net)	<u>94,140,406</u>	<u>90,551,193</u>
Total assets	<u>140,118,383</u>	<u>128,840,200</u>
Deferred outflows of resources	<u>38,217,297</u>	<u>36,299,902</u>
Long-term liabilities	213,164,892	197,451,078
Current liabilities	<u>16,502,745</u>	<u>16,634,892</u>
Total liabilities	<u>229,667,637</u>	<u>214,085,970</u>
Deferred inflows of resources	<u>18,676,443</u>	<u>21,490,607</u>
Net investment in capital assets	54,279,061	50,531,444
Restricted	4,703,441	3,428,807
Unrestricted	<u>(128,990,902)</u>	<u>(124,396,726)</u>
Total net position	<u>\$ (70,008,400)</u>	<u>\$ (70,436,475)</u>

By far, the largest portion of the Town's net position 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 position, \$4,703,441, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit balance of \$128,990,902.

Net position may serve over time as a useful indicator of the Town's financial position. The Town's total net position increased by \$428,075 as detailed in the table below:

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

	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ 2,793,702	\$ 3,823,166
Operating grants and contributions	38,255,403	33,164,366
Capital grants and contributions	6,471,738	1,001,266
General revenues:		
Property taxes	70,160,658	65,281,841
Grants and contributions not restricted to specific programs	681,205	728,790
Income from investments	460,087	395,718
Other	<u>58,196</u>	<u>46,292</u>
Total revenues	<u>118,880,989</u>	<u>104,441,439</u>
Expenses:		
General government	7,588,916	7,173,388
Public safety	29,823,351	27,446,229
Public works	11,510,154	10,012,727
Health and welfare	2,137,161	2,015,115
Culture and recreation	2,202,880	2,458,667
Education	64,547,055	62,013,590
Interest	<u>643,397</u>	<u>1,060,160</u>
Total expenses	<u>118,452,914</u>	<u>112,179,876</u>
Change in net position	428,075	(7,738,437)
Net position - July 1	(70,436,475)	(62,944,523)
Restatement (Note VI)	<u>-</u>	<u>246,485</u>
Net position - June 30	<u><u>\$ (70,008,400)</u></u>	<u><u>\$ (70,436,475)</u></u>

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

**Revenues**

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

- Capital grants and contributions increased by \$5,470,472 primarily due to the Town receiving the American Rescue Plan Act ("ARPA") grant of \$4,227,506 and LOCIP grant of \$523,460.
- Operating grants and contributions increased by \$5,091,037 primarily due to increases in the grants received for the school lunch program of \$1,315,442 and the following new grants:
  - Coronavirus Relief Fund grant of \$3,033,787
  - ESSER grant of \$604,508

## Management's Discussion and Analysis (continued)

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- Charges for services decreased by \$1,029,464 primarily due to decreases in the following funds as a result of the pandemic:
  - Daycare fund
  - School activities fund
  - General fund – police special assignments, athletic complex fees and blight revenue
- Property taxes increased by \$4,878,817 due to the increase in the amount required to fund the general fund adopted budget

### Expenses

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

- Public safety expenses increased by \$2,377,122 primarily due to:
  - An increase in claims expense for workers compensation and medical insurance of \$1,769,805
  - An increase in OPEB expense of \$1,039,369
  - An increase in police and fire salaries of approximately \$427,000 and \$122,000, respectively, related to contractual increases and overtime increases due to the pandemic
  - Offset by a decrease in compensated absences of \$663,029 and decrease in MERS pension expense of \$768,162
- Public works expenses increased by \$1,497,427 primarily due to:
  - An increase in compensated absences of \$378,370
  - An increase in employee benefits expense of \$347,339
  - An increase in claims expense of \$276,098
- Education expenses increased by \$2,533,465 primarily due to:
  - An increase in school lunch costs of \$876,491 related to the summer food program grant
  - Costs of \$3,033,787 related to the coronavirus relief fund grant
  - Offset by a decrease of \$616,842 due to loss on disposals of capital assets in prior year



### **Financial analysis of the Town's funds**

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

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

The components of fund balance were as follows:

Nonspendable for endowments	\$ 100,000
Restricted	4,603,441
Committed	1,095,980
Assigned	1,383,192
Unassigned	<u>4,246,732</u>
Total	<u><u>\$ 11,429,345</u></u>

The total fund balance increased by \$3,815,478 to \$11,429,345. This increase is the result of the following activity:

#### **General fund**

The general fund is the operating fund of the Town. The fund balance of the general fund increased by \$2,854,114 during the fiscal year. This increase is mainly due to the following factors:

- The Town received an energy rebate during the current fiscal year of \$998,902
- Public services and engineering expenditures were under budget by \$420,810 primarily due to savings from salaries of \$278,088 due to vacancies
- Culture and recreation expenditures were under budget by \$483,596 primarily due to savings in the following departments as a result of closures related to the pandemic:
  - Recreation department seasonal wages of \$195,951
  - Ice rink utilities of \$81,906
  - Senior center part time wages of \$64,176
- Employee benefits expenditures were underspent by \$214,629 due to retirement fund contributions underspent by \$66,242 and retiree lump sum payments underspent by \$62,912 due to retirees and vacancies
- Debt service expenditures were underspent by \$1,246,571 due to the issuance of refunding bonds in June 2020, which occurred after the fiscal year 2021 budget was established

**Capital projects fund**

This fund's net change in fund balance was a decrease of \$48,793 for the fiscal year, resulting in a deficit fund balance at the end of the year of \$1,451,423 due to the timing of the funding and spending of projects.

**General fund budgetary highlights**

The significant budget transfers during the year were as follows:

- The general services budget was decreased by \$235,600 with the majority transferred to the legal line (\$105,000) and the sanitation department (\$90,000).
- The debt service budget was decreased by \$625,000 with the majority transferred to employee benefits to address the underfunded budget amount for retirement payments.

**Capital assets and debt administration**

**Capital assets**

The Town's net investment in capital assets of \$94,140,406 (net of accumulated depreciation) is as follows:

	<b>Capital Assets (Net of Accumulated Depreciation) June 30</b>	
	<u>2021</u>	<u>2020</u>
Land	\$ 3,505,816	\$ 3,505,816
Construction in progress	1,078,903	9,825,431
Land improvements	3,422,611	1,427,515
Buildings	35,516,005	36,489,279
Building improvements	12,423,558	3,448,411
Machinery and equipment	7,216,516	4,516,104
Vehicles	3,187,124	3,090,308
Infrastructure	<u>27,789,873</u>	<u>28,248,329</u>
Total	<u>\$ 94,140,406</u>	<u>\$ 90,551,193</u>

## Management's Discussion and Analysis (continued)

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The significant capital asset additions consisted of the following:

➤ Land improvements:	
○ High School turf field	\$ 961,252
○ Town-wide paving	899,035
➤ Building improvements:	
○ Energy performance equipment	7,437,475
○ HVAC system	763,288
○ Boilers	475,527
➤ Machinery and equipment:	
○ Console system upgrade	589,213
○ Public safety fire pumper truck and equipment	503,500
○ Freightliner trucks and equipment	376,980
○ High School computers	356,889
○ Playground equipment	352,210
○ Kitchen equipment	333,374
○ Town hall computers	275,808
○ TV's	245,042
➤ Vehicles:	
○ Public safety vehicles	180,666

The capital asset additions were offset by depreciation expense of \$3,076,256 and disposals of \$37,433, resulting in the net increase in capital assets of \$3,589,213.

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

### **Long-term debt**

At the end of the current fiscal year, the Town had total debt outstanding of \$38,609,264.

#### **Long-Term Debt June 30**

	2021	2020
General obligation bonds	\$ 30,735,000	\$ 30,735,000
Notes payable	7,856,544	7,907,683
PPP loan	17,720	138,590
Total	<u>\$ 38,609,264</u>	<u>\$ 38,781,273</u>

The Town's total long-term debt decreased by \$172,009. The decrease was due to the issuance of notes payable of \$805,821, offset by scheduled debt service payments of \$977,830.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total prior year tax collections including interest and lien fees and the tax relief for the elderly freeze grant. The current debt limitation for the Town is \$449,150,688, which is significantly in excess of the Town's outstanding general obligation debt.

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

### **Economic factors and next year's budgets and rates**

As of June 2021, the unemployment rate for the Town was at 6.9%, as compared to 10.9% in the prior year. This is lower than the State average unemployment rate of 7.7% and lower than the national unemployment rate of 5.9%.

Town officials considered many factors when setting the fiscal year 2021 budget. The Town decided that it was important to adopt a budget designed to promote long-term fiscal stability. In order to meet the objectives of the budget, the Town recognized the need to continue its pattern of conservative budgeting while at the same time providing excellent services to its residents and taxpayers.

The 2022 general fund budget is \$93,455,354, which is unchanged from the prior year. The Town continues to focus on managing the tax rate in an environment of changing levels of state funding.

The potential impact of the pandemic on the local economy, businesses and Town revenues is being continually monitored. For fiscal year 2021, there was a negative impact on income from investments, but other revenues such as building permits and conveyance taxes were positively impacted. The Town did not see any impact on tax collections for the prior fiscal year and there is no indication that there will be an impact on 2022 collections.

### **Requests for information**

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

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# **Basic Financial Statements**

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Town of East Haven, Connecticut

Statement of Net Position  
Governmental Activities  
June 30, 2021

Assets

Current assets	
Cash	\$ 9,766,828
Investments	27,546,939
Receivables	
Property taxes	1,370,402
Intergovernmental	930,239
Loans	33,762
Other	507,648
Other	86,785
Total current assets	<u>40,242,603</u>
Noncurrent assets	
Restricted assets	
Temporarily restricted	
Cash	642,500
Investments	2,006,635
Permanently restricted	
Investments	<u>100,000</u>
Total restricted assets	<u>2,749,135</u>
Receivables (net)	
Property taxes	<u>2,986,239</u>
Capital assets (net of accumulated depreciation)	
Land	3,505,816
Construction in progress	1,078,903
Land improvements	3,422,611
Buildings	35,516,005
Building improvements	12,423,558
Machinery and equipment	7,216,516
Vehicles	3,187,124
Infrastructure	<u>27,789,873</u>
Total capital assets (net of accumulated depreciation)	<u>94,140,406</u>
Total noncurrent assets	<u>99,875,780</u>
Total assets	<u>140,118,383</u>

Deferred Outflows of Resources

Pension related	17,401,885
OPEB related	<u>20,815,412</u>
Total deferred outflows of resources	<u>38,217,297</u>

(Continued)

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

Town of East Haven, Connecticut

Statement of Net Position  
Governmental Activities  
June 30, 2021

Liabilities

Current liabilities	
Accounts payable	\$ 3,629,091
Accrued payroll	5,816,936
Unearned revenue	750,482
Other	64,878
Accrued interest payable	328,865
Bonds and notes payable	647,733
Compensated absences	1,263,476
Claims payable	4,001,284
Total current liabilities	16,502,745
Noncurrent liabilities	
Bonds, notes, and related liabilities	38,972,484
Compensated absences	5,053,902
Net pension liability	41,144,042
OPEB liability	119,503,648
Claims payable	8,490,816
Total noncurrent liabilities	213,164,892
Total liabilities	229,667,637

Deferred Inflows of Resources

Advance property tax collections	4,845,641
Deferred charge on refunding	73,529
Pension related	3,490,455
OPEB related	10,266,818
Total deferred inflows of resources	18,676,443

Net Position

Net investment in capital assets	54,279,061
Restricted for	
Endowments	
Nonexpendable	100,000
Expendable	2,649,135
Capital replacement	145,181
Road maintenance	544,297
Historical document preservation	34,191
Housing rehabilitation programs	216,763
Cafeteria operations	930,284
Education programs	83,590
Unrestricted	(128,990,902)
Total net position	\$ (70,008,400)

(Concluded)

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

## Town of East Haven, Connecticut

**Statement of Activities**  
**Governmental Activities**  
**For the Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 7,588,916	\$ 801,387	\$ 178,216	\$ -	\$ (6,609,313)
Public safety	29,823,351	766,731	11,361	-	(29,045,259)
Public works	11,510,154	389,992	233,159	6,471,738	(4,415,265)
Health and welfare	2,137,161	425,092	115,745	-	(1,596,324)
Culture and recreation	2,202,880	4,927	352,919	-	(1,845,034)
Education	64,547,055	405,573	37,364,003	-	(26,777,479)
Interest	643,397	-	-	-	(643,397)
Total	<u>\$ 118,452,914</u>	<u>\$ 2,793,702</u>	<u>\$ 38,255,403</u>	<u>\$ 6,471,738</u>	<u>(70,932,071)</u>
General revenues					
Property taxes					70,160,658
Grants and contributions not restricted to specific programs					681,205
Income from investments					460,087
Other					<u>58,196</u>
Total general revenues					<u>71,360,146</u>
Change in net position					428,075
Net position - July 1, 2020 (as restated)					<u>(70,436,475)</u>
Net position - June 30, 2021					<u>\$ (70,008,400)</u>

