

**Annual Financial Report
of the
Town of East Haven, Connecticut
Year Ended June 30, 2012**

TOWN OF EAST HAVEN, CONNECTICUT

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2012

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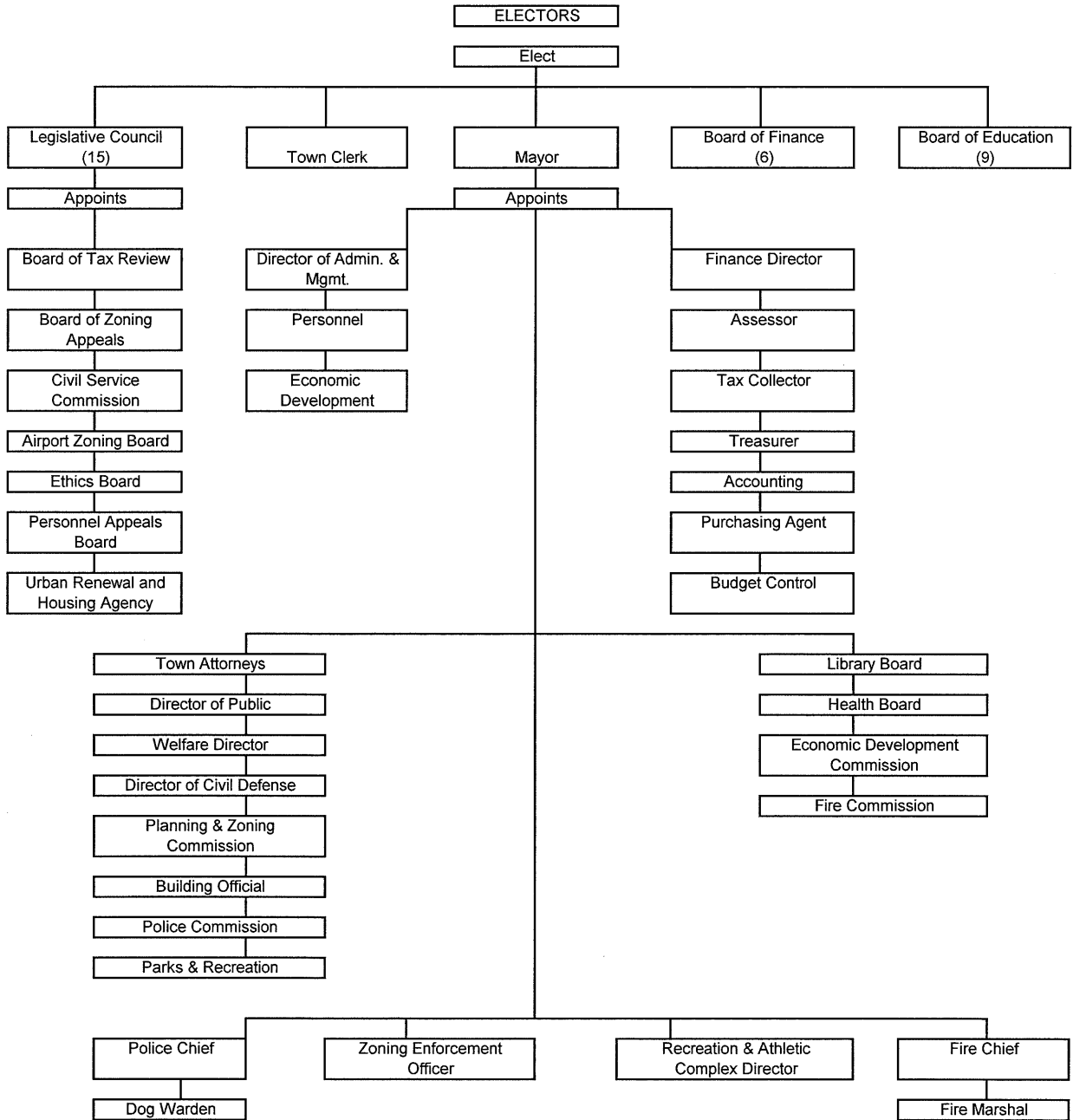
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Introductory Section

TOWN OF EAST HAVEN, CONNECTICUT

ORGANIZATIONAL CHART



Financial Section

Independent Auditors' Report

Town Council
Town of East Haven

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of East Haven, Connecticut, as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of East Haven, Connecticut, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

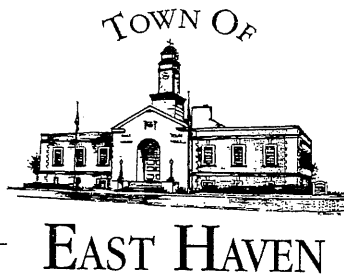
In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2012, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Schedule of Funding Progress and Schedule of Employer Contributions - East Haven Other Post Employment Benefit Plans on pages 4 through 11 and pages 54 and 55, respectively, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of East Haven, Connecticut's financial statements as a whole. The introductory section, supplemental schedules and trend information are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and trend information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

CohnReznick LLP

Farmington, Connecticut
December 26, 2012



FINANCE DEPARTMENT

PAUL S. RIZZA

Director of Finance

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2012

As management of the Town of East Haven, we offer readers of the Town of East Haven's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2012.

Financial Highlights

- On a government-wide basis, the Town's net assets decreased by \$2,626,764 for the fiscal year. The most significant reasons for the decrease were the increase in the other post employment liability and legal claims.
- The Town's net assets totaled \$35,935,333 at June 30, 2012. Of this amount, unrestricted net assets were a deficit balance of \$(14,803,563).
- At year end, the unassigned fund balance for the general fund was \$437,843, an increase of \$237,043 from the prior year.
- The Town's total long-term debt decreased by \$3,595,000. This is due to issuance of new debt in the amount to \$1,545,000 offset by scheduled debt payments.

Overview of the Basic Financial Statements

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

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

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

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

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

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

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

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

The Town reports 36 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and capital projects fund, which are considered to be major funds. Data from the other 34 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in Schedules 4 and 5 of this report.

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by \$35,935,333 at the close of the fiscal year.

TOWN OF EAST HAVEN, CONNECTICUT NET ASSETS

	2012	2011
Current and other assets.....	\$ 27,076,115	\$ 30,715,971
Capital assets (net).....	96,182,625	96,443,767
Total assets.....	123,258,740	127,159,738
Current liabilities.....	22,222,608	22,812,130
Long-term liabilities.....	65,100,799	65,785,511
Total liabilities.....	87,323,407	88,597,641
Net assets:		
Invested in capital assets, net of related debt.....	48,709,002	44,377,039
Restricted for:		
Endowments:		
Nonexpendable.....	100,000	100,000
Expendable.....	1,669,073	1,877,310
General government.....	16,228	22,348
Public safety.....	40,216	61,789
Public works.....	62,109	110,505
Education.....	142,268	99,547
Unrestricted.....	(14,803,563)	(8,086,441)
TOTAL NET ASSETS.....	\$ 35,935,333	\$ 38,562,097

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

An additional portion of the Town's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is a deficit balance in the amount of \$(14,803,563).

Governmental activities. Already noted was the statement of activities' purpose in presenting information in how the Town's net assets changed during the most recent fiscal year. The most significant reasons for the decrease were the increase in the other post employment liability and legal claims.

TOWN OF EAST HAVEN, CONNECTICUT CHANGE IN NET ASSETS

	2012	2011
<u>REVENUES:</u>		
Program revenues:		
Charges for services.....	\$ 4,055,342	\$ 4,368,465
Operating grants and contributions.....	29,707,082	26,793,155
Capital grants and contributions.....	1,178,046	4,791,019
General revenues:		
Property taxes.....	61,176,525	61,534,772
Grants and contributions not restricted to specific programs.....	1,262,527	924,343
Investment income (loss).....	96,601	378,759
Gain on sale of asset.....		1,672,168
Miscellaneous.....	256,200	293,075
TOTAL REVENUES.....	97,732,323	100,755,756
<u>EXPENSES:</u>		
General government.....	5,239,574	5,646,738
Public safety.....	19,531,501	14,694,490
Public works.....	9,957,576	9,312,188
Culture and recreation.....	2,538,126	2,707,752
Health and welfare.....	1,988,889	2,736,590
Education.....	58,978,842	55,340,891
Interest expense.....	2,124,579	2,201,822
TOTAL EXPENSES.....	100,359,087	92,640,471
INCREASE (DECREASE) IN NET ASSETS....	(2,626,764)	8,115,285
NET ASSETS - JULY 1.....	38,562,097	30,446,812
NET ASSETS - JUNE 30.....	\$ 35,935,333	\$ 38,562,097

Governmental Activities - Revenues

The significant changes in revenues for governmental activities for the fiscal year ended June 30, 2012 were as follows:

- Property taxes decreased \$358,247. The decrease was a result of reduction of the mill rate.
- Operating grants and contributions increased by \$2,913,927 due to FEMA revenues received for storms Irene and Sandy and the education jobs grant funding.
- Capital grants and contributions decreased by \$3,612,973 due to one time receipts for the sale of Tweed Airport and grants for solar panel projects and FEMA housing funds received in the prior year.
- The gain on sale of assets decreased by the prior amount of \$1,672,168 due to the sale of Tweed Airport property to the City of New Haven and some other Town owned properties in the prior year.