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



Town of East Haven, Connecticut

Balance Sheet  
Governmental Funds  
June 30, 2021

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash	\$ 5,616,759	\$ -	\$ 3,391,659	\$ 9,008,418
Investments	22,315,317	-	2,149,828	24,465,145
Receivables				
Property taxes	3,455,988	-	-	3,455,988
Intergovernmental	233,159	-	697,080	930,239
Loans	-	-	33,762	33,762
Other	179,469	-	3,694	183,163
Due from other funds	1,911,205	-	2,755,844	4,667,049
Other	8,750	-	78,035	86,785
Total assets	<u>\$ 33,720,647</u>	<u>\$ -</u>	<u>\$ 9,109,902</u>	<u>\$ 42,830,549</u>
<u>Liabilities</u>				
Accounts payable	\$ 2,593,536	\$ 167,599	\$ 866,343	\$ 3,627,478
Accrued payroll	5,512,426	-	304,510	5,816,936
Due to other funds	11,550,023	1,283,824	5,954	12,839,801
Unearned revenue	-	-	750,482	750,482
Overpayments	64,878	-	-	64,878
Total liabilities	<u>19,720,863</u>	<u>1,451,423</u>	<u>1,927,289</u>	<u>23,099,575</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	3,455,988	-	-	3,455,988
Advance property tax collections	4,845,641	-	-	4,845,641
Total deferred inflows of resources	<u>8,301,629</u>	<u>-</u>	<u>-</u>	<u>8,301,629</u>
<u>Fund Balances</u>				
Nonspendable	-	-	100,000	100,000
Restricted	-	-	4,603,441	4,603,441
Committed	-	-	1,095,980	1,095,980
Assigned	-	-	1,383,192	1,383,192
Unassigned	5,698,155	(1,451,423)	-	4,246,732
Total fund balances	<u>5,698,155</u>	<u>(1,451,423)</u>	<u>7,182,613</u>	<u>11,429,345</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,720,647</u>	<u>\$ -</u>	<u>\$ 9,109,902</u>	<u>\$ 42,830,549</u>

(Continued)

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

**Town of East Haven, Connecticut**

**Reconciliation of Fund Balance  
to Net Position of Governmental Activities  
June 30, 2021**

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

Total fund balances (Exhibit C, page 1)	<u>\$ 11,429,345</u>
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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	90,551,193
Capital asset additions (net of construction in progress)	6,702,902
Depreciation expense	(3,076,256)
Disposal of capital assets	<u>(37,433)</u>

Total	<u>94,140,406</u>
-------	-------------------

Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:

Property tax interest and lien accrual	2,485,653
Allowance for doubtful accounts	(1,585,000)
Deferred outflows related to pension	17,401,885
Deferred outflows related to OPEB	<u>20,815,412</u>

Total	<u>39,117,950</u>
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Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

Property tax receivable - accrual basis change	<u>3,455,988</u>
--	------------------

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

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>2,592,863</u>
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(38,609,264)
Premium	(1,010,953)
Compensated absences	(6,317,378)
Net pension liability	(41,144,042)
OPEB liability	(119,503,648)
Deferred charge on refunding	(73,529)
Deferred inflows related to pension	(3,490,455)
Deferred inflows related to OPEB	(10,266,818)
Accrued interest payable	<u>(328,865)</u>

Total	<u>(220,744,952)</u>
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Total net position (Exhibit A)	<u><u>\$ (70,008,400)</u></u>
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The notes to financial statements are an integral part of this statement.

(Concluded)

## Town of East Haven, Connecticut

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues				
Property taxes	\$ 69,380,880	\$ -	\$ -	\$ 69,380,880
Intergovernmental	25,671,146	4,268,390	13,835,303	43,774,839
Charges for services	2,026,595	-	767,107	2,793,702
Income from investments	30,045	-	33,572	63,617
Change in fair value of investments	-	-	394,818	394,818
Contributions	-	-	276,260	276,260
Rebate	998,902	237,475	-	1,236,377
Other	906,946	-	-	906,946
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues	<u>99,014,514</u>	<u>4,505,865</u>	<u>15,307,060</u>	<u>118,827,439</u>
Expenditures				
Current				
General government	2,908,659	-	117,486	3,026,145
Public safety	14,420,951	-	64,405	14,485,356
Public works	5,581,262	-	983,433	6,564,695
Health and welfare	953,464	-	244,325	1,197,789
Culture and recreation	1,438,370	-	299,015	1,737,385
Employee benefits and insurance	13,973,871	-	-	13,973,871
Education	53,968,056	-	12,487,500	66,455,556
General services	1,389,269	-	-	1,389,269
Debt service	1,564,787	-	92,216	1,657,003
Capital outlay	-	5,360,479	-	5,360,479
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenditures	<u>96,198,689</u>	<u>5,360,479</u>	<u>14,288,380</u>	<u>115,847,548</u>
Excess (deficiency) of revenues over expenditures	<u>2,815,825</u>	<u>(854,614)</u>	<u>1,018,680</u>	<u>2,979,891</u>
Other financing sources (uses)				
Issuance of debt	-	805,821	-	805,821
Sale of Town owned property	29,766	-	-	29,766
Transfers in	8,560	-	37	8,597
Transfers out	(37)	-	(8,560)	(8,597)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net other financing sources (uses)	<u>38,289</u>	<u>805,821</u>	<u>(8,523)</u>	<u>835,587</u>
Net change in fund balances	2,854,114	(48,793)	1,010,157	3,815,478
Fund balances - July 1, 2020 (as restated)	<u>2,844,041</u>	<u>(1,402,630)</u>	<u>6,172,456</u>	<u>7,613,867</u>
Fund balances - June 30, 2021	<u>\$ 5,698,155</u>	<u>\$ (1,451,423)</u>	<u>\$ 7,182,613</u>	<u>\$ 11,429,345</u>

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

Town of East Haven, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2021**

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

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ 3,815,478</u>
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	6,702,902
Depreciation expense	<u>(3,076,256)</u>
Total	<u>3,626,646</u>

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

Loss on disposal of assets	<u>(37,433)</u>
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in property tax receivable - accrual basis change	400,885
Change in property tax interest and lien revenue	<u>378,893</u>
Total	<u>779,778</u>

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

Debt issued or incurred:	
Issuance of notes payable	(805,821)
Principal repayments:	
Notes	<u>977,830</u>
Total	<u>172,009</u>

(Continued)

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

Town of East Haven, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2021**

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:

Amortization of premium	\$ 82,517
Change in:	
Compensated absences	330,694
Net pension liability	(3,183,524)
OPEB liability	(12,361,903)
Accrued interest payable	2,652
Amortization of deferred charge on refunding	71,477
Amortization of deferred outflows of resources related to pension	(1,084,240)
Amortization of deferred outflows of resources related to OPEB	3,001,635
Amortization of deferred inflows of resources related to pension	(1,126,350)
Amortization of deferred inflows of resources related to OPEB	<u>6,425,317</u>
Total	<u>(7,841,725)</u>
Internal service funds are used by management for risk financing activities:	
The net revenue (expense) of the activities of the internal service funds is reported with governmental activities	<u>(86,678)</u>
Change in net position (Exhibit B)	<u>\$ 428,075</u>

(Concluded)

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

## Town of East Haven, Connecticut

## Statement of Net Position

## Internal Service Funds

June 30, 2021

Assets

## Current assets

Cash	\$ 1,400,910
Investments	5,188,429
Accounts receivable	324,485
Due from other funds	<u>8,794,179</u>

Total assets	<u>15,708,003</u>
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Liabilities

## Current liabilities

Accounts payable	1,613
Claims payable	4,001,284
Due to other funds	<u>621,427</u>

Total current liabilities	4,624,324
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## Noncurrent liabilities

Claims payable	<u>8,490,816</u>
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Total liabilities	<u>13,115,140</u>
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Net Position

Unrestricted	<u><u>\$ 2,592,863</u></u>
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The notes to financial statements are an integral part of this statement.

## Town of East Haven, Connecticut

**Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2021**

Operating revenues	
Charges for services	<u>\$ 17,465,848</u>
Operating expenses	
Claims	15,816,203
Administration	<u>1,737,975</u>
Total operating expenses	<u>17,554,178</u>
Operating income (loss)	(88,330)
Nonoperating revenues	
Income from investments	<u>1,652</u>
Change in net position	(86,678)
Total net position - July 1, 2020	<u>2,679,541</u>
Total net position - June 30, 2021	<u><u>\$ 2,592,863</u></u>

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

## Town of East Haven, Connecticut

**Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2021**

Cash flows from (used in) operating activities:	
Premiums received	\$ 16,098,658
Payments for interfund services	(712,286)
Payments to vendors	(1,736,362)
Payments for claims	<u>(15,728,631)</u>
Net cash from (used in) operating activities	(2,078,621)
Cash flows from (used in) investing activities:	
Income from investments	<u>1,652</u>
Net increase (decrease) in cash and cash equivalents	(2,076,969)
Cash and cash equivalents - July 1, 2020	<u>8,666,308</u>
Cash and cash equivalents - June 30, 2021	<u><u>\$ 6,589,339</u></u>
Reconciliation to statement of net position cash:	
Cash and cash equivalents per above	\$ 6,589,339
Cash and cash equivalents reported as investments	<u>(5,188,429)</u>
Statement of net position cash	<u><u>\$ 1,400,910</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ (88,330)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	(289,422)
Due from other funds	(1,925,334)
Other	135,280
Increase (decrease) in:	
Accounts payable	1,613
Claims payable	<u>87,572</u>
Net cash from (used in) operating activities	<u><u>\$ (2,078,621)</u></u>

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



## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021**History and organization**

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

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

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

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

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

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

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

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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

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

The Town reports the following major governmental funds:

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

Additionally, the Town reports the following fund types:

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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.

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

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

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

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

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

**b. Investments**

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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

**c. Method used to value investments**

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

**Fair value of investments**

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

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

**d. Risk policies**

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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

**b. Property taxes and other receivables**

In the government-wide financial statements, property tax and related interest and lien fee receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 17% to 40% of outstanding receivable balances and are calculated based upon prior collection history.

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

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

**3. Restricted assets**

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

**4. Capital assets**

Capital assets, which include construction in progress, 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 \$7,458 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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

Assets	Years
Land improvements	25
Buildings	10-75
Building improvements	50
Machinery and equipment	5-40
Vehicles	10-20
Infrastructure:	
Bridges	50
Roads	80

**5. Deferred outflows/inflows of resources**

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

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

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

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

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

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****6. Compensated absences**

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

**7. Long-term liabilities**

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

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

**8. Fund equity and net position**

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

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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

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

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

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



## Town of East Haven, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2021****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****9. Use of estimates**

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

**10. 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. Basis of budgeting**

Only the General Fund has a legally adopted annual budget.

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

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

**B. Donor-restricted endowments**

The Town has received certain endowments for the Hagan Memorial Library and Thompson Education fund. The amounts are reflected in net position as restricted for endowments. Investment income (including appreciation) is approved for expenditure by the Library Board. The amount of appreciation (depreciation) included in restricted fund balance for the Hagan Memorial Library was \$501,032.

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

At year end, the Town's bank balance including certificates of deposit classified as investments, was \$22,530,153 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 15,872,094
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>5,624,033</u>
Total amount subject to custodial credit risk	<u><u>\$ 21,496,127</u></u>

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

**2. Investments**

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

Type of Investment	Fair Value	Investment Maturities (In Years)		
		N/A	Less Than 1	1-5
Mutual funds:				
Domestic equities	\$ 1,002,456	\$ 1,002,456	\$ -	\$ -
International equities	343,577	343,577	-	-
Domestic bonds	267,773	-	-	267,773
International bonds	30,524	-	-	30,524
Common stock	647	647	-	-
Certificates of deposit	498,420	-	498,420	-
Bank money market	11,396,953	-	11,396,953	-
Pooled fixed income	11,162,431	-	11,162,431	-
Pooled bank money market	4,950,793	-	4,950,793	-
Total	<u><u>\$29,653,574</u></u>	<u><u>\$ 1,346,680</u></u>	<u><u>\$28,008,597</u></u>	<u><u>\$ 298,297</u></u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Cash and investments (continued)**

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

<u>Investments at Fair Value Level:</u>	<u>Amount</u>	<u>Quoted Market Prices in Active Markets Level 1</u>
Mutual funds:		
Domestic equity	\$ 1,002,456	\$ 1,002,456
International equities	343,577	343,577
Domestic bonds	267,773	267,773
International bonds	30,524	30,524
Common stock	647	647
Total investments by fair value level	<u>1,644,977</u>	<u>\$ 1,644,977</u>
 <u>Other Investments not Subject to Fair Value Measurement:</u>		
Certificates of deposit	498,420	
Bank money market	11,396,953	
Pooled fixed income	11,162,431	
Pooled bank money market	4,950,793	
Total other investments	<u>28,008,597</u>	
Total investments	<u>\$29,653,574</u>	

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Cash and investments (continued)**

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

Type of Investment	Ratings						Totals
	AAA	AA	BBB	BB	B	CCC	
Mutual funds:							
Domestic bonds	\$ 267,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 267,773
International bonds	-	1,526	2,442	14,652	9,767	2,137	30,524
Pooled fixed income	11,162,431	-	-	-	-	-	11,162,431
Total	<u>\$11,430,204</u>	<u>\$ 1,526</u>	<u>\$ 2,442</u>	<u>\$ 14,652</u>	<u>\$ 9,767</u>	<u>\$ 2,137</u>	<u>\$11,460,728</u>

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

**B. Receivables**

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the Town's government-wide financial statements with allowances for uncollectible accounts, including the applicable allowances for uncollectible accounts, are presented below:

	Property Taxes	
	Taxes	Interest and Lien Fees
Current portion	<u>\$ 915,837</u>	<u>\$ 454,565</u>
Long-term portion	\$ 2,540,151	\$ 2,031,088
Less allowance for uncollectible	<u>(585,000)</u>	<u>(1,000,000)</u>
Net long-term portion	<u>\$ 1,955,151</u>	<u>\$ 1,031,088</u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
<u>Major Funds:</u>			
General Fund:			
Capital projects	N/A	\$ 1,283,824	\$ -
Public safety	N/A	-	97,039
General government	N/A	-	34,227
Culture and recreation	N/A	-	20,933
Health and welfare	N/A	-	336,780
Roads state aid	N/A	-	577,983
Coronavirus relief fund	N/A	-	358,649
School rental	N/A	5,020	-
Adult education	N/A	934	-
Education grants	N/A	-	605,976
Debt service	N/A	-	534,076
Open space	N/A	-	45,000
LOCIP	N/A	-	145,181
Self-insurance	N/A	621,427	-
Workers' compensation	N/A	-	5,121,059
Town medical insurance	N/A	-	2,476,121
Education medical insurance	N/A	-	1,196,999
Total General Fund		<u>1,911,205</u>	<u>11,550,023</u>
Capital Projects	General Fund	<u>-</u>	<u>1,283,824</u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Interfund accounts (continued)**

	Corresponding Fund	Due From	Due To
<u>Other Governmental Funds:</u>			
Special Revenue Funds:			
Public safety	General fund	\$ 97,039	\$ -
General government	General fund	34,227	-
Culture and recreation	General fund	20,933	-
Health and welfare	General fund	336,780	-
Roads state aid	General fund	577,983	-
Coronavirus relief fund	General fund	358,649	-
School rental	General fund	-	5,020
Adult education	General fund	-	934
Education grants	General fund	605,976	-
		<hr/>	<hr/>
Debt service fund	General fund	534,076	-
		<hr/>	<hr/>
Capital Projects Funds:			
Open space	General fund	45,000	-
LOCIP	General fund	145,181	-
		<hr/>	<hr/>
Total Other Governmental Funds		2,755,844	5,954
		<hr/>	<hr/>
Internal Service Funds:			
Self-insurance	General fund	-	621,427
Workers' compensation	General fund	5,121,059	-
Town medical insurance	General fund	2,476,121	-
Education medical insurance	General fund	1,196,999	-
		<hr/>	<hr/>
Total Internal Service Funds		8,794,179	621,427
		<hr/>	<hr/>
Grand Total		\$ 13,461,228	\$ 13,461,228
		<hr/>	<hr/>

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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

	Corresponding Fund	Transfers In	Transfers Out
Major Funds:			
General Fund:			
Public safety	N/A	\$ 8,560	\$ -
Health and welfare	N/A	-	37
Total General Fund		<u>8,560</u>	<u>37</u>
Other Governmental Funds:			
Special Revenue Funds:			
Public safety	General Fund	-	8,560
Health and welfare	General Fund	<u>37</u>	<u>-</u>
Total Other Governmental Funds		<u>37</u>	<u>8,560</u>
Grand Total		<u><u>\$ 8,597</u></u>	<u><u>\$ 8,597</u></u>

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**D. Capital assets**

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
<b>Capital assets, not being depreciated:</b>				
Land	\$ 3,505,816	\$ -	\$ -	\$ 3,505,816
Construction in progress	9,825,431	2,167,216	10,913,744	1,078,903
<b>Total capital assets, not being depreciated</b>	<b>13,331,247</b>	<b>2,167,216</b>	<b>10,913,744</b>	<b>4,584,719</b>
<b>Capital assets, being depreciated:</b>				
Land improvements	3,244,955	2,178,915	168,448	5,255,422
Buildings	62,712,818	-	-	62,712,818
Building improvements	13,454,141	9,198,700	-	22,652,841
Machinery and equipment	9,243,152	3,420,532	-	12,663,684
Vehicles	7,078,247	536,929	-	7,615,176
Infrastructure	42,329,459	114,354	-	42,443,813
<b>Total capital assets, being depreciated</b>	<b>138,062,772</b>	<b>15,449,430</b>	<b>168,448</b>	<b>153,343,754</b>
<b>Total capital assets</b>	<b>151,394,019</b>	<b>17,616,646</b>	<b>11,082,192</b>	<b>157,928,473</b>
<b>Less accumulated depreciation for:</b>				
Land improvements	1,817,440	146,386	131,015	1,832,811
Buildings	26,223,539	973,274	-	27,196,813
Building improvements	10,005,729	223,553	-	10,229,282
Machinery and equipment	4,727,049	720,120	-	5,447,169
Vehicles	3,987,939	440,113	-	4,428,052
Infrastructure	14,081,130	572,810	-	14,653,940
<b>Total accumulated depreciation</b>	<b>60,842,826</b>	<b>3,076,256</b>	<b>131,015</b>	<b>63,788,067</b>
<b>Total capital assets, being depreciated, net</b>	<b>77,219,946</b>	<b>12,373,174</b>	<b>37,433</b>	<b>89,555,687</b>
<b>Capital assets, net</b>	<b>\$ 90,551,193</b>	<b>\$14,540,390</b>	<b>\$ 10,951,177</b>	<b>\$ 94,140,406</b>

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

General government	\$ 64,909
Public safety	418,063
Public works	654,320
Culture and recreation	92,903
Health and welfare	18,765
Education	1,827,296
<b>Total depreciation expense</b>	<b>\$ 3,076,256</b>



## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**E. 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, 2020	Additions	Deductions	Balance June 30, 2021	Current Portion	Long-term Portion
<b>Bonds:</b>										
General purpose:										
Improvement	\$ 1,275,000	7/26/11	2026	2.00%	\$ 120,000	\$ -	\$ -	\$ 120,000	\$ -	\$ 120,000
Improvement	3,150,000	7/17/13	2026	2.00-4.00%	1,407,600	-	-	1,407,600	-	1,407,600
Refunding	3,421,340	8/5/14	2025	5.00%	1,206,660	-	-	1,206,660	-	1,206,660
Improvement	3,500,000	11/17/16	2037	3.00-4.00%	2,900,000	-	-	2,900,000	-	2,900,000
Refunding	4,991,576	11/17/16	2030	3.00-4.00%	4,514,371	-	-	4,514,371	-	4,514,371
Improvement	2,885,000	12/27/18	2039	4.25-6.00%	2,585,000	-	-	2,585,000	-	2,585,000
Refunding (taxable)	3,460,000	12/13/18	2039	4.25-6.00%	3,460,000	-	-	3,460,000	-	3,460,000
Improvement / refunding	6,850,000	6/16/20	2045	2.50-5.00%	6,850,000	-	-	6,850,000	-	6,850,000
Improvement / refunding (taxable)	3,214,800	6/16/20	2045	2.37-4.15%	3,214,800	-	-	3,214,800	-	3,214,800
Total general purpose	32,747,716				26,258,431	-	-	26,258,431	-	26,258,431
Schools:										
Improvement	1,285,000	7/17/13	2026	2.00-4.00%	547,400	-	-	547,400	-	547,400
Refunding	3,468,660	8/5/14	2025	5.00%	1,223,340	-	-	1,223,340	-	1,223,340
Refunding	238,424	11/17/16	2030	3.00-4.00%	215,629	-	-	215,629	-	215,629
Improvement	420,000	12/27/18	2039	4.25-6.00%	375,000	-	-	375,000	-	375,000
Refunding (taxable)	865,000	12/13/18	2039	4.25-6.00%	865,000	-	-	865,000	-	865,000
Improvement / refunding (taxable)	1,250,200	6/16/20	2045	2.37-4.15%	1,250,200	-	-	1,250,200	-	1,250,200
Total schools	7,527,284				4,476,569	-	-	4,476,569	-	4,476,569
Total bonds					30,735,000	-	-	30,735,000	-	30,735,000
<b>Notes (direct borrowings):</b>										
Equipment financing notes	1,321,321	9/15/18	2026	2.30-6.70%	707,683	805,821	431,960	1,081,544	207,733	873,811
Energy financing notes	7,200,000	7/1/19	2034	2.83%	7,200,000	-	425,000	6,775,000	440,000	6,335,000
Total notes	8,521,321				7,907,683	805,821	856,960	7,856,544	647,733	7,208,811
Total bonds and notes					38,642,683	805,821	856,960	38,591,544	647,733	37,943,811
Paycheck protection program loan										
	138,590	5/13/20	2026	1.00%	138,590	-	120,870	17,720	4,430	13,290
Premium					1,093,470	-	82,517	1,010,953	-	1,010,953
Total bonds, notes, loans and related liabilities					39,874,743	805,821	1,060,347	39,620,217	652,163	38,968,054
Compensated absences					6,648,072	2,535,256	2,865,950	6,317,378	1,263,476	5,053,902
Net pension liability					37,960,518	9,481,630	6,298,106	41,144,042	-	41,144,042
OPEB liability					107,141,745	13,429,270	1,067,367	119,503,648	-	119,503,648
Claims payable					11,321,744	2,739,311	2,542,278	11,518,777	3,027,961	8,490,816
Total long-term obligations					\$202,946,822	\$28,991,288	\$13,834,048	\$218,104,062	\$4,943,600	\$213,160,462

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**E. Changes in long-term obligations (continued)**

The following is a summary of bond maturities:

Fiscal Year Ended June 30,	Bonds		Notes	
	Principal	Interest	Principal	Interest
2022	\$ -	\$ 796,801	\$ 647,733	\$ 223,438
2023	2,260,000	1,143,689	662,252	204,047
2024	2,355,000	1,045,673	653,421	184,572
2025	2,445,000	999,001	664,927	166,138
2026	2,085,000	849,066	661,661	147,349
2027	1,975,000	765,894	616,550	129,095
2028	1,935,000	689,025	520,000	111,785
2029	1,990,000	616,234	535,000	97,069
2030	1,635,000	547,110	545,000	81,929
2031	1,050,000	492,928	565,000	66,505
2032	1,075,000	451,357	580,000	50,516
2033	1,105,000	411,064	595,000	34,102
2034	1,135,000	369,517	610,000	17,263
2035	1,165,000	326,391	-	-
2036	1,205,000	281,563	-	-
2037	1,245,000	235,373	-	-
2038	1,105,000	191,413	-	-
2039	1,145,000	149,473	-	-
2040	585,000	119,060	-	-
2041	605,000	100,660	-	-
2042	625,000	80,485	-	-
2043	645,000	58,503	-	-
2044	670,000	35,730	-	-
2045	695,000	12,064	-	-
Total	<u>\$30,735,000</u>	<u>\$10,768,074</u>	<u>\$7,856,544</u>	<u>\$1,513,808</u>

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**E. Changes in long-term obligations (continued)**

In May 2020, the Town received loan proceeds in the amount of \$138,590 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1% per annum. All or a portion of the PPP loan principal and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act, over a period of either eight or twenty-four weeks ("Covered Period"). The amount of loan forgiveness could be reduced if the borrower terminates employees or reduces salaries above a certain threshold during the Covered Period and does not qualify for certain safe harbors.

The United States Small Business Administration approved loan forgiveness of \$120,870 based upon actual payroll. The balance of \$17,720 is recorded as a loan payable. The future scheduled maturities are as follows:

Fiscal Year Ended June 30,	Principal	Interest
2022	\$ 4,430	\$ 44
2023	8,860	89
2024	<u>4,430</u>	<u>44</u>
Total	<u>\$ 17,720</u>	<u>\$ 177</u>

**2. Statutory debt limitations**

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 144,369,864	\$ 26,258,431	\$ 118,111,433
Schools	288,739,728	4,476,569	284,263,159
Sewers	240,616,440	-	240,616,440
Urban renewal	208,534,248	-	208,534,248
Pension deficit	192,493,152	-	192,493,152

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year's taxation, \$449,150,688.

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.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**E. Changes in long-term obligations (continued)****3. Assets pledged as collateral**

The Town's outstanding equipment financing notes are secured with collateral of the equipment purchased of \$7,856,544.

**4. Authorized/Unissued Bonds**

The Town had authorized and unissued bonds as follows:

	<u>Authorized/ Unissued Bonds</u>
General purpose	\$ 12,463,827
Schools	<u>2,846,000</u>
Total	<u><u>\$ 15,309,827</u></u>

**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. At fiscal year-end, the amount of defeased debt outstanding but removed from the Town's financial statements amounted to \$2,060,000.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**F. Fund balances and restricted net position**

Fund balances are composed of the following:

Fund Balance Component	General Fund	Capital Projects Fund	Other Governmental Funds	Total
Nonspendable:				
Library building maintenance	\$ -	\$ -	\$ 100,000	\$ 100,000
Restricted:				
Capital projects and replacement	-	-	145,181	145,181
Road maintenance	-	-	544,297	544,297
Library building maintenance	-	-	2,193,261	2,193,261
Historical document preservation*	-	-	34,191	34,191
Housing rehabilitation programs	-	-	216,763	216,763
Cafeteria operations*	-	-	930,284	930,284
Education programs	-	-	496,918	496,918
School activity programs	-	-	42,546	42,546
Total restricted	-	-	4,603,441	4,603,441
Committed:				
Library operations	-	-	89,721	89,721
Daycare program	-	-	110,974	110,974
Education programs	-	-	694,486	694,486
School activity programs	-	-	200,799	200,799
Total committed	-	-	1,095,980	1,095,980
Assigned:				
Public safety programs	-	-	103,802	103,802
Open space	-	-	45,000	45,000
Health and welfare programs	-	-	109,498	109,498
Emergency medical services	-	-	377,100	377,100
Culture and recreation programs	-	-	10,510	10,510
Education programs	-	-	203,206	203,206
Debt service	-	-	534,076	534,076
Total assigned	-	-	1,383,192	1,383,192
Unassigned	5,698,155	(1,451,423)	-	4,246,732
Total	<u>\$5,698,155</u>	<u>\$ (1,451,423)</u>	<u>\$7,182,613</u>	<u>\$ 11,429,345</u>

\* The amount of restricted net position, which was restricted by enabling legislation, totaled \$964,475.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

The Town is exposed to various risks of loss related to public official liability, police liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town is self-insured for all claims and purchases stop loss insurance for claims over \$1,000,000. 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 Town Medical Insurance Fund, the Education 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 \$150,000 for the Town Medical Insurance Fund, \$175,000 for the Education Medical Insurance Fund, and \$750,000 for the Workers' Compensation Fund.