Governmental Activities - Expenses

The significant changes in expenses for governmental activities for the fiscal year ended June 30, 2012 were as follows:

- Education increased by \$3,637,951 due to an increase in the education budget and an increase in the on behalf amount recorded for the State Teachers' Retirement contribution.
- Public safety expense increased by \$4,837,011 substantially due to an increase in the budget, allocated employee benefit costs and an increase in claims and judgments.
- Public works expense increased \$645,388 substantially due to the FEMA monies received and spent during the year of \$567,914.

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 a Town's net resources available for spending at the end of the fiscal year.

The combined fund balances of governmental funds for the fiscal year ended June 30, 2012 is \$1,432,350. This amount is comprised of the following components: (1) nonspendable reserve for endowments in the amount of \$100,000, (2) restricted amounts totaling \$1,929,894, (3) committed amounts of \$264,099, (4) assigned amounts totaling \$1,274,201 and (5) unassigned of \$(2,135,844), the majority of which is due to the unassigned balance in the capital projects fund of (\$2,496,969).

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

General Fund

The general fund is the operating fund of the Town. The fund balance of the general fund increased by \$237,043 for the fiscal year. Revenues increased by \$2,957,698, with tax revenues at \$60,386,012. Intergovernmental revenues increased by \$3,928,630 primarily from Education cost sharing funds.

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

- Fund balance contribution had a positive variance of \$39,831. This line was the amount that was required to be budgeted to fund the prior year fund balance deficit in the general fund in accordance with state statutes. The original amount budgeted was \$1,162,128, which was reduced due to the significant number of employee retirements and related compensated absences payment due those employees.
- Municipal revenue sharing had a positive variance of \$358,434 due to the grant not being budgeted for due to the State's budget uncertainty at the time the budget was adopted.

Capital Projects Fund

This fund's net change in fund balance was a decrease of \$1,321,110 for the fiscal year, resulting in a deficit fund balance at the end of the year of \$(2,496,969). The decrease was a result of the spending of monies accumulated through debt issuance and general fund appropriations in the prior year as well as the \$2,695,000 in bond anticipation notes outstanding that will be permanently financed in subsequent fiscal years when the projects are completed.

Capital Assets and Debt Administration

At June 30, 2012, the Town of East Haven's investment in capital assets for its governmental activities was \$96,182,625 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, building improvements, machinery and equipment, vehicles and infrastructure (roads, sidewalks and bridges). The net decrease in the Town's investment in capital assets for the current fiscal year was \$261,142.

The significant capital asset activity during the year was as follows:

- Capitalization of the solar panel project from construction in progress totaling \$6,811,700
- Purchase of two fire trucks during the year totaling \$1,100,000.

These additions were offset by depreciation expense resulting in the net increase of \$261,142.

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

	2012	2011
Land.....	\$ 3,497,216	\$ 3,497,516
Construction in progress....	4,238,689	9,254,678
Land improvements.....	2,993,691	3,174,837
Buildings.....	44,309,278	45,303,712
Building improvements.....	9,273,700	3,142,004
Machinery and equipment..	2,002,232	2,044,994
Vehicles.....	2,681,203	2,026,052
Infrastructure.....	27,186,616	27,999,974
TOTAL.....	\$96,182,625	\$ 96,443,767

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

Long-term Debt

For the year ended June 30, 2012, the Town's long-term debt decreased by \$3,595,000. The decrease is the net effect of the following items:

- Issuance of new debt of \$1,545,000
- Scheduled principal payments of \$5,140,000

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$44,505,000. Of this amount, \$8,036,189 will be funded from state grants, resulting in net outstanding debt in the amount of \$39,163,811, which is backed by the full faith and credit of the Town of East Haven.

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

	2012	2011
General purpose bonds	\$ 24,432,900	\$ 24,731,450
School bonds	18,632,100	21,568,550
Sewer	1,440,000	1,800,000
Total	\$ 44,505,000	\$ 48,100,000

The Town maintains an "A3" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 ¼ to 4 ½ times total tax collections including interest and lien fees and the tax relief for the elderly freeze grant. The current debt limitation for the Town is \$418,505,584, 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.G.

Next Year's Budgets and Rates

Town officials considered many factors when setting the fiscal year 2013 budget. The Town decided that it was important to adopt a budget designed to promote long-term fiscal stability. This included an appropriation of \$1,200,000 to fund the prior year deficit fund balance as required by State Statutes. In order to meet the objectives of the budget, the Town recognized the need to continue its pattern of conservative budgeting while at the same time providing excellent services to its residents and taxpayers.

The 2013 general fund budget was \$86,708,754, an increase of 1.68% over the prior year. The Town continues to focus on restoring the Towns' general fund fund balance to a comfortable level.

Requests for Information

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

Basic Financial Statements

TOWN OF EAST HAVEN, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2012

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Current assets:	
Cash.....	\$ 5,680,926
Investments.....	5,179,501
Receivables:	
Property taxes.....	1,803,374
Intergovernmental.....	2,506,475
Other.....	1,163,475
Other.....	96,647
Total current assets.....	16,430,398
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash.....	177,698
Investments.....	1,491,375
Permanently restricted:	
Investments.....	100,000
Total restricted assets.....	1,769,073
Receivables (net):	
Property taxes.....	1,823,406
Intergovernmental.....	7,053,238
Total receivables (net).....	8,876,644
Capital assets (net of accumulated depreciation):	
Land.....	3,497,216
Construction in progress.....	4,238,689
Land improvements.....	2,993,691
Buildings.....	44,309,278
Building improvements.....	9,273,700
Machinery and equipment.....	2,002,232
Vehicles.....	2,681,203
Infrastructure.....	27,186,616
Total capital assets (net of accumulated depreciation).....	96,182,625
Total noncurrent assets.....	106,828,342
TOTAL ASSETS.....	123,258,740

(Continued)

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

TOWN OF EAST HAVEN, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2012

	GOVERNMENTAL ACTIVITIES
 <u>LIABILITIES</u>	
LIABILITIES:	
Current liabilities:	
Cash overdraft.....	\$ 2,338
Accounts payable.....	2,247,592
Accrued payroll.....	4,124,586
Accrued interest payable.....	752,116
Unearned revenue.....	578,674
Bond anticipation notes.....	2,695,000
Bonds and notes payable.....	5,640,000
Capital lease payable.....	238,295
Compensated absences.....	1,486,473
Early retirement incentive.....	380,854
Claims and judgments.....	4,076,680
Total current liabilities.....	<u>22,222,608</u>
Noncurrent liabilities:	
Bonds, notes and related liabilities.....	38,686,302
Capital lease payable.....	214,026
Compensated absences.....	5,945,892
Net OPEB obligations.....	7,883,059
Claims and judgments.....	12,371,520
Total noncurrent liabilities.....	<u>65,100,799</u>
TOTAL LIABILITIES.....	<u>87,323,407</u>
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt.....	48,709,002
Restricted for:	
Endowments:	
Nonexpendable.....	100,000
Expendable.....	1,669,073
General government.....	16,228
Public safety.....	40,216
Public works.....	62,109
Education.....	142,268
Unrestricted.....	<u>(14,803,563)</u>
TOTAL NET ASSETS.....	<u>\$ 35,935,333</u>

(Concluded)

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

TOWN OF EAST HAVEN, CONNECTICUTSTATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES:					
General government.....	\$ 5,239,574	\$ 799,212	\$ 6,008	\$	\$ (4,434,354)
Public safety.....	19,531,501	715,801	52,523		(18,763,177)
Public works.....	9,957,576	211,734	567,914	1,175,639	(8,002,289)
Culture and recreation.....	2,538,126	443,601	134,045		(1,960,480)
Health and welfare.....	1,988,889	223,679	180,383		(1,584,827)
Education.....	58,978,842	1,661,315	28,766,209	2,407	(28,548,911)
Interest expense.....	2,124,579				(2,124,579)
TOTAL.....	\$ 100,359,087	\$ 4,055,342	\$ 29,707,082	\$ 1,178,046	\$ (65,418,617)
GENERAL REVENUES:					
Property taxes.....					\$ 61,176,525
Grants and contributions not restricted to specific programs.....					1,262,527
Investment income.....					96,601
Miscellaneous.....					256,200
TOTAL GENERAL REVENUES					62,791,853
CHANGE IN NET ASSETS.....					(2,626,764)
NET ASSETS - JULY 1, 2011.....					38,562,097
NET ASSETS - JUNE 30, 2012.....					\$ 35,935,333

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

TOWN OF EAST HAVEN, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash.....	\$ 3,987,863	\$	\$ 776,979	\$ 4,764,842
Investments.....	3,272,877		2,697,752	5,970,629
Receivables:				
Property taxes.....	3,414,567			3,414,567
Intergovernmental			573,571	573,571
Other.....	1,025,930	7,499	23,119	1,056,548
Due from other funds.....	1,845,315	1,247,403	479,607	3,572,325
Other.....			9,780	9,780
TOTAL ASSETS.....	\$ 13,546,552	\$ 1,254,902	\$ 4,560,808	\$ 19,362,262
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Cash overdraft.....	\$	\$	\$ 2,338	\$ 2,338
Accounts payable.....	1,834,832	85,810	326,950	2,247,592
Accrued payroll.....	3,876,481		248,105	4,124,586
Due to other funds.....	3,892,597	971,061	340,590	5,204,248
Deferred revenue.....	3,077,474			3,077,474
Unearned revenue.....	427,325		151,349	578,674
Bond anticipation notes.....		2,695,000		2,695,000
TOTAL LIABILITIES.....	13,108,709	3,751,871	1,069,332	17,929,912
FUND BALANCES:				
Nonspendable.....			100,000	100,000
Restricted.....			1,929,894	1,929,894
Committed.....			264,099	264,099
Assigned.....			1,274,201	1,274,201
Unassigned.....	437,843	(2,496,969)	(76,718)	(2,135,844)
TOTAL FUND BALANCES.....	437,843	(2,496,969)	3,491,476	1,432,350
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 13,546,552	\$ 1,254,902	\$ 4,560,808	\$ 19,362,262

(Continued)

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

TOWN OF EAST HAVEN, CONNECTICUT

RECONCILIATION OF FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2012

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

TOTAL FUND BALANCES (EXHIBIT C, PAGE 1).....	\$ 1,432,350
----------------------------------------------	--------------

CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning net capital assets.....	96,443,767
Capital asset additions.....	3,486,045
Depreciation expense.....	(3,745,709)
Disposal of capital assets.....	(1,478)

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

School building grant receivable.....	8,986,142
Property tax interest and lien accrual.....	1,797,213
Property tax receivable - accrual basis change.....	3,077,474
Allowance for doubtful accounts.....	(1,585,000)

INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COSTS OF VARIOUS SELF-INSURED RISK PREMIUMS TO INDIVIDUAL DEPARTMENTS:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.....	(12,596,566)
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SOME LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Bonds and notes payable.....	(44,505,000)
Bond premiums.....	(238,729)
Deferred charge on refunding.....	417,427
Capital leases.....	(452,321)
Compensated absences.....	(7,432,365)
Early retirement.....	(380,854)
Net OPEB obligation.....	(7,883,059)
Claims and judgments.....	(131,888)
Accrued interest payable.....	(752,116)

NET ASSETS OF GOVERNMENTAL ACTIVITIES.....	<u>\$ 35,935,333</u>
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(Concluded)

TOWN OF EAST HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Property taxes.....	\$ 60,386,012	\$	\$	\$ 60,386,012
Charges for services.....	1,749,105		2,306,237	4,055,342
Intergovernmental.....	26,415,418	699,443	6,900,068	34,014,929
Investment income.....	20,046		127,745	147,791
Change in fair value of investments.....			(52,019)	(52,019)
Contributions.....			130,684	130,684
Other.....	782,732		74,001	856,733
TOTAL REVENUES.....	89,353,313	699,443	9,486,716	99,539,472
EXPENDITURES:				
Current:				
General government.....	2,477,694		281,785	2,759,479
Public safety.....	11,339,409		110,035	11,449,444
Public works.....	5,154,961		678,171	5,833,132
Culture and recreation.....	1,711,892		291,760	2,003,652
Health and welfare.....	1,003,618		143,975	1,147,593
Employee benefits and insurance.....	10,507,369			10,507,369
Education.....	48,339,563		7,793,467	56,133,030
General services.....	1,645,157			1,645,157
Debt service:				
Principal.....	4,780,000		360,000	5,140,000
Interest.....	2,169,576	43,602	71,460	2,284,638
Capital outlay.....		3,573,330	447,493	4,020,823
TOTAL EXPENDITURES.....	89,129,239	3,616,932	10,178,146	102,924,317
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	224,074	(2,917,489)	(691,430)	(3,384,845)
OTHER FINANCING SOURCES (USES):				
Issuance of debt.....		1,545,000		1,545,000
Premium.....		64,348		64,348
Transfers in.....	12,969		299,122	312,091
Transfers out.....		(12,969)	(299,122)	(312,091)
NET OTHER FINANCING SOURCES (USES).....	12,969	1,596,379	-	1,609,348
NET CHANGE IN FUND BALANCES.....	237,043	(1,321,110)	(691,430)	(1,775,497)
FUND BALANCES, JULY 1, 2011.....	200,800	(1,175,859)	4,182,906	3,207,847
FUND BALANCES, JUNE 30, 2012.....	\$ 437,843	\$ (2,496,969)	\$ 3,491,476	\$ 1,432,350

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

TOWN OF EAST HAVEN, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ (1,775,497)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay.....	3,486,045
Depreciation expense.....	<u>(3,745,709)</u>

Total	<u>(259,664)</u>
-------------	------------------

The net effect of various miscellaneous transactions involving capital assets (i. e., sales, trade-ins and donations) is to increase net assets. 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 assets differs from the change in fund balance by the cost of the capital assets sold..... (1,478)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

School building grant receipts.....	(1,997,958)
Change in property tax receivable - accrual basis change.....	771,458
Change in property tax interest and lien revenue.....	149,055
Increase in property tax allowance for doubtful accounts.....	<u>(130,000)</u>

Total	<u>(1,207,445)</u>
-------------	--------------------

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

Debt issued or incurred:	
Issuance of debt.....	(1,545,000)
Bond premium.....	(37,748)
Deferred charges.....	(75,466)
Capital lease.....	(452,321)
Principal repayments:	
General obligation bonds.....	5,140,000
Premium.....	10,578
Capital lease.....	248,062
Claims and judgments.....	<u>(131,888)</u>

Total	<u>3,156,217</u>
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(Continued)

TOWN OF EAST HAVEN, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

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

Compensated absences.....	\$ 564,480
Early retirement.....	400,097
Net OPEB obligation.....	(2,157,697)
Accrued interest payable.....	224,947
Other.....	<u>(308,853)</u>
Total	<u>(1,277,026)</u>
Internal Service Funds are used by management to charge costs of various self-insured risk premiums to individual departments.....	<u>(1,262,700)</u>
The net revenue of the activities of the Internal Service Fund is reported with governmental activities.....	<u>829</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)	<u>\$ (2,626,764)</u>

(Concluded)

TOWN OF EAST HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 60,807,830	\$ 60,807,830	\$ 60,386,012	\$ (421,818)
Intergovernmental.....	22,020,437	22,020,437	22,375,855	355,418
Investment income.....	40,000	40,000	20,046	(19,954)
Charges for services.....	1,727,403	1,727,403	1,749,105	21,702
Other.....	680,000	680,000	782,732	102,732
TOTAL REVENUES.....	85,275,670	85,275,670	85,313,750	38,080
EXPENDITURES:				
Current:				
General government.....	3,523,151	2,529,063	2,477,694	51,369
Public safety.....	10,866,002	11,342,380	11,339,409	2,971
Highways and engineering.....	2,313,679	2,249,971	2,249,103	868
Sanitation and maintenance.....	2,746,456	2,910,048	2,905,858	4,190
Health and welfare.....	1,063,742	1,036,760	1,003,618	33,142
Culture and recreation.....	1,790,883	1,744,970	1,711,892	33,078
Employee benefits and insurance.....	9,514,750	10,540,674	10,507,369	33,305
Education.....	44,300,000	44,300,000	44,300,000	-
General services.....	2,207,428	1,672,225	1,645,157	27,068
Debt service.....	6,949,579	6,949,579	6,949,576	3
TOTAL EXPENDITURES.....	85,275,670	85,275,670	85,089,676	185,994
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	-	-	224,074	224,074
OTHER FINANCING SOURCES (USES):				
Transfers in.....			12,969	12,969
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	237,043	\$ 237,043
FUND BALANCE - JULY 1, 2011.....			200,800	
FUND BALANCE - JUNE 30, 2012.....			\$ 437,843	