In addition, the Town has established the Self-Insurance Fund, to pay judgments and claims and 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.

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

Fiscal Year End/Fund	Claims Payable July 1,	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,	Current Portion	Long-Term Portion
<u>Self-Insurance Fund</u>						
2019-2020	\$ 2,220,039	\$ 966,536	\$ 504,504	\$ 2,682,071	\$ 100,000	\$ 2,582,071
2020-2021	2,682,071	467,929	-	3,150,000	150,000	3,000,000
<u>Workers' Compensation Fund</u>						
2019-2020	9,115,481	2,000,436	2,476,244	8,639,673	3,303,861	5,335,812
2020-2021	8,639,673	2,271,382	2,542,278	8,368,777	2,877,961	5,490,816
<u>Subtotal</u>						
2019-2020	11,335,520	2,966,972	2,980,748	11,321,744	3,403,861	7,917,883
2020-2021	11,321,744	2,739,311	2,542,278	11,518,777	3,027,961	8,490,816

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Risk management (continued)**

Fiscal Year End/Fund	Claims Payable July 1,	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,	Current Portion	Long-Term Portion
<u>Town Medical Insurance Fund</u>						
2019-2020	\$ 1,199,025	\$ 4,861,252	\$ 5,705,021	\$ 355,256	\$ 355,256	\$ -
2020-2021	355,256	5,110,590	5,063,610	402,236	402,236	-
<u>Education Medical Insurance Fund</u>						
2019-2020	-	7,527,060	6,799,532	727,528	727,528	-
2020-2021	727,528	7,966,302	8,122,743	571,087	571,087	-
<u>Total</u>						
2019-2020	12,534,545	15,355,284	15,485,301	12,404,528	4,486,645	7,917,883
2020-2021	<u>\$12,404,528</u>	<u>\$15,816,203</u>	<u>\$15,728,631</u>	<u>\$12,492,100</u>	<u>\$4,001,284</u>	<u>\$ 8,490,816</u>

**B. Commitments and litigation**

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

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

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

**C. Contingencies***Coronavirus*

In March 2020, the United States declared the outbreak of Coronavirus a national emergency. Similarly, the Governor of the State of Connecticut declared a state of emergency. Although the national shut down has ended, the Coronavirus continues to have an impact on the economy including effects on the Town's economically sensitive revenues such as park and recreation program fees, interest earnings and certain other charges for services. This has been offset to varying degrees by increases in building permit fees and conveyance taxes. In addition, the supply chain has been disrupted and prices have increased for various types of items, including construction costs. The pandemic has also resulted in labor shortages.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Contingencies (continued)**

In response to the pandemic and the economic impact on local governments, the federal government has provided the following funding beginning in April 2020 and April 2021. The Town had received grants from the federal government for the costs and impact of the pandemic as follows:

Grant Name	Amount
Coronavirus Relief Fund ("CRF")	\$ 2,988,387
Education Stabilization Fund ("ESF")	528,470
American Rescue Plan Act ("ARPA")	<u>4,230,506</u>
Total	<u>\$ 7,747,363</u>

The second payment of the ARPA grant of \$4,230,506 is to be received in fiscal year 2022.

The Town is continuously monitoring its financial condition and will take proactive measures as necessary to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the complete impact on the Town's future financial position at this time.

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

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

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

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Policemen and firemen with social security
- Policemen and firemen without social security



## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Connecticut municipal employees' retirement system (continued)****2. Benefit provisions**

<b>Normal retirement</b>	
General Employees	Age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service
Police and Firemen	Compulsory retirement age is age 65
Benefit calculation	The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.
With social security	1.50% of the average final compensation not in excess of the year's breakpoint plus 2.00% of average final compensation in excess of the year's breakpoint, times years of service. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.
Without social security	2.00% of average final compensation, times years of service
Final average compensation	Average of the three highest paid years of service

<b>Early retirement</b>	5 years of continuous service or 15 years of active aggregate service
Early retirement amount	Calculated on the basis of average final compensation and service to date of termination. Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.
Service connected disability amount	Calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability
Non-service connected disability service requirement	10 years of service
Non-service connected disability service amount	Calculated based on compensation and service to the date of the disability
Pre-retirement death benefit amount	Lump-sum return of contributions with interest of if vested and married, the surviving spouse will receive a lifetime benefit
Cost of living increases	2.50% - 6.00% depending on retirement date and increase in CPI

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Connecticut municipal employees' retirement system (continued)****3. Contributions****Employer**

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

**Employees**

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

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

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

The Town reported \$41,144,042 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town's proportionate share of the net pension liability was based upon the Town's 2020 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. The Town's proportional share was 6.582412% for the general employees without social security sub plan and 6.334943% for the police and fire without social security sub plan. There was a 0.225015% decrease in the Town's proportional share of the general employees social security sub plan and a 0.218875% increase in the police and fire without social security sub plan from the prior year.

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Connecticut municipal employees' retirement system (continued)**

For the fiscal year, the Town recognized pension expense of \$9,691,931. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 2,116,983	\$ 2,102,489	\$ 14,494
Changes in assumptions	6,241,744	-	6,241,744
Changes in proportional share	808,110	1,387,966	(579,856)
Net difference between projected and actual earnings on pension plan investments	4,236,214	-	4,236,214
Contributions subsequent to measurement date	<u>3,998,834</u>	<u>-</u>	<u>3,998,834</u>
Total	<u>\$17,401,885</u>	<u>\$ 3,490,455</u>	13,911,430
Contributions subsequent to the measurement date to be recognized as a reduction of the net pension liability in the subsequent year			<u>(3,998,834)</u>
Net amortized amount of deferred inflows and outflows			<u>\$ 9,912,596</u>

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

Year Ending June 30,	
2022	\$ 3,782,440
2023	4,458,028
2024	1,031,109
2025	<u>641,019</u>
Total	<u>\$ 9,912,596</u>

**5. Actuarial assumptions**

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Connecticut municipal employees' retirement system (continued)**

Investment rate of return	7.00%
Inflation	2.50%
Salary increases	3.50-10.00%, including inflation
Cost of living adjustments	Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6.00%. The minimum annual COLA is 2.50%, the maximum is 6.00%
Mortality rates	Mortality rates were based on RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected 2022 with Scale BB for Police and Fire. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

**Long-term expected rate of return**

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Connecticut municipal employees' retirement system (continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Target Expected Real Rate of Return</u>
Domestic equity	20.00%	5.30%
Developed market international	11.00%	5.10%
Emerging market international	9.00%	7.40%
Core fixed income	16.00%	1.60%
Inflation linked bond	5.00%	1.30%
Emerging market debt	5.00%	2.90%
High yield bond	6.00%	3.40%
Real estate	10.00%	4.70%
Private equity	10.00%	7.30%
Alternative investments	7.00%	3.20%
Liquidity fund	1.00%	0.90%
Total	<u>100.00%</u>	

**6. Discount rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportional share of the net pension (asset) liability of MERS, calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate of 7.00%:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Town's proportional share of the net pension liability	<u>\$ 59,190,590</u>	<u>\$ 41,144,042</u>	<u>\$ 26,072,748</u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

Detailed information about the MERS plan's fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

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

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

**2. Benefit provisions**

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date.
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

**3. Contributions****State of Connecticut**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

**Employer (school districts)**

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

**Employees**

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

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

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>90,939,546</u>
Total	<u>\$ 90,939,546</u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net pension liability.

During the year, the Town recognized pension expense and revenue of \$5,833,014 for on-behalf amounts for contributions to the plan by the State.

**5. Actuarial assumptions**

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

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

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

**Changes in assumptions and inputs**

- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.



## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity fund	20.00%	5.60%
Developed market international stock fund	11.00%	6.00%
Emerging market international stock fund	9.00%	7.90%
Core fixed income fund	16.00%	2.10%
Inflation linked bond fund	5.00%	1.10%
Emerging market debt fund	5.00%	2.70%
High yield bond fund	6.00%	4.00%
Real estate fund	10.00%	4.50%
Private equity	10.00%	7.30%
Alternative investments	7.00%	2.90%
Liquidity fund	1.00%	0.40%
Total	<u>100.00%</u>	

**6. Discount rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**B. Connecticut state teachers' retirement system (continued)****7. Sensitivity of the net pension liability to changes in the discount rate**

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

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

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

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

**b. Plan membership**

As of July 1, 2019, the following employees are covered by the benefit terms:

	<u>Town</u>	<u>Education</u>
Inactive plan members or beneficiaries currently receiving benefit payments	233	223
Active plan members	<u>170</u>	<u>274</u>
Total	<u><u>403</u></u>	<u><u>497</u></u>

**2. Benefit provisions**

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Other post-employment benefit plan ("OPEB") (continued)****3. Contributions****Employer contributions**

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

**Employee contributions**

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

**4. Actuarial methods and significant assumptions**

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

Valuation date	July 1, 2019
Actuarial cost method	Entry age normal
Discount rate	2.21%
Salary increases	4.00%
Healthcare cost trend rates: Medical	7.00% decreasing to 4.50% ultimate rate
Prescription drug	6.00% decreasing to 4.50% ultimate rate
Dental, administrative costs	3.00%
Mortality rates	
Healthy participants other than Teachers, Police and Fire participants	Based on the RP-2006 mortality tables projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB
Healthy Police and Fire participants	Based on the Blue Collar RP-2006 mortality tables projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB
Disabled retirees other than Teachers	Based on the RP-2014 disabled mortality tables projected to 2020 with Scale BB
Healthy Teachers	Based on the RP-2014 mortality tables projected to 2020 with Scale BB
Disabled Teachers	Based on the RP-2014 disabled mortality tables projected to 2017 with Scale BB

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Other post-employment benefit plan ("OPEB") (continued)**

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

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

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

- The discount rate decreased from 3.50% to 2.21%.

**b. Changes in benefit terms**

There were no changes in benefit terms.

**6. Changes in the OPEB liability**

	<u>Town</u>	<u>Education</u>	<u>Total</u>
Balance at July 1, 2020	<u>\$ 79,318,611</u>	<u>\$ 27,823,134</u>	<u>\$ 107,141,745</u>
Service cost	2,578,351	345,379	2,923,730
Interest	2,810,460	956,022	3,766,482
Changes in assumptions	6,739,058	3,878,602	10,617,660
Benefit payments	<u>(3,223,953)</u>	<u>(1,722,016)</u>	<u>(4,945,969)</u>
Net change	<u>8,903,916</u>	<u>3,457,987</u>	<u>12,361,903</u>
Balance at June 30, 2021	<u><u>\$ 88,222,527</u></u>	<u><u>\$ 31,281,121</u></u>	<u><u>\$ 119,503,648</u></u>

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

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate of 2.21% for both the Town and Education plans:

<u>OPEB Liability</u>	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Town	<u>\$ 100,760,906</u>	<u>\$ 88,222,527</u>	<u>\$ 77,967,187</u>
Education	<u>\$ 34,967,730</u>	<u>\$ 31,281,121</u>	<u>\$ 28,170,501</u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Other post-employment benefit plan ("OPEB") (continued)****8. Sensitivity of the OPEB liability to changes in the healthcare cost trend rate**

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using trend rates that are 1% lower or 1% higher than the current trend rates of 7.00% decreasing to 4.50%:

<u>OPEB Liability</u>	<u>1% Decrease in Health Care Cost Trend Rates</u>	<u>Current Health Care Cost Trend Rates</u>	<u>1% Increase in Health Care Cost Trend Rates</u>
Town	<u>\$ 75,926,490</u>	<u>\$ 88,222,527</u>	<u>\$ 28,170,501</u>
Education	<u>\$ 27,820,524</u>	<u>\$ 31,281,121</u>	<u>\$ 35,415,595</u>

**9. OPEB expense and deferred outflows/inflows of resources related to OPEB**

For the fiscal year, the Town and Education recognized OPEB expense of \$9,147,406 and \$(1,266,486), respectively. The Town plan reported deferred outflows and inflows of resources related to OPEB from the following sources:

<u>Town</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 1,753,159	\$ 1,376,518	\$ 376,641
Changes in assumptions	<u>15,636,949</u>	<u>2,449,181</u>	<u>13,187,768</u>
Total	<u>\$ 17,390,108</u>	<u>\$ 3,825,699</u>	<u>\$ 13,564,409</u>

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

<u>Education</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 211,985	\$ 2,123,336	\$ (1,911,351)
Changes in assumptions	<u>3,213,319</u>	<u>4,317,783</u>	<u>(1,104,464)</u>
Total	<u>\$ 3,425,304</u>	<u>\$ 6,441,119</u>	<u>\$ (3,015,815)</u>

Experience losses (gain) and changes in assumptions are amortized over the average remaining service period of actives and inactive, which were 4.99 years for the Town plan and 5.74 years for the Education plan.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Other post-employment benefit plan ("OPEB") (continued)**

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

Year ending June 30,	Town	Education
2022	\$ 3,657,571	\$ (2,567,887)
2023	3,586,269	(1,588,068)
2024	3,969,931	212,322
2025	2,005,375	375,631
2026	345,263	552,187
Total	<u>\$ 13,564,409</u>	<u>\$ (3,015,815)</u>

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

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

**2. Benefit provisions**

The Plan provides for retiree health insurance benefits. Eligibility is as follows:

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

## Town of East Haven, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2021**

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

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefits offered. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost.