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

TOWN OF EAST HAVEN, CONNECTICUT

**STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2012**

<u>ASSETS</u>	
Cash.....	\$ 1,093,782
Investments.....	800,247
Accounts receivable.....	106,927
Due from other funds.....	2,165,636
Other asset.....	<u>86,867</u>
TOTAL ASSETS.....	<u>4,253,459</u>
 <u>LIABILITIES</u>	
Current liabilities:	
Claims and judgments payable.....	4,043,708
Due to other funds.....	<u>533,713</u>
Total current liabilities.....	4,577,421
Noncurrent liability:	
Claims and judgments payable.....	<u>12,272,604</u>
TOTAL LIABILITIES.....	<u>16,850,025</u>
 <u>NET ASSETS</u>	
Unrestricted.....	<u><u>\$ (12,596,566)</u></u>

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

TOWN OF EAST HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2012

OPERATING REVENUES:	
Charges for services.....	<u>\$ 16,277,171</u>
OPERATING EXPENSES:	
Claims.....	16,053,118
Administration.....	<u>1,486,753</u>
TOTAL OPERATING EXPENSES.....	<u>17,539,871</u>
OPERATING INCOME (LOSS).....	(1,262,700)
NONOPERATING REVENUES:	
Investment income.....	<u>829</u>
CHANGES IN NET ASSETS.....	(1,261,871)
TOTAL NET ASSETS - JULY 1, 2011.....	<u>(11,334,695)</u>
TOTAL NET ASSETS - JUNE 30, 2012.....	<u>\$ (12,596,566)</u>

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

EXHIBIT I**TOWN OF EAST HAVEN, CONNECTICUT**STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:	
Premiums received.....	\$ 15,249,391
Payments to vendors.....	(1,486,753)
Payments for claims.....	<u>(13,851,617)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(88,979)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Income (loss) on investments.....	<u>829</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(88,150)
CASH AND CASH EQUIVALENTS - JULY 1, 2011.....	<u>1,982,179</u>
CASH AND CASH EQUIVALENTS - JUNE 30, 2012.....	<u>\$ 1,894,029</u>
RECONCILIATION TO BALANCE SHEET CASH:	
Cash and cash equivalents per above.....	\$ 1,894,029
Cash and cash equivalents reported as investments.....	<u>(800,247)</u>
BALANCE SHEET CASH.....	<u>\$ 1,093,782</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Operating income (loss).....	\$ (1,262,700)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable.....	(4,393)
Due from other funds.....	(817,100)
Other asset.....	(86,867)
Increase (decrease) in:	
Claims and judgments payable.....	2,314,655
Due to other funds.....	<u>(232,574)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u>\$ (88,979)</u>

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

TOWN OF EAST HAVEN, CONNECTICUTSTATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	PRIVATE- PURPOSE TRUST FUNDS	AGENCY FUNDS
<u>ASSETS</u>		
Cash.....	\$ 33,787	\$ 196,570
Investments.....	45,827	44,218
TOTAL ASSETS.....	79,614	240,788
<u>LIABILITY</u>		
LIABILITY:		
Accounts payable.....		240,788
<u>NET ASSETS</u>		
Held in trust for:		
Individuals.....	79,614	
NET ASSETS HELD IN TRUST.....	\$ 79,614	\$ -

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

TOWN OF EAST HAVEN, CONNECTICUTSTATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2012

	PRIVATE PURPOSE TRUST FUNDS
ADDITIONS:	
Investment income (loss):	
Interest and dividends.....	\$ 1,224
DEDUCTIONS:	
Scholarships awarded.....	<u>2,000</u>
CHANGE IN NET ASSETS.....	(776)
NET ASSETS - JULY 1, 2011.....	<u>80,390</u>
NET ASSETS - JUNE 30, 2012.....	<u>\$ 79,614</u>

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

TOWN OF EAST HAVEN, CONNECTICUT**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

HISTORY AND ORGANIZATION

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

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

The government-wide financial statements (i.e., the statement of net assets and the statement of 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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Agency funds do not have a measurement focus but are reported on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. For this purpose, the government considers intergovernmental revenues 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 and claims and judgments, are recorded only when payment is due.

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

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

Additionally, the Town reports the following fund types:

The *Internal Service Funds* account for risk activities for insurance benefits as allowed by GASB Statement No. 10.

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

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

C. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

Investments for the Town are reported at fair value. State Treasurers Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27a - 3-27c. Investment guidelines are adapted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

2. Receivables and Payables

a. Interfunds

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

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 56% of outstanding receivable balances, and are calculated based upon prior collection history.

In the fund financial statements, all property taxes receivable, which have not been collected within 60 days as of June 30, have been recorded as deferred revenue, since they are not considered to be available to finance expenditures of the current fiscal year. Taxes collected during the 60-day period have been recorded as revenue.

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

3. Restricted Assets

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets

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

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

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

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

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

5. Compensated Absences

Employees are paid by a prescribed formula for absence due to vacation and sickness based upon the various union contracts and the Town's personnel policies. The eligibility for vacation pay, and in some instances sick pay, does vest and can be paid upon death, retirement or termination, up to certain limits.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts 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.

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

7. Fund Equity and Net Assets

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

Invested in Capital Assets, Net of Related Debt

This category presents the net assets that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.

Restricted Net Assets

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

Unrestricted Net Assets

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

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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Fund Equity and Net Assets (Continued)

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.

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 BASIC FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

9. Comparative Data/Reclassifications

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

- Prior to March 4, the Mayor submits to the Board of Finance a proposed operating budget for the year commencing the following July 1. The Board of Finance returns the budget to the Mayor with its recommendations by March 23. On or before March 31, the Mayor submits the budget to the Town Council, which calls a public hearing. By April 28, the Town Council votes to adopt the budget. The budget is adopted on a basis consistent with generally accepted accounting principles.
- The Director of Finance may make transfers within a department of amounts not to exceed \$2,500 in any one account in any one year. The Board of Finance is authorized to transfer budgeted amounts within and between departments for amounts up to \$25,000. The Town Council, upon recommendation of the Board of Finance, approves transfers in excess of \$25,000 but not to exceed \$50,000. Transfers in excess of \$50,000 may be authorized only by ordinance. Additional appropriations may be made by ordinance of the Town Council. There were no additional appropriations during the year.
- Formal budgetary integration is employed as a management control device during the year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- Budgeted amounts shown are as originally adopted, or as amended by the Town Council during the course of the year.

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

- 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.

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (Exhibit F) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Budget - GAAP Reconciliation

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

	<u>REVENUES</u>	<u>EXPENDITURES</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F - JUNE 30, 2012.....	\$ 85,313,750	\$ 85,089,676
State Teachers' Retirement on-behalf payment.....	<u>4,039,563</u>	<u>4,039,563</u>
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2012.....	<u>\$ 89,353,313</u>	<u>\$ 89,129,239</u>

C. Donor Restricted Endowments

The Town has received certain endowments for the Hagan Memorial Library. The amounts are reflected in net assets as restricted for endowments. Investment income (including appreciation) is approved for expenditure by the Library Board. At June 30, 2012, the amount of appreciation (depreciation) included in restricted fund balance for the Hagan Memorial Library was \$68,571.

D. Deficit Fund Balances/Net Assets

The following funds had deficit fund balances/net assets at June 30, 2012:

Public works state aid.....	\$ 3,678
School lunch.....	65,274
Land acquisition	7,766
Self-insurance reserve	3,886,711
Workers' compensation.....	10,915,393

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

D. Deficit Fund Balances/Net Assets (Continued)

The deficits will be eliminated by future grants, charges for services, premium charges to other funds and transfers from the general fund.