The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

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

**Survivor health care coverage**

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**D. Connecticut state teachers' retirement board retiree health insurance plan (continued)****3. Contributions****State of Connecticut**

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State pays for one third of plan costs through an annual appropriation in the General Fund.

**Employer (school districts)**

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

**Employees**

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

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

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

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>13,563,637</u>
Total	<u><u>\$ 13,563,637</u></u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$140,771 for on-behalf amounts for contributions to the plan by the State.



## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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

Investment rate of return	3.00%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2021

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

**Changes in assumptions and inputs**

- The Medicare health care cost trend rate changed from 5.00% decreasing to 4.75% by 2028 to 5.125% decreasing to 4.50% by 2023.
- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.
- The discount rate was decreased from 3.50% to 2.21% to reflect the change in the Municipal Bond Index rate.

Additionally, expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019. Further, the expected rate of inflation was decreased and the real wage growth assumption was increased.

**Long-term expected rate of return**

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.00%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2020.

**6. Discount rate**

The discount rate used to measure the total OPEB liability was 2.21%. The Municipal Bond Index Rate was used in the determination in the discount rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that annual State contributions will equal the most recent 5-year average of state contributions.

**7. Sensitivity of the OPEB liability to changes in the discount rate and the health care cost trend rate**

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

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

**E. Total OPEB plans**

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Town	\$ 88,222,527	\$ 17,390,108	\$ 3,825,699	\$ 9,147,406
Education	31,281,121	3,425,304	6,441,119	(1,266,486)
Total	<u>\$119,503,648</u>	<u>\$ 20,815,412</u>	<u>\$ 10,266,818</u>	<u>\$ 7,880,920</u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**VI. Prior period adjustment and fund reclassification**

The government-wide and custodial funds net position and special revenue fund balance were restated as a result of the implementation of GASB No. 84 as follows:

	Governmental Activities	Other Governmental Funds	Custodial Funds
Net position/fund balance as previously reported at June 30, 2020	\$ (70,697,212)	\$ 5,911,719	\$ 260,737
Reclassification of funds to proper fund type	<u>260,737</u>	<u>260,737</u>	<u>(260,737)</u>
Net position/fund balance as restated at July 1, 2020	<u><u>\$ (70,436,475)</u></u>	<u><u>\$ 6,172,456</u></u>	<u><u>\$ -</u></u>

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# Required Supplementary Information

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

Town of East Haven, Connecticut

Required Supplementary Information

General Fund  
Schedule of Revenues and Other Financing Sources  
Budget and Actual  
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Real estate	\$ 57,938,632	\$ -	\$ 57,938,632	\$ 58,727,251	\$ 788,619
Motor vehicle and personal property	8,120,109	-	8,120,109	7,704,796	(415,313)
Supplemental motor vehicle	937,271	-	937,271	793,548	(143,723)
Delinquent taxes	725,000	-	725,000	711,322	(13,678)
Suspense collections	90,800	-	90,800	85,553	(5,247)
Interest, penalties and liens	442,000	-	442,000	413,123	(28,877)
PILOT water authority	788,908	-	788,908	830,244	41,336
PILOT GNHWPCA	63,000	-	63,000	63,000	-
Telecommunication property tax	42,115	-	42,115	52,043	9,928
Total property taxes	69,147,835	-	69,147,835	69,380,880	233,045
Intergovernmental:					
Education cost sharing	18,764,125	-	18,764,125	18,701,002	(63,123)
PILOT state property	462,357	-	462,357	462,357	-
PILOT Pequot funds	82,006	-	82,006	82,006	-
Tax relief elderly	1,986	-	1,986	1,986	-
Veterans' exemption	58,000	-	58,000	57,550	(450)
Disability reimbursement	4,150	-	4,150	4,372	222
Off Track Betting (OTB)	63,200	-	63,200	-	(63,200)
State of CT department of children	20,340	-	20,340	31,263	10,923
COVID - FEMA Reimbursements	-	-	-	41,671	41,671
Help America vote grant	-	-	-	20,372	20,372
FEMA - storm Isaias	-	-	-	233,159	233,159
Coronavirus relief fund	-	-	-	61,623	61,623
Total intergovernmental	19,456,164	-	19,456,164	19,697,361	241,197
Charges for services:					
Zoning board of appeals	3,500	-	3,500	2,270	(1,230)
Zoning fees	22,400	-	22,400	20,365	(2,035)
Police permits, tags, etc.	42,900	-	42,900	51,167	8,267
Fire permits/fees	500	-	500	205	(295)
Town clerk fees	497,000	-	497,000	748,109	251,109
Building department permits	331,300	-	331,300	331,043	(257)
Recreation fees	60,000	-	60,000	5,857	(54,143)
Athletic complex fees	282,000	-	282,000	(1,090)	(283,090)
C.A.M. fees	1,000	-	1,000	160	(840)
Human services fees	237,000	-	237,000	168,279	(68,721)
Landfill fees	44,301	-	44,301	19,784	(24,517)
Inland/wetland prints	-	-	-	290	290
Flood and erosion	2,000	-	2,000	-	(2,000)
Police special assignments	705,000	-	705,000	680,156	(24,844)
Total charges for services	2,228,901	-	2,228,901	2,026,595	(202,306)

(Continued)

See Notes to Required Supplementary Information.

Town of East Haven, Connecticut

Required Supplementary Information

General Fund  
Schedule of Revenues and Other Financing Sources  
Budget and Actual  
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Income from investments	\$ 320,000	\$ -	\$ 320,000	\$ 30,045	\$ (289,955)
Other:					
Employee benefit cost sharing	736,160	-	736,160	649,785	(86,375)
Workers' compensation reimbursement	369,000	-	369,000	198,965	(170,035)
Energy rebate	-	-	-	998,902	998,902
Other	1,137,294	-	1,137,294	58,196	(1,079,098)
Total other	2,242,454	-	2,242,454	1,905,848	(336,606)
Total revenues	93,395,354	-	93,395,354	93,040,729	(354,625)
Other financing sources:					
Sale of Town owned property	60,000	-	60,000	29,766	(30,234)
Transfers in	-	-	-	8,560	8,560
Total other financing sources	60,000	-	60,000	38,326	(21,674)
Total revenues and other financing sources	\$ 93,455,354	\$ -	\$ 93,455,354	\$ 93,079,055	\$ (376,299)

(Concluded)

See Notes to Required Supplementary Information.

Town of East Haven, Connecticut

Required Supplementary Information

General Fund  
Schedule of Expenditures and Other Financing Uses  
Budget and Actual  
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Town Council	\$ 97,250	\$ -	\$ 97,250	\$ 88,117	\$ 9,133
Board of Finance	6,800	900	7,700	4,893	2,807
Mayor	186,545	-	186,545	162,899	23,646
Finance	453,557	-	453,557	444,570	8,987
Purchasing	46,073	12,000	58,073	57,658	415
Tax collector	293,258	-	293,258	256,653	36,605
Assessor	315,042	-	315,042	264,597	50,445
Personnel, administration and management	292,059	-	292,059	270,521	21,538
Board of assessment appeals	2,500	-	2,500	1,500	1,000
Town clerk	307,166	-	307,166	299,813	7,353
Registrar of voters	141,390	-	141,390	118,675	22,715
Planning and zoning	193,024	-	193,024	150,354	42,670
Zoning board of appeals	3,250	-	3,250	1,923	1,327
Legal	526,660	105,000	631,660	622,192	9,468
Probate	19,000	-	19,000	14,386	4,614
Civil service	52,246	-	52,246	48,459	3,787
Flood and erosion	300	-	300	15	285
Inland/wetland	1,300	-	1,300	364	936
School building committee	2,600	-	2,600	2,100	500
Information technology	100,000	-	100,000	98,970	1,030
Total general government	3,040,020	117,900	3,157,920	2,908,659	249,261
Public safety:					
Board of police commissioners	2,950	-	2,950	2,035	915
Animal shelter	265,909	-	265,909	260,595	5,314
Police department	6,591,407	47,428	6,638,835	6,634,847	3,988
Board of fire commissioners	14,150	-	14,150	13,657	493
Fire department	6,724,777	(13,489)	6,711,288	6,565,886	145,402
Public safety command center	967,239	(33,939)	933,300	898,955	34,345
Emergency operations center	45,000	-	45,000	44,976	24
Total public safety	14,611,432	-	14,611,432	14,420,951	190,481
Public services and engineering:					
Engineering	167,403	-	167,403	49,905	117,498
Public services	2,510,450	46,011	2,556,461	2,253,149	303,312
Total public services and engineering	2,677,853	46,011	2,723,864	2,303,054	420,810
Sanitation and maintenance:					
Building department	166,559	-	166,559	164,850	1,709
Sanitation	2,340,154	90,000	2,430,154	2,402,276	27,878
Building maintenance	782,667	(21,111)	761,556	711,082	50,474
Total sanitation and maintenance	3,289,380	68,889	3,358,269	3,278,208	80,061

(Continued)

See Notes to Required Supplementary Information.

Town of East Haven, Connecticut

Required Supplementary Information

General Fund  
Schedule of Expenditures and Other Financing Uses  
Budget and Actual  
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Health and welfare:					
Public health	\$ 277,272	\$ 2,700	\$ 279,972	\$ 279,972	\$ -
Social services	55,166	-	55,166	29,915	25,251
Counseling and community services	644,186	-	644,186	639,705	4,481
Housing authority	600	-	600	100	500
Urban renewal	11,950	-	11,950	3,772	8,178
Total health and welfare	989,174	2,700	991,874	953,464	38,410
Culture and recreation:					
Recreation	441,723	(24,900)	416,823	220,872	195,951
Ice rink	287,608	-	287,608	154,003	133,605
Senior center	235,780	-	235,780	158,428	77,352
Library	875,205	-	875,205	806,470	68,735
Community services	106,550	-	106,550	98,597	7,953
Total culture and recreation	1,946,866	(24,900)	1,921,966	1,438,370	483,596
Employee benefits and insurance:					
Employee benefits	11,074,000	650,000	11,724,000	11,513,842	210,158
Insurance	2,464,500	-	2,464,500	2,460,029	4,471
Total employee benefits and insurance	13,538,500	650,000	14,188,500	13,973,871	214,629
Education	47,994,271	-	47,994,271	47,994,271	-
General services	1,931,500	(235,600)	1,695,900	1,389,269	306,631
Debt service:					
Principal	2,205,000	(625,000)	1,580,000	1,061,137	518,863
Interest	1,231,358	-	1,231,358	503,650	727,708
Total debt service	3,436,358	(625,000)	2,811,358	1,564,787	1,246,571
Total expenditures	93,455,354	-	93,455,354	90,224,904	3,230,450
Other financing uses:					
Transfers out	-	-	-	37	(37)
Total expenditures and other financing uses	\$ 93,455,354	\$ -	\$ 93,455,354	\$ 90,224,941	\$ 3,230,413

(Concluded)

See Notes to Required Supplementary Information.



# Town of East Haven, Connecticut

## Notes to Required Supplementary Information

### Budgets and Budgetary Accounting For the Year Ended June 30, 2021

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

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

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

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

#### **Reconciliation to Exhibit D**

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI-1	\$ 93,040,729	\$ 90,224,904
State Teachers' pension on behalf amount	5,833,014	5,833,014
State Teachers' OPEB on behalf amount	<u>140,771</u>	<u>140,771</u>
GAAP Basis - Exhibit D	<u><u>\$ 99,014,514</u></u>	<u><u>\$ 96,198,689</u></u>

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

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

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

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

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

There were no additional appropriations during the year.

## Town of East Haven, Connecticut

## Required Supplementary Information

Connecticut Municipal Employees' Retirement System  
Last Seven Years (1)

	2021	2020	2019	2018	2017	2016	2015
<b><u>Schedule of Proportionate Share of the Net Pension Liability</u></b>							
Town's proportion of the net pension (asset) liability for the general employees without social security sub plan	<u>6.582412%</u>	<u>6.807427%</u>	<u>7.049960%</u>	<u>6.605138%</u>	<u>6.605138%</u>	<u>6.260323%</u>	<u>6.260323%</u>
Town's proportion of the net pension (asset) liability for the policemen and firemen without social security sub plan	<u>6.334943%</u>	<u>6.116068%</u>	<u>6.792200%</u>	<u>5.964528%</u>	<u>5.964528%</u>	<u>6.399948%</u>	<u>6.399948%</u>
Town's proportionate share of the net pension (asset) liability	<u>\$ 41,144,042</u>	<u>\$ 37,960,518</u>	<u>\$ 34,973,682</u>	<u>\$ 3,326,427</u>	<u>\$ 6,281,761</u>	<u>\$ 1,655,172</u>	<u>\$ (1,456,428)</u>
Town's covered payroll	<u>\$ 19,593,796</u>	<u>\$ 19,616,243</u>	<u>\$ 21,318,457</u>	<u>\$ 17,639,314</u>	<u>\$ 17,639,314</u>	<u>\$ 16,645,682</u>	<u>\$ 16,290,888</u>
Town's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	<u>209.99%</u>	<u>193.52%</u>	<u>164.05%</u>	<u>18.86%</u>	<u>35.61%</u>	<u>9.94%</u>	<u>(8.94)%</u>
Total plan fiduciary net position as a percentage of the total pension liability	<u>71.18%</u>	<u>72.69%</u>	<u>73.60%</u>	<u>91.68%</u>	<u>92.72%</u>	<u>92.72%</u>	<u>92.72%</u>
<b><u>Schedule of Contributions</u></b>							
Contractually required contribution	<u>\$ 3,565,853</u>	<u>\$ 2,736,019</u>	<u>\$ 2,968,956</u>	<u>\$ 2,295,586</u>	<u>\$ 2,295,586</u>	<u>\$ 2,567,016</u>	<u>\$ 2,502,937</u>
Contributions in relation to the contractually required contribution	<u>3,565,853</u>	<u>2,736,019</u>	<u>2,968,956</u>	<u>2,295,586</u>	<u>2,295,586</u>	<u>2,567,016</u>	<u>2,502,937</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 18,331,772</u>	<u>\$ 15,368,246</u>	<u>\$ 20,225,877</u>	<u>\$ 15,719,422</u>	<u>\$ 17,639,310</u>	<u>\$ 19,629,453</u>	<u>\$ 17,045,298</u>
Contributions as a percentage of covered payroll	<u>19.45%</u>	<u>17.80%</u>	<u>14.68%</u>	<u>14.60%</u>	<u>13.01%</u>	<u>13.08%</u>	<u>14.68%</u>

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

Town of East Haven, Connecticut

Notes to Required Supplementary Information

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

	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining Amortization Period	19 years	20 years	21 years	23 years	23 years	25 years	25 years
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.50%	2.50%	2.50%	3.25%	3.25%	3.25%	3.25%
Salary Increases	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation
Cost-of-Living Adjustments	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards
Social Security Wage Base	3.00%	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%
Investment Rate of Return (Net)	7.00%	7.00%	7.00%	8.00%	8.00%	8.00%	8.00%
Mortality	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries
	Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB				

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

## Town of East Haven, Connecticut

## Required Supplementary Information

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

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

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

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

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

See Notes to Required Supplementary Information.

## Town of East Haven, Connecticut

## Notes to Required Supplementary Information

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

	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-Living Adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment Rate of Return (Net)	6.90%	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

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

**Town of East Haven, Connecticut**  
**Required Supplementary Information**  
**Other Post-Employment Benefit (OPEB) Plans**  
**Last Four Years (1)**

**Schedule of Changes in OPEB Liability**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>Town Plan</u></b>				
OPEB liability:				
Service cost	\$ 2,578,351	\$ 1,475,596	\$ 1,652,879	\$ 2,715,495
Interest	2,810,460	2,471,687	2,326,716	2,471,758
Differences between expected and actual experience	-	(2,218,424)	-	11,771,199
Changes in assumptions	6,739,058	16,400,900	(2,576,018)	(10,188,458)
Benefit payments	<u>(3,223,953)</u>	<u>(2,406,876)</u>	<u>(2,294,079)</u>	<u>(2,193,267)</u>
Net change in total OPEB liability	8,903,916	15,722,883	(890,502)	4,576,727
OPEB liability - July 1	<u>79,318,611</u>	<u>63,595,728</u>	<u>64,486,230</u>	<u>59,909,503</u>
OPEB liability - June 30 *	<u><u>\$ 88,222,527</u></u>	<u><u>\$ 79,318,611</u></u>	<u><u>\$ 63,595,728</u></u>	<u><u>\$ 64,486,230</u></u>
<b><u>Education Plan</u></b>				
OPEB liability:				
Service cost	\$ 345,379	\$ 171,969	\$ 198,053	\$ 440,264
Interest	956,022	1,149,729	1,120,214	1,520,774
Differences between expected and actual experience	-	322,681	-	(7,302,204)
Changes in assumptions	3,878,602	(2,357,248)	(916,308)	(8,048,304)
Benefit payments	<u>(1,722,016)</u>	<u>(2,001,556)</u>	<u>(1,914,465)</u>	<u>(2,361,365)</u>
Net change in OPEB liability	3,457,987	(2,714,425)	(1,512,506)	(15,750,835)
OPEB liability - July 1	<u>27,823,134</u>	<u>30,537,559</u>	<u>32,050,065</u>	<u>47,800,900</u>
OPEB liability - June 30 *	<u><u>\$ 31,281,121</u></u>	<u><u>\$ 27,823,134</u></u>	<u><u>\$ 30,537,559</u></u>	<u><u>\$ 32,050,065</u></u>

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

Covered employee payroll information is not available.

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

## Town of East Haven, Connecticut

## Required Supplementary Information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>Schedule of Proportionate Share of the Net OPEB Liability</u></b>				
Town's proportion of the net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>13,563,637</u>	<u>13,059,768</u>	<u>12,907,700</u>	<u>19,047,874</u>
Total	<u>\$ 13,563,637</u>	<u>\$ 13,059,768</u>	<u>\$ 12,907,700</u>	<u>\$ 19,047,874</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

**Schedule of Contributions**

Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

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

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

See Notes to Required Supplementary Information.

## Town of East Haven, Connecticut

## Notes to Required Supplementary Information

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

	2021	2020	2019	2018
Changes of Benefit Terms	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:				
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years	30 years	30 years
Asset Valuation Method	Fair value	Fair value	Fair value	Fair value
Inflation	2.50%	2.75%	2.75%	2.75%
Healthcare Inflation Rate	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return (Net)	3.00%	3.00%	3.00%	4.25%
Mortality Rate	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

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



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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, benefits and insurance, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

## Town of East Haven, Connecticut

**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2021**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 69,147,835	\$ -	\$ 69,147,835	\$ 69,380,880	\$ 233,045
Intergovernmental	19,456,164	-	19,456,164	19,697,361	241,197
Charges for services	2,228,901	-	2,228,901	2,026,595	(202,306)
Income from investments	320,000	-	320,000	30,045	(289,955)
Other	2,242,454	-	2,242,454	1,905,848	(336,606)
Total revenues	93,395,354	-	93,395,354	93,040,729	(354,625)
Expenditures:					
Current:					
General government	3,040,020	117,900	3,157,920	2,908,659	249,261
Public safety	14,611,432	-	14,611,432	14,420,951	190,481
Public services and engineering	2,677,853	46,011	2,723,864	2,303,054	420,810
Sanitation and maintenance	3,289,380	68,889	3,358,269	3,278,208	80,061
Health and welfare	989,174	2,700	991,874	953,464	38,410
Culture and recreation	1,946,866	(24,900)	1,921,966	1,438,370	483,596
Employee benefits and insurance	13,538,500	650,000	14,188,500	13,973,871	214,629
Education	47,994,271	-	47,994,271	47,994,271	-
General services	1,931,500	(235,600)	1,695,900	1,389,269	306,631
Debt service	3,436,358	(625,000)	2,811,358	1,564,787	1,246,571
Total expenditures	93,455,354	-	93,455,354	90,224,904	3,230,450
Excess (deficiency) of revenues over expenditures	(60,000)	-	(60,000)	2,815,825	2,875,825
Other financing sources (uses):					
Sale of Town owned property	60,000	-	60,000	29,766	(30,234)
Transfers in	-	-	-	8,560	8,560
Transfers out	-	-	-	(37)	(37)
Total other financing sources (uses)	60,000	-	60,000	38,289	(21,711)
Net change in fund balance	\$ -	\$ -	\$ -	2,854,114	\$ 2,854,114
Fund balance - July 1, 2020				2,844,041	
Fund balances - June 30, 2021				\$ 5,698,155	

## Town of East Haven, Connecticut

Report of Tax Collector  
For the Year Ended June 30, 2021

Grand List Year	Uncollected Taxes July 1, 2020	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2021
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2004	\$ 28,303	\$ -	\$ -	\$ 28,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005	34,233	-	-	-	-	34,233	45	145	190	34,188
2006	68,941	-	290	674	-	68,557	30	185	215	68,527
2007	68,972	-	-	674	-	68,298	54	151	205	68,244
2008	71,559	-	-	811	-	70,748	30	166	196	70,718
2009	92,732	-	-	975	-	91,757	64	150	214	91,693
2010	91,761	-	-	792	-	90,969	64	138	202	90,905
2011	48,066	-	-	-	-	48,066	54	111	165	48,012
2012	149,498	-	-	-	-	149,498	54	17,034	17,088	149,444
2013	266,441	-	1,453	3,773	344	263,777	1,264	483	1,747	262,513
2014	264,639	-	98	-	-	264,737	208	109	317	264,529
2015	272,324	-	14,770	1,259	-	285,835	21,950	10,641	32,591	263,885
2016	196,879	-	41,417	4,235	-	234,061	90,306	54,944	145,250	143,755
2017	283,980	-	8,356	34,461	-	257,875	80,017	142,673	222,690	177,858
2018	1,116,775	-	4,082	22,166	40,936	1,057,755	571,292	112,538	683,830	486,463
Total Prior Years	3,055,103	-	70,466	98,123	41,280	2,986,166	765,432	339,468	1,104,900	2,220,734
2019	-	68,679,472	95,693	273,455	-	68,501,710	67,266,456	173,946	67,440,402	1,235,254
Total	<u>\$ 3,055,103</u>	<u>\$ 68,679,472</u>	<u>\$ 166,159</u>	<u>\$ 371,578</u>	<u>\$ 41,280</u>	<u>\$ 71,487,876</u>	<u>\$ 68,031,888</u>	<u>\$ 513,414</u>	<u>\$ 68,545,302</u>	<u>\$ 3,455,988</u>

# Other Governmental Funds

## Special Revenue Funds

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

<b>Fund</b>	<b>Funding Source</b>	<b>Function</b>
Public Safety	Grants, fees and contributions	Public safety programs
General Government	Grants and fees	Historical document preservation
Culture and Recreation	User fees	Recreation programs
Health and Welfare	Grants and fees	Health and welfare programs
Roads State Aid	Grants	Road maintenance
Coronavirius Relief Fund	Grants	Pandemic related costs
Small Cities	Grants and program income	Community development
Hagaman Memorial Library	Charges for services and contributions	Library operations
Daycare	Fees	Daycare operations
Athletic Department	Charges for services	Athletic programs
School Rental	User fees	Building maintenance
School Lunch	Sale of lunches and grants	Cafeteria operations
Adult Education	User fees	Adult education programs
Education Grants	Federal and state grants	Education programs
School Activity	Activity fees and contributions	Student activity funds and school scholarships

## Debt Service

<b>Fund</b>	<b>Funding Source</b>	<b>Function</b>
Debt Service	Bond issues and premiums	Debt service

# Other Governmental Funds

## Capital Projects Funds

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

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

## Permanent Funds

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

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

Town of East Haven, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2021

Special Revenue Funds

	Public Safety	General Government	Culture and Recreation	Health and Welfare	Roads State Aid	Coronavirus Relief Fund	Small Cities	Hagaman Memorial Library
<u>Assets</u>								
Cash	\$ 13,312	\$ -	\$ 5,592	\$ 155,846	\$ -	\$ -	\$ 183,001	\$ 111,098
Investments	-	-	-	-	-	-	-	-
Receivables:								
Intergovernmental	-	-	-	4,870	-	-	-	-
Loans	-	-	-	-	-	-	33,762	-
Other	3,694	-	-	-	-	-	-	-
Due from other funds	97,039	34,227	20,933	336,780	577,983	358,649	-	-
Other	-	-	-	-	-	-	-	-
Total assets	<u>\$ 114,045</u>	<u>\$ 34,227</u>	<u>\$ 26,525</u>	<u>\$ 497,496</u>	<u>\$ 577,983</u>	<u>\$ 358,649</u>	<u>\$ 216,763</u>	<u>\$ 111,098</u>
<u>Liabilities</u>								
Accounts payable	\$ 8,430	\$ 36	\$ 16,015	\$ 10,898	\$ 33,686	\$ -	\$ -	\$ 21,377
Accrued payroll	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned revenue	1,813	-	-	-	-	358,649	-	-
Total liabilities	<u>10,243</u>	<u>36</u>	<u>16,015</u>	<u>10,898</u>	<u>33,686</u>	<u>358,649</u>	<u>-</u>	<u>21,377</u>
<u>Fund balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	34,191	-	-	544,297	-	216,763	-
Committed	-	-	-	-	-	-	-	89,721
Assigned	103,802	-	10,510	486,598	-	-	-	-
Total fund balances	<u>103,802</u>	<u>34,191</u>	<u>10,510</u>	<u>486,598</u>	<u>544,297</u>	<u>-</u>	<u>216,763</u>	<u>89,721</u>
Total liabilities and fund balances	<u>\$ 114,045</u>	<u>\$ 34,227</u>	<u>\$ 26,525</u>	<u>\$ 497,496</u>	<u>\$ 577,983</u>	<u>\$ 358,649</u>	<u>\$ 216,763</u>	<u>\$ 111,098</u>

(Continued)