III. DETAILED NOTES

A. Cash and Investments

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2012, \$1,514,106 of the Town's bank balance of \$9,722,334 including certificates of deposits and money market accounts, was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,312,696
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>201,410</u>
Total amount subject to custodial credit risk	<u>\$ 1,514,106</u>

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

At June 30, 2012, the Town's investments (including restricted investments) consisted of the following:

TYPE OF INVESTMENT	FAIR VALUE	INVESTMENT MATURITIES (IN YEARS)			
		N/A	LESS THAN 1	1-5 YEARS	5-10 YEARS
Mutual funds:					
Money market	\$ 70,002	\$	\$ 70,002	\$	\$
Equity	538,284	538,284			
International equity.	146,567	146,567			
Bond.....	304,298			202,872	101,426
International bond.....	79,968			79,968	
Real estate investment trust.....	11,777	11,777			
Commodities.....	23,149	23,149			
Certificates of deposit.....	1,145,675		378,367	767,308	
Bank money market funds	876,673		876,673		
U.S. Treasury notes.....	50,747		24,970	25,777	
Pooled fixed income	<u>3,613,781</u>		<u>3,613,781</u>		
TOTAL	<u>\$ 6,860,921</u>	<u>\$ 719,777</u>	<u>\$ 4,963,793</u>	<u>\$ 1,075,925</u>	<u>\$ 101,426</u>

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

III. **DETAILED NOTES (CONTINUED)**

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

Of the \$3,613,781 of pooled fixed income, \$3,136,747 was invested in Short Term Investment Fund ("STIF"). STIF is an investment pool managed by the State of Connecticut Office of the State Treasurer. The balance was invested in a 2a-7 like pool.

Interest rate risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

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

AVERAGE RATING	MONEY MARKET MUTUAL FUNDS	BOND MUTUAL FUNDS	INTERNATIONAL BOND MUTUAL FUNDS	POOLED FIXED INCOME
AAA	\$ 65,541	\$ 304,298	\$	\$ 3,613,781
B			79,968	
Unrated.....	4,461			
TOTAL.....	<u>\$ 70,002</u>	<u>\$ 304,298</u>	<u>\$ 79,968</u>	<u>\$ 3,613,781</u>

Custodial credit risk - The Town has no formal policy regarding custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

	TOTAL	LESS INSURED AMOUNTS	AMOUNT SUBJECT TO CUSTODIAL CREDIT RISK
U.S. Treasury notes	<u>\$ 50,747</u>	<u>\$ 50,747</u>	<u>\$ -</u>

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

III. DETAILED NOTES (CONTINUED)

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 as of June 30, 2012, including the applicable allowances for uncollectible accounts, are presented below.

	PROPERTY TAXES INTEREST & LIEN FEES		
	TAXES		TOTAL
Current Portion	\$ 1,547,140	\$ 256,234	\$ 1,803,374
Long-term Portion	\$ 1,867,427	\$1,540,979	\$ 3,408,406
Less Allowance for Uncollectibles ...	(585,000)	(1,000,000)	(1,585,000)
Net Long-term Portion	\$ 1,282,427	\$ 540,979	\$ 1,823,406
Total Receivable	\$ 2,829,567	\$ 797,213	\$ 3,626,780

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

	UNAVAILABLE	UNEARNED
Delinquent property taxes receivable	\$ 3,077,474	\$
Advance taxes collections		153,119
Tax overpayments		274,206
Grant draw downs prior to meeting all eligibility requirements		151,349
Totals	\$ 3,077,474	\$ 578,674

C. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	BALANCE JULY 1, 2011	INCREASES	DECREASES	BALANCE JUNE 30, 2012
<u>Capital Assets, not Being Depreciated:</u>				
Land	\$ 3,497,516	\$	\$ 300	\$ 3,497,216
Construction in progress	9,254,678	2,253,995	7,269,984	4,238,689
Total Capital Assets, not Being Depreciated	12,752,194	2,253,995	7,270,284	7,735,905

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

III. **DETAILED NOTES (CONTINUED)**

C. **Capital Assets (Continued)**

	BALANCE JULY 1, 2011	INCREASES	DECREASES	BALANCE JUNE 30, 2012
<u>Capital Assets, Being Depreciated:</u>				
Land improvements.....	\$ 4,531,824	\$	\$	\$ 4,531,824
Buildings	62,712,818			62,712,818
Building improvements	4,713,633	7,015,506		11,729,139
Machinery and equipment	4,944,116	281,128		5,225,244
Vehicles	3,371,232	1,125,400	11,784	4,484,848
Infrastructure.....	36,839,321	80,000		36,919,321
Total Capital Assets, Being Depreciated	117,112,944	8,502,034	11,784	125,603,194
Total Capital Assets.....	129,865,138	10,756,029	7,282,068	133,339,099
<u>Less Accumulated Depreciation for:</u>				
Land improvements.....	1,356,987	181,146		1,538,133
Buildings	17,409,106	994,434		18,403,540
Building improvements	1,571,629	883,810		2,455,439
Machinery and equipment	2,899,122	323,890		3,223,012
Vehicles	1,345,180	469,071	10,606	1,803,645
Infrastructure.....	8,839,347	893,358		9,732,705
Total Accumulated Depreciation	33,421,371	3,745,709	10,606	37,156,474
Total Capital Assets, Being Depreciated, net	83,691,573	4,756,325	1,178	88,446,720
Governmental Activities Capital Assets, net	\$ 96,443,767	\$ 7,010,320	\$ 7,271,462	\$ 96,182,625

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

Governmental Activities:

General government.....	\$ 95,047
Public safety	426,781
Public works	1,110,846
Culture and recreation	123,890
Health and welfare	2,829
Education	1,986,316

Total Depreciation Expense - Governmental Activities \$ 3,745,709

Construction Commitments

At June 30, 2012, the Town had \$37,711 committed for the library building project.

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

III. **DETAILED NOTES (CONTINUED)**

D. **Interfund Accounts**

1. **Interfund Payables and Receivables**

A summary of interfund balances as of June 30, 2012 is as follows:

	CORRESPONDING		
	<u>FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
<u>MAJOR FUNDS:</u>			
GENERAL FUND:			
Debt service	N/A	\$ 20,040	\$
Capital projects.....	N/A	971,061	1,247,403
Public safety	N/A	8,297	8,445
Historical documents preservation	N/A		16,178
Economic development	N/A		1,380
Town pool repair.....	N/A		2,467
Open space	N/A		45,000
Marine enforcement grants	N/A		16,660
Public works state aid.....	N/A		93,968
FEMA	N/A		17,185
Permanent patch fund	N/A		500
East Haven kennel club.....	N/A		20,178
Dog licenses.....	N/A		13,353
Senior center special funding	N/A		12
Health and welfare	N/A	1,310	116,633
Teen center	N/A		5,823
Emergency management fund	N/A		10,858
Day care	N/A		14,000
High school rental.....	N/A	126,884	
Education grants	N/A	176,244	
Road Bonding 2008.....	N/A		2,081
Land acquisition	N/A	7,766	
LOCIP	N/A		43,872
LOCIP Town clerk fees	N/A		50,965
Self-insurance reserve	N/A		73,789
Self-insurance	N/A	533,713	
Workers' compensation.....	N/A		696,463
Medical insurance	N/A		1,395,384
TOTAL GENERAL FUND		1,845,315	3,892,597
CAPITAL PROJECTS	General Fund	1,247,403	971,061

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

III. **DETAILED NOTES (CONTINUED)**

D. **Interfund Accounts (Continued)**

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

	CORRESPONDING FUND	DUE FROM	DUE TO
NONMAJOR FUNDS:			
SPECIAL REVENUE FUNDS:			
Public safety	General Fund	\$ 8,445	\$ 8,297
Historical documents preservation	General Fund	16,178	
Economic development	General Fund	1,380	
Town pool repair	General Fund	2,467	
Open space	General Fund	45,000	
Marine enforcement grants	General Fund	16,660	
Public works state aid	General Fund	93,968	
FEMA	General Fund	17,185	
Permanent patch fund	General Fund	500	
East Haven kennel club	General Fund	20,178	
Dog licenses	General Fund	13,353	
Senior center special funding	General Fund	12	
Teen center	General Fund	5,823	
Health and welfare	General Fund	116,633	1,310
Emergency management fund	General Fund	10,858	
Day care	General Fund	14,000	
Day care	Adult Education		49
High school rental	General Fund		126,884
Adult education	Day Care	49	
Education grants fund	General Fund		176,244
TOTAL SPECIAL REVENUE FUNDS		382,689	312,784
DEBT SERVICE FUND:			
WPCA debt service fund	General Fund	-	20,040
CAPITAL PROJECTS FUNDS:			
Road Bonding 2008	General Fund	2,081	
Land acquisition	General Fund		7,766
LOCIP	General Fund	43,872	
LOCIP Town clerk fees	General Fund	50,965	
TOTAL CAPITAL PROJECTS FUNDS		96,918	7,766
TOTAL NONMAJOR GOVERNMENTAL FUNDS		479,607	340,590

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

III. **DETAILED NOTES (CONTINUED)**

D. **Interfund Accounts (Continued)**

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

	CORRESPONDING FUND	DUE FROM	DUE TO
INTERNAL SERVICE FUNDS:			
Self-insurance	General Fund	\$ 73,789	\$ 533,713
Workers' compensation	General Fund	696,463	
Medical insurance	General Fund	1,395,384	
TOTAL INTERNAL SERVICE FUNDS		2,165,636	533,713
TOTAL		\$ 5,737,961	\$ 5,737,961

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

E. **Transfers In/Out**

A summary of interfund transfers for the year ended June 30, 2012 is as follows:

	CORRESPONDING FUND	TRANSFERS IN	TRANSFERS OUT
<u>MAJOR FUNDS:</u>			
GENERAL FUND	Capital Projects	\$ 12,969	\$
CAPITAL PROJECTS FUND	General Fund		12,969
<u>NONMAJOR FUNDS:</u>			
PERMANENT FUNDS:			
Library Fund	Library Building Project		156,872
Elizabeth McHardy Trust	Library Building Project		142,250
Library Building Project	Elizabeth McHardy Trust/Library	299,122	
TOTAL PERMANENT FUNDS		299,122	299,122
GRAND TOTAL		\$ 312,091	\$ 312,091

Transfers are used to account for the financing by the general fund for various programs and activities in other funds and for the funding of the Library Building project from the various endowments held by the library for that purpose.

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

III. DETAILED NOTES (CONTINUED)

F. Short-Term Obligations - Bond Anticipation Notes

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

Short-term obligation activity for the year ended June 30, 2012 was as follows:

BALANCE			BALANCE
JULY 1, 2011	ADDITIONS	DEDUCTIONS	JUNE 30, 2012

BOND ANTICIPATION NOTES:

Improvements	\$ 4,000,000	\$2,695,000	\$ 4,000,000	\$2,695,000
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The bond anticipation notes mature August 2, 2012 and carry an interest rate of 2.00%. The notes were issued to provide interim funding for various school improvements and capital improvements.

In August 2012, the Town reissued \$2,625,000 of bond anticipation notes with an interest rate of 2.00%, maturing in July 2013.

G. 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, 2011	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2012	CURRENT PORTION
BONDS/NOTES:									
General Purpose:									
Refunding Bond ..	\$ 4,505,600	02/15/03	2016	3.28%	\$ 1,414,450	\$	\$ 408,550	\$ 1,005,900	\$ 408,750
Improvement Bond	6,031,000	08/15/05	2025	3.50-5.00%	4,751,000		310,000	4,441,000	315,000
Refunding Bond ..	3,609,000	08/15/05	2015	3.00-4.25%	1,540,000		395,000	1,145,000	390,000
Improvement Bond	3,000,000	08/24/07	2028	4.1-5.5%	2,550,000		150,000	2,400,000	150,000
Improvement Bond	6,941,000	07/22/09	2028	5.00-6.00%	6,941,000			6,941,000	420,000
Refunding Bond ..	3,880,000	07/28/10	2030	3.00%	3,880,000		310,000	3,570,000	370,000
Improvement Bond	3,655,000	07/28/10	2021	3.00%	3,655,000			3,655,000	
Improvement Bond	1,275,000	07/26/11	2026	2.00%		1,275,000		1,275,000	
Total General Purpose					24,731,450	1,275,000	1,573,550	24,432,900	2,053,750
Schools:									
Refunding Bond ..	25,294,000	02/15/03	2017	3.28%	10,510,550		2,046,450	8,464,100	2,026,250
School Bonds.....	149,000	08/15/05	2018	3.50-5.00%	74,000		15,000	59,000	10,000
Refunding Bond ..	13,991,000	08/15/05	2019	3.00-4.25%	8,830,000		1,145,000	7,685,000	1,150,000
School Bonds.....	654,000	07/22/09	2028	5.00-6.00%	654,000			654,000	40,000
School Bonds.....	1,500,000	07/28/10	2021	3.00%	1,500,000			1,500,000	
School Bonds.....	270,000	07/26/11	2021	2.00%		270,000		270,000	
Total Schools					21,568,550	270,000	3,206,450	18,632,100	3,226,250

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

III. DETAILED NOTES (CONTINUED)

G. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2011	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2012	CURRENT PORTION
Sewer:									
Sewer Bond	\$ 5,000,000	12/01/01	2016	4.2500%	\$ 1,800,000	\$	\$ 360,000	\$ 1,440,000	\$ 360,000
TOTAL BONDS/NOTES					48,100,000	1,545,000	5,140,000	44,505,000	5,640,000
PREMIUM					211,559	37,748	10,578	238,729	
DEFERRED CHARGES					(492,893)		(75,466)	(417,427)	
TOTAL BONDS/NOTES AND RELATED LIABILITIES					47,818,666	1,582,748	5,075,112	44,326,302	5,640,000
CAPITAL LEASE					248,062	452,321	248,062	452,321	238,295
COMPENSATED ABSENCES					7,996,845	2,320,488	2,884,968	7,432,365	1,486,473
EARLY RETIREMENT					780,951		400,097	380,854	380,854
NET OPEB OBLIGATIONS					5,725,362	2,157,697		7,883,059	
CLAIMS AND JUDGMENTS						164,860	32,972	131,888	32,972
RISK MANAGEMENT (INTERNAL SERVICE FUNDS)					14,001,657	15,958,877	13,644,222	16,316,312	4,043,708
TOTAL LONG-TERM OBLIGATIONS					\$ 76,571,543	\$ 22,636,991	\$ 22,285,433	\$ 76,923,101	\$ 11,822,302

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

FISCAL YEAR ENDED JUNE 30,	AMOUNT TO BE PROVIDED BY STATE OF CT		BONDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2013	\$1,625,313	\$307,591	\$5,640,000	\$1,822,754
2014	1,531,783	244,906	5,815,000	1,561,548
2015	1,429,567	181,563	5,570,000	1,319,619
2016	1,430,129	117,053	5,190,000	1,085,937
2017	1,050,385	63,363	3,935,000	895,970
2018	629,385	28,219	2,940,000	754,744
2019	339,627	7,258	2,380,000	641,844
2020			1,725,000	555,187
2021			1,720,000	481,082
2022			1,720,000	406,426
2023			1,310,000	340,694
2024			1,310,000	282,014
2025			1,310,000	222,576
2026			950,000	170,026

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

III. DETAILED NOTES (CONTINUED)

G. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

FISCAL YEAR ENDED JUNE 30,	AMOUNT TO BE PROVIDED BY STATE OF CT		BONDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2027	\$	\$	\$ 915,000	\$ 125,026
2028			855,000	81,912
2029			705,000	43,069
2030			290,000	18,038
2031			225,000	5,484
TOTALS	\$8,036,189	\$949,953	\$ 44,505,000	\$ 10,813,950

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

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

CATEGORY	DEBT LIMIT	INDEBTEDNESS	NET BALANCE
General purpose.....	\$ 134,519,652	\$ 25,727,900	\$ 108,791,752
Schools.....	269,039,304	11,995,911	257,043,393
Sewers	224,199,420	1,440,000	222,759,420
Urban renewal.....	194,306,164		194,306,164
Pension deficit.....	179,359,536		179,359,536

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$418,505,584.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$8,036,189 for bond principal is reflected as deductions in the computation of net indebtedness.

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

III. DETAILED NOTES (CONTINUED)

G. Changes in Long-Term Obligations (Continued)

2. Capital Lease

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

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

The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The following is a schedule of the minimum lease payments under the lease, and the present value of the future minimum lease payments at June 30, 2012.

YEAR ENDING <u>JUNE 30,</u>	
2013	\$ 238,295
2014	249,866
Less: amount representing interest	<u>(35,840)</u>
Present value of minimum lease payments	<u>\$ 452,321</u>

3. Termination Benefits

The Town provides early retirement incentive benefits to 8 former employees. Benefits are paid annually based on the retirement agreement for each employee from the Town budget. Benefits are payable annually through 2014.

The Board of Education provides early retirement incentive benefits to 34 former employees. Benefits are paid annually based on the retirement agreement for each employee from the Board of Education budget. Benefits are payable through 2013.

During the fiscal year ended June 30, 2012, \$400,097 was paid for these benefits.