Town of East Haven, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2021

Special Revenue Funds

	Daycare	Athletic Department	School Rental	School Lunch	Adult Education	Education Grants	School Activity	Total Special Revenue Funds	Debt Service
<u>Assets</u>									
Cash	\$ 110,974	\$ 27,042	\$ 186,037	\$ 789,627	\$ 41,978	\$ 920,431	\$ 204,221	\$ 2,749,159	\$ -
Investments	-	-	647	-	-	-	42,546	43,193	-
Receivables:									
Intergovernmental	-	-	-	530,573	-	161,637	-	697,080	-
Loans	-	-	-	-	-	-	-	33,762	-
Other	-	-	-	-	-	-	-	3,694	-
Due from other funds	-	-	-	-	-	605,976	-	2,031,587	534,076
Other	-	-	-	36,285	-	41,750	-	78,035	-
Total assets	<u>\$ 110,974</u>	<u>\$ 27,042</u>	<u>\$ 186,684</u>	<u>\$ 1,356,485</u>	<u>\$ 41,978</u>	<u>\$ 1,729,794</u>	<u>\$ 246,767</u>	<u>\$ 5,636,510</u>	<u>\$ 534,076</u>
<u>Liabilities</u>									
Accounts payable	\$ -	\$ -	\$ -	\$ 414,395	\$ -	\$ 358,084	\$ 3,422	\$ 866,343	\$ -
Accrued payroll	-	-	-	-	-	304,510	-	304,510	-
Due to other funds	-	-	5,020	-	934	-	-	5,954	-
Unearned revenue	-	-	5,500	11,806	-	372,714	-	750,482	-
Total liabilities	<u>-</u>	<u>-</u>	<u>10,520</u>	<u>426,201</u>	<u>934</u>	<u>1,035,308</u>	<u>3,422</u>	<u>1,927,289</u>	<u>-</u>
<u>Fund balances</u>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	930,284	41,044	-	42,546	1,809,125	-
Committed	110,974	-	-	-	-	694,486	200,799	1,095,980	-
Assigned	-	27,042	176,164	-	-	-	-	804,116	534,076
Total fund balances	<u>110,974</u>	<u>27,042</u>	<u>176,164</u>	<u>930,284</u>	<u>41,044</u>	<u>694,486</u>	<u>243,345</u>	<u>3,709,221</u>	<u>534,076</u>
Total liabilities and fund balances	<u>\$ 110,974</u>	<u>\$ 27,042</u>	<u>\$ 186,684</u>	<u>\$ 1,356,485</u>	<u>\$ 41,978</u>	<u>\$ 1,729,794</u>	<u>\$ 246,767</u>	<u>\$ 5,636,510</u>	<u>\$ 534,076</u>

(Continued)



Town of East Haven, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2021

	Capital Projects Funds			Permanent Funds			
	Open Space	LOCIP	Total Capital Projects Funds	J. Woodward Thompson Education Fund	Library Fund	Isaac Hagaman Library Fund	Total Permanent Funds
							Total
<u>Assets</u>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ 642,500	\$ -	\$ 642,500
Investments	-	-	-	455,874	51,678	1,599,083	2,106,635
Receivables:							
Intergovernmental	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	45,000	145,181	190,181	-	-	-	-
Other	-	-	-	-	-	-	-
Total assets	<u>\$ 45,000</u>	<u>\$ 145,181</u>	<u>\$ 190,181</u>	<u>\$ 455,874</u>	<u>\$ 694,178</u>	<u>\$ 1,599,083</u>	<u>\$ 2,749,135</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund balances</u>							
Nonspendable	-	-	-	-	-	100,000	100,000
Restricted	-	145,181	145,181	455,874	694,178	1,499,083	2,649,135
Committed	-	-	-	-	-	-	-
Assigned	45,000	-	45,000	-	-	-	-
Total fund balances	<u>45,000</u>	<u>145,181</u>	<u>190,181</u>	<u>455,874</u>	<u>694,178</u>	<u>1,599,083</u>	<u>2,749,135</u>
Total liabilities and fund balances	<u>\$ 45,000</u>	<u>\$ 145,181</u>	<u>\$ 190,181</u>	<u>\$ 455,874</u>	<u>\$ 694,178</u>	<u>\$ 1,599,083</u>	<u>\$ 2,749,135</u>

(Concluded)

Town of East Haven, Connecticut

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds  
For the Year Ended June 30, 2021

Special Revenue Funds

	Public Safety	General Government	Culture and Recreation	Health and Welfare	Roads State Aid	Coronavirus Relief Fund	Small Cities	Hagaman Memorial Library
Revenues:								
Intergovernmental	\$ 10,025	\$ 91,915	\$ -	\$ 115,745	\$ 443,511	\$ 4,306	\$ -	\$ 46,756
Charges for services	35,203	30,353	-	256,813	-	-	27,966	21,435
Income from investments	-	-	-	-	-	-	-	-
Change in fair value of investments	-	-	-	-	-	-	-	-
Contributions	1,336	-	23,180	-	-	-	-	42,875
Total revenues	46,564	122,268	23,180	372,558	443,511	4,306	27,966	111,066
Expenditures:								
Current:								
General government	-	113,180	-	-	-	4,306	-	-
Public safety	64,405	-	-	-	-	-	-	-
Public works	-	-	-	-	439,847	-	-	-
Health and welfare	-	-	-	242,584	-	-	1,741	-
Culture and recreation	-	-	24,751	-	-	-	-	198,742
Education	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total expenditures	64,405	113,180	24,751	242,584	439,847	4,306	1,741	198,742
Excess (deficiency) of revenues over expenditures	(17,841)	9,088	(1,571)	129,974	3,664	-	26,225	(87,676)
Other financing sources (uses):								
Transfers in	-	-	-	37	-	-	-	-
Transfers out	(8,560)	-	-	-	-	-	-	-
Net other financing sources (uses)	(8,560)	-	-	37	-	-	-	-
Net change in fund balances	(26,401)	9,088	(1,571)	130,011	3,664	-	26,225	(87,676)
Fund balances - July 1, 2020 (as restated)	130,203	25,103	12,081	356,587	540,633	-	190,538	177,397
Fund balances - June 30, 2021	\$ 103,802	\$ 34,191	\$ 10,510	\$ 486,598	\$ 544,297	\$ -	\$ 216,763	\$ 89,721

(Continued)

Town of East Haven, Connecticut

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds  
For the Year Ended June 30, 2021

Special Revenue Funds

	Daycare	Athletic Department	School Rental	School Lunch	Adult Education	Education Grants	School Activity	Total Special Revenue Funds	Debt Service
Revenues:									
Intergovernmental	\$ -	\$ -	\$ -	\$ 2,820,381	\$ -	\$ 9,779,204	\$ -	\$ 13,311,843	\$ -
Charges for services	5,984	-	5,123	14,091	1,698	270,258	86,984	755,908	-
Income from investments	-	3	-	-	-	-	15	18	-
Change in fair value of investments	-	-	295	-	-	-	-	295	-
Contributions	-	-	-	-	-	-	-	67,391	-
Total revenues	5,984	3	5,418	2,834,472	1,698	10,049,462	86,999	14,135,455	-
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	117,486	-
Public safety	-	-	-	-	-	-	-	64,405	-
Public works	-	-	-	-	-	-	-	439,847	-
Health and welfare	-	-	-	-	-	-	-	244,325	-
Culture and recreation	-	-	-	-	-	-	-	223,493	-
Education	-	2,000	7,418	2,188,665	6,891	10,178,135	104,391	12,487,500	-
Debt service	-	-	-	-	-	-	-	-	92,216
Total expenditures	-	2,000	7,418	2,188,665	6,891	10,178,135	104,391	13,577,056	92,216
Excess (deficiency) of revenues over expenditures	5,984	(1,997)	(2,000)	645,807	(5,193)	(128,673)	(17,392)	558,399	(92,216)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	37	-
Transfers out	-	-	-	-	-	-	-	(8,560)	-
Net other financing sources (uses)	-	-	-	-	-	-	-	(8,523)	-
Net change in fund balances	5,984	(1,997)	(2,000)	645,807	(5,193)	(128,673)	(17,392)	549,876	(92,216)
Fund balances - July 1, 2020 (as restated)	104,990	29,039	178,164	284,477	46,237	823,159	260,737	3,159,345	626,292
Fund balances - June 30, 2021	\$ 110,974	\$ 27,042	\$ 176,164	\$ 930,284	\$ 41,044	\$ 694,486	\$ 243,345	\$ 3,709,221	\$ 534,076

(Continued)

Town of East Haven, Connecticut

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds  
For the Year Ended June 30, 2021

	Capital Projects Funds			Permanent Funds			
	Open Space	LOCIP	Total Capital Projects Funds	J. Woodward Thompson Education Fund	Library Fund	Isaac Hagaman Library Fund	Total Permanent Funds
							Total
Revenues:							
Intergovernmental	\$ -	\$ 523,460	\$ 523,460	\$ -	\$ -	\$ -	\$ -
Charges for services	-	11,199	11,199	-	-	-	-
Income from investments	-	-	-	7,080	578	25,896	33,554
Change in fair value of investments	-	-	-	-	14,668	379,855	394,523
Contributions	-	-	-	-	208,869	-	208,869
Total revenues	-	534,659	534,659	7,080	224,115	405,751	636,946
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	543,586	543,586	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	2,651	72,871	75,522
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	-	543,586	543,586	-	2,651	72,871	75,522
Excess (deficiency) of revenues over expenditures	-	(8,927)	(8,927)	7,080	221,464	332,880	561,424
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	-	(8,927)	(8,927)	7,080	221,464	332,880	561,424
Fund balances - July 1, 2020 (as restated)	45,000	154,108	199,108	448,794	472,714	1,266,203	2,187,711
Fund balances - June 30, 2021	\$ 45,000	\$ 145,181	\$ 190,181	\$ 455,874	\$ 694,178	\$ 1,599,083	\$ 2,749,135

(Concluded)

# Internal Service Funds

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.

Fund	Function
Self-Insurance Fund	To account for the resources used to pay various claims and judgements
Workers' Compensation Fund	To account for workers' compensation claims of the Town
Town Medical Insurance Fund	To account for self-insured medical benefits for Town employees
Education Medical Insurance Fund	To account for self-insured medical benefits for Education employees

## Town of East Haven, Connecticut

**Internal Service Funds**  
**Combining Schedule of Net Position**  
**June 30, 2021**

	Self- Insurance Fund	Workers' Compensation Fund	Town Medical Insurance Fund	Education Medical Insurance Fund	Total
<u>Assets</u>					
Current assets:					
Cash	\$ -	\$ 182,010	\$ 1,077,128	\$ 141,772	\$ 1,400,910
Investments	237,636	-	-	4,950,793	5,188,429
Accounts receivable	-	161,434	33,357	129,694	324,485
Due from other funds	-	5,121,059	2,476,121	1,196,999	8,794,179
Total assets	237,636	5,464,503	3,586,606	6,419,258	15,708,003
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	-	-	-	1,613	1,613
Claims payable	150,000	2,877,961	402,236	571,087	4,001,284
Due to other funds	621,427	-	-	-	621,427
Total current liabilities	771,427	2,877,961	402,236	572,700	4,624,324
Noncurrent liabilities:					
Claims payable	3,000,000	5,490,816	-	-	8,490,816
Total liabilities	3,771,427	8,368,777	402,236	572,700	13,115,140
<u>Net Position</u>					
Unrestricted	<u>\$ (3,533,791)</u>	<u>\$ (2,904,274)</u>	<u>\$ 3,184,370</u>	<u>\$ 5,846,558</u>	<u>\$ 2,592,863</u>

## Town of East Haven, Connecticut

**Internal Service Funds**  
**Combining Schedule of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2021**

	Self- Insurance Fund	Workers' Compensation Fund	Town Medical Insurance Fund	Education Medical Insurance Fund	Total
Operating revenues:					
Charges for services	\$ 212,498	\$ 2,911,672	\$ 6,101,800	\$ 8,239,878	\$ 17,465,848
Operating expenses:					
Claims	467,929	2,271,382	5,110,590	7,966,302	15,816,203
Administration	-	-	837,376	900,599	1,737,975
Total operating expenses	467,929	2,271,382	5,947,966	8,866,901	17,554,178
Operating income (loss)	(255,431)	640,290	153,834	(627,023)	(88,330)
Nonoperating revenues:					
Income from investments	-	-	590	1,062	1,652
Change in net position	(255,431)	640,290	154,424	(625,961)	(86,678)
Total net position - July 1, 2020	(3,278,360)	(3,544,564)	3,029,946	6,472,519	2,679,541
Total net position - June 30, 2021	<u>\$ (3,533,791)</u>	<u>\$ (2,904,274)</u>	<u>\$ 3,184,370</u>	<u>\$ 5,846,558</u>	<u>\$ 2,592,863</u>

## Town of East Haven, Connecticut

**Internal Service Funds**  
**Combining Schedule of Cash Flows**  
**For the Year Ended June 30, 2021**

	Self- Insurance Fund	Workers' Compensation Fund	Town Medical Insurance Fund	Education Medical Insurance Fund	Total
Cash flows from (used in) operating activities:					
Premiums received	\$ 212,498	\$ 2,724,288	\$ 5,152,021	\$ 8,009,851	\$ 16,098,658
Payments for interfund services	(712,286)	-	-	-	(712,286)
Payments to vendors	-	-	(837,376)	(898,986)	(1,736,362)
Payments for claims	-	(2,542,278)	(5,063,610)	(8,122,743)	(15,728,631)
Net cash from (used in) operating activities	(499,788)	182,010	(748,965)	(1,011,878)	(2,078,621)
Cash flows from (used in) investing activities:					
Income from investments	-	-	590	1,062	1,652
Net increase (decrease) in cash and cash equivalents	(499,788)	182,010	(748,375)	(1,010,816)	(2,076,969)
Cash and cash equivalents - July 1, 2020	737,424	-	1,825,503	6,103,381	8,666,308
Cash and cash equivalents - June 30, 2021	<u>\$ 237,636</u>	<u>\$ 182,010</u>	<u>\$ 1,077,128</u>	<u>\$ 5,092,565</u>	<u>\$ 6,589,339</u>
Reconciliation to statement of net position cash:					
Cash and cash equivalents per above	\$ 237,636	\$ 182,010	\$ 1,077,128	\$ 5,092,565	\$ 6,589,339
Cash and cash equivalents reported as investments	(237,636)	-	-	(4,950,793)	(5,188,429)
Statement of net position cash	<u>\$ -</u>	<u>\$ 182,010</u>	<u>\$ 1,077,128</u>	<u>\$ 141,772</u>	<u>\$ 1,400,910</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:					
Operating income (loss)	\$ (255,431)	\$ 640,290	\$ 153,834	\$ (627,023)	\$ (88,330)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:					
(Increase) decrease in:					
Accounts receivable	-	(161,434)	(19,441)	(108,547)	(289,422)
Due from other funds	(712,286)	(161,230)	(930,338)	(121,480)	(1,925,334)
Other	-	135,280	-	-	135,280
Increase (decrease) in:					
Accounts payable	-	-	-	1,613	1,613
Claims payable	467,929	(270,896)	46,980	(156,441)	87,572
Net cash from (used in) operating activities	<u>\$ (499,788)</u>	<u>\$ 182,010</u>	<u>\$ (748,965)</u>	<u>\$ (1,011,878)</u>	<u>\$ (2,078,621)</u>