4. Authorized/Unissued Bonds

At June 30, 2012, the Town had authorized and unissued bonds as follows:

	<u>AUTHORIZED/ UNISSUED BONDS</u>
General purpose.....	\$ 4,938,493
Schools.....	<u>4,364,000</u>
Total	<u>\$ 9,302,493</u>

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

III. DETAILED NOTES (CONTINUED)

G. Changes in Long-Term Obligations (Continued)

5. Prior Years' Advanced Refunding

In prior years, the Town has defeased a bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Town's financial statements. As of June 30, 2012, the amount of defeased debt outstanding but removed from the Town's financial statements amounted to \$20,965,000.

H. Restricted Net Assets

The amount of restricted net assets, which were restricted by enabling legislation, totaled \$42,691 at June 30, 2012.

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

III. DETAILED NOTES (CONTINUED)

I. Fund Balance Classifications

As of June 30, 2012, fund balances are composed of the following:

FUND BALANCE CATEGORY	GENERAL FUND	CAPITAL PROJECTS	NONMAJOR FUNDS	TOTAL
<u>NONSPENDABLE:</u>				
Permanent fund principal.	\$	\$	\$ 100,000	\$ 100,000
<u>RESTRICTED:</u>				
General government.....			1,284,631	1,284,631
Public safety.....			23,556	23,556
Public works.....			62,109	62,109
Education.....			559,598	559,598
TOTAL RESTRICTED.....	-	-	1,929,894	1,929,894
<u>COMMITTED:</u>				
Culture and recreation.....			8,147	8,147
Health and welfare.....			127,946	127,946
Approved CNR Projects...			128,006	128,006
TOTAL COMMITTED.....	-	-	264,099	264,099
<u>ASSIGNED:</u>				
General government.....			46,380	46,380
Public safety.....			13,202	13,202
Public works.....			20,100	20,100
Culture and recreation.....			64,539	64,539
Education.....			17,363	17,363
Debt service.....			1,112,617	1,112,617
TOTAL ASSIGNED.....	-	-	1,274,201	1,274,201
UNASSIGNED.....	437,843	(2,496,969)	(76,718)	(2,135,844)
TOTAL.....	\$ 437,843	\$ (2,496,969)	\$ 3,491,476	\$ 1,432,350

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

IV. OTHER INFORMATION

A. Risk Management

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

The Town established internal service funds, the Medical Insurance Fund and the Workers' Compensation Fund, to account for and finance the retained risk of loss for Town Employee medical benefits coverage and workers' compensation claims. A third party administers the plans for which the fund pays a fee.

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

In addition, the Town has established an Internal Service Fund to pay judgment 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.

	CLAIMS PAYABLE JULY 1,	CURRENT YEAR CLAIMS AND CHANGES IN ESTIMATES	CLAIMS PAID	CLAIMS PAYABLE JUNE 30,
Self-Insurance Fund:				
2011	\$ 770,000	\$ 2,655,247	\$ 1,285,247	\$ 2,140,000
2012	2,140,000	1,794,845	184,845	3,750,000
Workers' Compensation Fund:				
2011	10,455,230	3,285,466	2,576,902	11,163,794
2012	11,163,794	2,659,664	2,073,146	11,750,312
Medical Insurance Fund:				
2011	803,870	10,124,193	10,230,200	697,863
2012	697,863	11,598,609	11,480,472	816,000

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

IV. OTHER INFORMATION (CONTINUED)

B. Commitments and Litigation

There are various suits and claims pending against the Town. Judgments and claims, which are believed by legal counsel to be likely to result in a judgment or claim against the Town, have been recorded in the self-insurance fund as claims payable.

C. Pension Plans

Municipal Employees' Retirement Fund

a. Plan Description

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

b. Plan Provisions

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

c. Funding Policy

Covered employees are required by State Statute to contribute 2¼% of earnings upon which Social Security tax is paid, plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining costs of the plan. Employees not covered by Social Security are required to contribute 5% of all earnings.

The required and actual contributions for the years ended June 30, 2010, 2011 and 2012 were \$1,496,298, \$2,194,623 and \$2,494,305, respectively.

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

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan

1. Plan Description

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

2. Benefit Provisions

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

b. Employer Contributions

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town and Board of Education's total plan contributions were \$1,474,413 and \$1,786,278, respectively.

c. Employee Contributions

There are no employee contributions to the plan.

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

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

3. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011, the date of the last available actuarial valuation, was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
<u>TOWN</u>						
JUNE 30, 2011	\$ -	\$ 59,580,092	\$(59,580,092)	0.0%	N/A	N/A
<u>BOARD OF EDUCATION</u>						
JUNE 30, 2011	\$ -	\$ 24,221,999	\$(24,221,999)	0.0%	N/A	N/A

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

4. Actuarial Methods and Assumptions

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

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

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

4. Actuarial Methods and Assumptions (Continued)

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

VALUATION DATE	June 30, 2011
ACTUARIAL COST METHOD	Projected Unit Credit
AMORTIZATION METHOD	Payments Increasing at 4%
REMAINING AMORTIZATION PERIOD - TOWN	27 Years Open
REMAINING AMORTIZATION PERIOD - BOE	15 Years Closed

ACTUARIAL ASSUMPTIONS:

Investment rate of return	4.5%
Healthcare inflation rate:	
Initial	9.5%
Ultimate	5.0%

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

The changes in the NOO were as follows:

	<u>TOWN</u>	<u>BOARD OF EDUCATION</u>
Annual required contribution	\$ 3,625,994	\$ 1,743,829
Interest on net OPEB obligation	250,369	7,520
Adjustment to annual required contribution	<u>(197,549)</u>	<u>(11,775)</u>
Annual OPEB cost	3,678,814	1,739,574
Contributions made	<u>1,474,413</u>	<u>1,786,278</u>
Change in net OPEB obligation	2,204,401	(46,704)
Net OPEB obligation - July 1, 2011	<u>5,558,246</u>	<u>167,116</u>
Net OPEB obligation - June 30, 2012	<u>\$ 7,762,647</u>	<u>\$ 120,412</u>

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

6. Three Year Trend Information

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
TOWN			
2010	\$ 3,417,543	32.1%	\$ 4,068,674
2011	3,499,293	57.2%	5,558,246
2012	3,678,814	40.1%	7,762,647
BOARD OF EDUCATION			
2010	\$ 1,310,675	91.8%	\$ 139,449
2011	1,658,972	99.8%	167,116
2012	1,739,574	102.4%	120,412

E. On-Behalf Payments

The amount of the State Teachers' Retirement Plan contribution recognized in the General Fund intergovernmental revenues and education expenditures for contributions made by the State on-behalf of the Town's teachers was \$4,039,563.

F. Reclassification

In the prior year, the Debt Service Fund was reported as a major fund, whereas in the current year it no longer meets the requirements and has been reclassified to Other Governmental Funds. Therefore, the beginning fund balances have been reclassified as follows:

	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS
BALANCE – JUNE 30, 2011	\$ 1,450,351	\$ 2,732,555
Reclassification of funds.....	(1,450,351)	1,450,351
BALANCE – JULY 1, 2011.....	\$ -	\$ 4,182,906

**Required
Supplementary
Information**

TOWN OF EAST HAVEN, CONNECTICUTREQUIRED SUPPLEMENTARY INFORMATION
EAST HAVEN OTHER POST EMPLOYMENT BENEFIT PLANSSCHEDULE OF FUNDING PROGRESS

TOWN PLAN

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
<u>JUNE 30,</u>						
2009	\$ -	\$ 55,747,276	\$ (55,747,276)	0.0%	N/A	N/A
2011	-	59,580,092	(59,580,092)	0.0%	N/A	N/A

BOARD OF EDUCATION PLAN

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
<u>JUNE 30,</u>						
2009	\$ -	\$ 18,154,621	\$ (18,154,621)	0.0%	N/A	N/A
2011	-	24,221,999	(24,221,999)	0.0%	N/A	N/A

N/A - No data available.