# Trend Information

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

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

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

Table 1

## Town of East Haven, Connecticut

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

June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
		(as restated)								
Net investment in capital assets	\$ 54,279,061	\$ 50,531,444	\$ 56,188,341	\$ 56,763,497	\$ 54,831,555	\$ 54,687,757	\$ 54,538,832	\$ 52,762,397	\$ 51,037,398	\$ 48,709,002
Restricted for:										
Endowments:										
Nonexpendable	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Expendable	2,649,135	2,087,711	1,665,733	1,670,014	1,613,042	1,528,957	1,616,073	1,674,276	1,567,686	1,669,073
Capital replacement	145,181	154,108	143,053	364,232	-	-	-	-	-	-
Road maintenance	544,297	540,633	384,605	182,928	308,113	89,075	173,286	36,929	-	-
Health and welfare	-	-	6,364	161,817	402,150	167,226	224,418	69,256	210,138	-
Historical document preservation	34,191	25,103	31,919	24,081	24,413	22,450	23,528	17,690	15,018	16,228
Housing rehabilitation programs	216,763	190,538	136,096	131,372	66,260	49,247	20,727	6,835	95,914	62,109
Public safety	-	-	-	34,238	20,274	28,236	25,076	21,975	50,702	40,216
Cafeteria operations	930,284	284,477	27,937	70,904	-	-	-	-	-	-
Education programs	83,590	46,237	285,774	343,021	243,100	171,937	132,147	81,604	74,143	142,268
Unrestricted	(128,990,902)	(124,657,463)	(121,914,345)	(108,252,829)	(24,440,551)	(29,291,319)	(25,117,096)	(32,679,922)	(20,786,659)	(14,803,563)
Total net position	<u>\$ (70,008,400)</u>	<u>\$ (70,697,212)</u>	<u>\$ (62,944,523)</u>	<u>\$ (48,406,725)</u>	<u>\$ 33,168,356</u>	<u>\$ 27,553,566</u>	<u>\$ 31,736,991</u>	<u>\$ 22,091,040</u>	<u>\$ 32,364,340</u>	<u>\$ 35,935,333</u>

Source: Current and prior year financial statements.

## Town of East Haven, Connecticut

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

For the Year Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental activities:										
General government	\$ 7,588,916	\$ 7,173,388	\$ 4,778,224	\$ 4,713,737	\$ 4,420,083	\$ 4,573,742	\$ 4,487,048	\$ 4,569,185	\$ 5,554,632	\$ 5,239,574
Public safety	29,823,351	27,446,229	41,770,546	21,518,460	14,930,997	20,167,431	19,419,729	20,060,343	21,286,890	19,531,501
Public works	11,510,154	10,012,727	7,857,854	6,946,876	7,896,236	9,284,044	8,361,845	8,836,442	9,403,321	9,957,576
Health and welfare	2,137,161	2,015,115	1,626,953	1,402,662	1,428,002	1,486,625	1,302,182	1,662,460	1,963,182	1,988,889
Culture and recreation	2,202,880	2,458,667	2,450,819	2,235,957	2,416,107	2,514,190	2,531,765	2,419,910	2,480,332	2,538,126
Education	64,547,055	61,650,269	59,346,663	61,146,314	67,507,850	65,203,368	60,805,829	62,587,934	57,965,388	58,978,842
Interest	643,397	1,060,160	764,279	3,146,589	944,761	1,158,231	1,467,224	1,752,349	1,812,284	2,124,579
Total expenses	118,452,914	111,816,555	118,595,338	101,110,595	99,544,036	104,387,631	98,375,622	101,888,623	100,466,029	100,359,087
Program revenues:										
Governmental activities:										
Charges for services:										
General government	801,387	766,813	570,555	470,579	490,447	493,847	501,595	404,022	819,450	799,212
Public safety	766,731	959,929	760,070	770,094	580,678	768,586	855,473	556,395	597,263	715,801
Public works	389,992	454,973	474,289	304,998	300,614	299,185	265,860	256,565	253,482	211,734
Health and welfare	425,092	448,940	482,616	237,887	307,195	298,403	246,843	323,616	222,330	223,679
Culture and recreation	4,927	280,020	453,855	393,485	500,631	497,181	497,191	495,828	439,414	443,601
Education	405,573	534,977	1,109,896	1,458,426	1,140,545	1,116,049	1,244,761	2,465,337	1,699,666	1,661,315
Operating grants and contributions	38,255,403	33,164,366	33,005,422	35,450,104	34,998,871	30,819,650	29,716,676	30,937,361	28,911,829	29,707,082
Capital grants and contributions	6,471,738	1,001,266	730,578	816,822	57,206	331,519	331,519	639,485	789,422	1,178,046
Total program revenues	47,520,843	37,611,284	37,587,281	39,902,395	38,376,187	34,624,420	33,659,918	36,078,609	33,732,856	34,940,470
Net revenue (expenses)	(70,932,071)	(74,205,271)	(81,008,057)	(61,208,200)	(61,167,849)	(69,763,211)	(64,715,704)	(65,804,611)	(66,733,173)	(65,418,617)
General revenues:										
Property taxes	70,160,658	65,281,841	64,667,790	63,775,171	64,860,332	64,515,021	64,585,031	62,223,623	61,295,638	61,176,525
Grants and contributions not restricted to specific programs	681,205	728,790	688,620	544,213	1,470,420	897,510	1,039,493	990,995	1,180,008	1,262,527
Income from investments	460,087	395,659	388,485	355,811	373,983	43,120	147,232	313,667	237,361	96,601
Gain on sale of capital assets	-	-	559,769	-	-	-	-	-	-	-
Other	58,196	46,292	165,595	358,507	77,904	124,135	129,870	186,932	449,173	256,200
Total general revenues	71,360,146	66,452,582	66,470,259	65,033,702	66,782,639	65,579,786	65,901,626	63,715,217	63,162,180	62,791,853
Change in net position	\$ 428,075	\$ (7,752,689)	\$ (14,537,798)	\$ 3,825,502	\$ 5,614,790	\$ (4,183,425)	\$ 1,185,922	\$ (2,089,394)	\$ (3,570,993)	\$ (2,626,764)

Source: Current and prior year financial statements.

## Town of East Haven, Connecticut

**Changes in Fund Balances  
General Fund (Budgetary Basis)  
Last Ten Years  
(Unaudited)**

For the Year Ended June 30

	2021	2020 (as restated)	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Property taxes	\$ 69,380,880	\$ 64,982,655	\$ 64,605,676	\$ 63,509,176	\$ 64,677,274	\$ 64,114,541	\$ 64,161,304	\$ 62,439,118	\$ 61,664,960	\$ 60,386,012
Intergovernmental	19,697,361	19,547,765	19,091,803	20,541,003	21,353,106	21,408,594	21,718,741	21,540,125	22,217,570	22,375,855
Charges for services	2,026,595	2,520,086	2,372,660	2,093,243	1,962,418	2,112,569	2,116,598	1,820,124	1,644,392	1,749,105
Income from investments	30,045	280,956	333,234	247,238	100,899	46,659	20,894	23,742	23,074	20,046
Other	1,905,848	1,019,247	1,175,125	742,302	980,080	828,263	644,473	796,263	748,688	782,732
Total revenues	93,040,729	88,350,709	87,578,498	87,132,962	89,073,777	88,510,626	88,662,010	86,619,372	86,298,684	85,313,750
Expenditures										
Current										
General government	2,908,659	2,888,954	2,966,702	2,679,681	2,672,977	2,543,298	2,528,352	2,534,763	2,549,199	2,477,694
Public safety	14,420,951	13,773,850	13,076,582	12,637,790	12,520,030	11,311,874	11,168,583	11,002,841	11,201,915	11,339,409
Public services and engineering	2,303,054	2,168,327	2,169,603	2,162,715	2,231,127	2,312,697	2,258,845	2,213,932	2,289,059	2,249,103
Sanitation and maintenance	3,278,208	3,184,475	3,086,606	2,907,482	2,878,561	2,775,307	2,804,735	2,842,320	2,784,149	2,905,858
Health and welfare	953,464	1,001,041	1,141,332	1,016,003	1,098,996	958,128	927,309	948,859	989,959	1,003,618
Culture and recreation	1,438,370	1,681,007	1,847,051	1,792,413	1,828,137	1,823,489	1,778,635	1,759,712	1,698,347	1,711,892
Employee benefits and insurance	13,973,871	13,200,991	12,663,658	12,007,025	12,425,247	10,685,347	11,119,309	10,443,692	10,329,345	10,507,369
Education	47,994,271	47,994,271	47,944,271	47,683,005	47,342,941	48,079,032	46,410,357	45,437,659	44,310,133	44,300,000
General services	1,389,269	1,572,757	1,369,822	982,304	1,262,015	1,464,322	1,643,858	1,379,304	1,882,355	1,645,157
Debt service	1,564,787	2,706,478	3,051,025	3,207,801	4,370,489	5,448,298	6,784,455	7,103,860	7,100,343	6,949,576
Total expenditures	90,224,904	90,172,151	89,316,652	87,076,219	88,630,520	87,401,792	87,424,438	85,666,942	85,134,804	85,089,676
Excess (deficiency) of revenues over expenditures	2,815,825	(1,821,442)	(1,738,154)	56,743	443,257	1,108,834	1,237,572	952,430	1,163,880	224,074.0
Other financing sources (uses)										
Sale of Town owned property	29,766	2,299	559,769	297,832	9,023	-	-	-	-	-
Transfers in	8,560	-	25,000	25,000	-	25,015	61,290	-	-	12,969
Transfers out	(37)	-	-	-	-	-	-	(904)	(1,273)	-
Net other financing sources (uses)	38,289	2,299	584,769	322,832	9,023	25,015	61,290	(904)	(1,273)	12,969
Net change in fund balances	\$ 2,854,114	\$ (1,819,143)	\$ (1,153,385)	\$ 379,575	\$ 452,280	\$ 1,133,849	\$ 1,298,862	\$ 951,526	\$ 1,162,607	\$ 237,043
Debt service as a percentage of expenditures	1.73%	3.00%	3.42%	3.68%	4.93%	6.23%	7.76%	8.29%	8.34%	8.17%

Source: Current and prior year financial statements.

**Table 4****Town of East Haven, Connecticut****Property Tax Rates, Levies and Collections  
Last Ten Years  
(Unaudited)**

<u>Year Ended June 30</u>	<u>Grand List of October 1,</u>	<u>(1) Tax Rate in Mills</u>	<u>Total Adjusted Tax Levy</u>	<u>Net Tax Collections</u>	<u>Percent of Levy Collected</u>
2012	2010	26.59	\$ 60,056,771	\$ 58,428,197	97.29%
2013	2011	30.95	60,631,831	59,178,695	97.60%
2014	2012	30.95	60,695,731	59,331,720	97.75%
2015	2013	32.05	62,880,229	61,458,442	97.74%
2016	2014	31.55	63,039,498	61,734,456	97.93%
2017	2015	31.55	63,819,560	62,441,210	97.84%
2018	2016	31.55	61,771,861	60,571,894	98.06%
2019	2017	32.45	63,495,844	62,278,005	98.08%
2020	2018	32.42	64,137,177	63,020,402	98.26%
2021	2019	34.25	68,501,710	67,266,456	98.20%

Source: Tax Collector

There is no overlapping tax rate for the Town.

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

**Town of East Haven, Connecticut**  
**Schedule of Debt Limitation**  
**Connecticut General Statutes, Section 7-374 (b)**  
**For the Year Ended June 30, 2021**  
**(Unaudited)**

## Tax Base:

Total tax collections (including interest and lien fees) for prior year \$ 64,162,398

Reimbursement for revenue loss on:

Tax relief for elderly freeze 1,986

Base for debt limitation computation \$ 64,164,384

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$ 144,369,864	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	288,739,728	-	-	-
3 3/4 times base	-	-	240,616,440	-	-
3 1/4 times base	-	-	-	208,534,248	-
3 times base	-	-	-	-	192,493,152
Total debt limitation	144,369,864	288,739,728	240,616,440	208,534,248	192,493,152
Indebtedness:					
Bonds payable	<u>26,258,431</u>	<u>4,476,569</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u><u>\$ 118,111,433</u></u>	<u><u>\$ 284,263,159</u></u>	<u><u>\$ 240,616,440</u></u>	<u><u>\$ 208,534,248</u></u>	<u><u>\$ 192,493,152</u></u>

The total of the above net indebtedness amounts to: \$ 30,735,000

In no event shall total indebtedness exceed seven times the base for debt limitation computation. \$ 449,150,688

There is no overlapping debt for the Town.

Source: Current and prior year financial statements.