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

ACTUARIAL VALUATION DATE	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
<u>JUNE 30,</u>			
2009	\$ 3,251,952	\$ 1,502,812	46.2%
2010	3,402,672	1,098,009	32.3%
2011	3,455,700	1,995,205	57.7%
2012	3,625,994	1,474,413	40.7%

BOARD OF EDUCATION PLAN

ACTUARIAL VALUATION DATE	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
<u>JUNE 30,</u>			
2009	\$ 1,252,326	\$ 1,220,310	97.4%
2010	1,311,234	1,203,242	91.8%
2011	1,661,931	1,658,972	99.8%
2012	1,743,829	1,786,278	102.4%

Supplemental Schedules

General Fund

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

SCHEDULE 1
(1 of 2)

TOWN OF EAST HAVEN, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Real estate.....	\$ 53,573,119	\$ 53,573,119	\$ 53,125,417	\$ (447,702)
Motor vehicle and personal property.....	5,221,960	5,221,960	5,014,846	(207,114)
Supplemental motor vehicle.....	439,278	439,278	420,434	(18,844)
Delinquent taxes.....	450,000	450,000	536,933	86,933
Suspense collections.....	93,000	93,000	80,461	(12,539)
Interest, penalties and liens.....	300,000	300,000	502,819	202,819
PILOT water authority.....	567,473	567,473	567,473	-
PILOT GNHWPCA.....	63,000	63,000	63,000	-
Telecommunication property tax.....	100,000	100,000	74,629	(25,371)
TOTAL PROPERTY TAXES.....	60,807,830	60,807,830	60,386,012	(421,818)
INTERGOVERNMENTAL REVENUES:				
State aid school construction.....	1,997,958	1,997,958	1,997,958	-
Health and welfare nonpublic school.....	34,191	34,191	20,044	(14,147)
Pupil transportation.....	241,757	241,757	292,860	51,103
Education block grant.....	18,764,125	18,764,125	18,780,393	16,268
PILOT state property.....	253,033	253,033	253,137	104
PILOT Pequot funds.....	155,357	155,357	172,986	17,629
Elderly circuit breaker.....	327,512	327,512	317,572	(9,940)
Tax relief elderly.....	7,000	7,000	8,000	1,000
Veterans' exemption.....	75,504	75,504	77,244	1,740
Disability reimbursement.....	7,000	7,000	5,164	(1,836)
Manufacturer equipment.....	62,000	62,000		(62,000)
Municipal revenue sharing.....			358,434	358,434
Off Track Betting (OTB).....	70,000	70,000	69,990	(10)
State of CT dept of children.....	25,000	25,000	22,073	(2,927)
TOTAL INTERGOVERNMENTAL REVENUES.....	22,020,437	22,020,437	22,375,855	355,418
INVESTMENT INCOME.....	40,000	40,000	20,046	(19,954)
CHARGES FOR SERVICES:				
Zoning board of appeals.....	4,000	4,000	2,398	(1,602)
Zoning fees.....	14,000	14,000	10,513	(3,487)
Police permits, tags, etc.....	15,000	15,000	15,749	749
Fire permits/fees.....	2,000	2,000	757	(1,243)
Town clerk fees.....	350,000	350,000	313,692	(36,308)
Building dept permits.....	105,000	105,000	177,034	72,034
Recreation fees.....	100,000	100,000	78,038	(21,962)
Pool fees.....	18,250	18,250	9,910	(8,340)
Athletic complex fees.....	280,000	280,000	285,980	5,980
C.A.M. fees.....	500	500	2,760	2,260
Human services fees.....	156,000	156,000	152,339	(3,661)
Landfill fees.....	15,253	15,253	31,877	16,624
Solid waste hauler fees.....	15,000	15,000	1,950	(13,050)
Inland/wetland prints.....	1,400	1,400		(1,400)
Flood and erosion.....	1,000	1,000		(1,000)
Police special assignments.....	650,000	650,000	666,108	16,108
TOTAL CHARGES FOR SERVICES.....	1,727,403	1,727,403	1,749,105	21,702

(Continued)

SCHEDULE 1
(2 of 2)

TOWN OF EAST HAVEN, CONNECTICUT
GENERAL FUND

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

OTHER REVENUES:								
Employee benefit cost sharing.....	\$	300,000	\$	300,000	\$	328,264	\$	28,264
Workman comp. reimbursement.....		280,000		280,000		298,869		18,869
Miscellaneous.....		100,000		100,000		155,599		55,599
TOTAL OTHER REVENUES.....		680,000	680,000	782,732	102,732			
TOTAL REVENUES.....		85,275,670	85,275,670	85,313,750	38,080			
OTHER FINANCING SOURCES:								
Transfers in.....				12,969	12,969			
TOTAL REVENUES AND OTHER FINANCING SOURCES.....		\$ 85,275,670	\$ 85,275,670	\$ 85,326,719	\$ 51,049			

(Concluded)

TOWN OF EAST HAVEN, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
Town Council.....	\$ 58,515	\$ 82,126	\$ 81,359	\$ 767
Board of Finance.....	6,800	6,967	6,166	801
Mayor.....	132,774	138,575	138,338	237
Finance.....	420,628	398,147	396,117	2,030
Purchasing.....	45,558	42,588	42,117	471
Tax collector.....	273,348	267,453	266,926	527
Assessor.....	259,863	244,351	243,925	426
Personnel, administration and management.....	264,215	289,379	288,310	1,069
Board of assessment appeals.....	1,900	2,300	2,100	200
Town clerk.....	247,862	249,846	249,598	248
Registrar of Voters.....	142,770	115,797	115,770	27
Planning and zoning.....	167,889	166,003	165,099	904
Zoning board of appeals.....	2,975	2,975	2,742	233
Legal.....	276,900	430,073	427,302	2,771
Probate.....	6,500	4,936	4,703	233
Civil service.....	47,326	43,089	42,958	131
Flood and erosion.....	1,300	700	600	100
Inland/wetland.....	1,900	1,700	1,337	363
Fund balance contribution.....	1,162,128	39,831		39,831
School building committee.....	2,000	2,227	2,227	-
TOTAL GENERAL GOVERNMENT.....	3,523,151	2,529,063	2,477,694	51,369
PUBLIC SAFETY:				
Board of police commissioners.....	2,025	1,525	1,440	85
Canine control.....	206,618	201,278	201,151	127
Police Departments.....	5,208,404	5,355,308	5,354,476	832
Board of fire commissioners.....	13,750	5,922	5,735	187
Fire department.....	5,435,205	5,778,347	5,776,607	1,740
TOTAL PUBLIC SAFETY.....	10,866,002	11,342,380	11,339,409	2,971
HIGHWAYS AND ENGINEERING:				
Engineering.....	149,187	140,597	140,590	7
Highways.....	2,164,492	2,109,374	2,108,513	861
TOTAL HIGHWAYS AND ENGINEERING.....	2,313,679	2,249,971	2,249,103	868
SANITATION AND MAINTENANCE:				
Building department.....	144,890	144,890	144,650	240
Sanitation.....	1,979,594	2,053,256	2,053,019	237
Building maintenance.....	621,972	711,902	708,189	3,713
TOTAL SANITATION AND MAINTENANCE.....	2,746,456	2,910,048	2,905,858	4,190

(Continued)

SCHEDULE 2
(2 of 2)

TOWN OF EAST HAVEN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
HEALTH AND WELFARE:				
Public health.....	\$ 229,588	\$ 230,986	\$ 230,915	\$ 71
Social services.....	84,084	81,644	81,557	87
Counseling and community services.....	656,111	630,171	627,297	2,874
Housing authority.....	22,906	22,906	11,689	11,217
Urban renewal.....	71,053	71,053	52,160	18,893
TOTAL HEALTH AND WELFARE.....	1,063,742	1,036,760	1,003,618	33,142
CULTURE AND RECREATION:				
Recreation.....	453,831	450,143	433,290	16,853
Recreation - ice rink.....	322,575	280,350	277,423	2,927
Senior center.....	207,827	207,827	200,895	6,932
Library.....	725,000	725,000	724,868	132
Community services.....	81,650	81,650	75,416	6,234
TOTAL CULTURE AND RECREATION.....	1,790,883	1,744,970	1,711,892	33,078
EMPLOYEE BENEFITS AND INSURANCE:				
Employee benefits.....	6,984,750	8,018,674	8,015,307	3,367
Insurance.....	2,530,000	2,522,000	2,492,062	29,938
TOTAL EMPLOYEE BENEFITS AND INSURANCE..	9,514,750	10,540,674	10,507,369	33,305
EDUCATION.....	44,300,000	44,300,000	44,300,000	-
GENERAL SERVICES.....	2,207,428	1,672,225	1,645,157	27,068
DEBT SERVICE:				
Principal.....	4,780,000	4,780,000	4,780,000	-
Interest.....	2,169,579	2,169,579	2,169,576	3
TOTAL DEBT SERVICE.....	6,949,579	6,949,579	6,949,576	3
TOTAL EXPENDITURES.....	\$ 85,275,670	\$ 85,275,670	\$ 85,089,676	\$ 185,994

(Concluded)

SCHEDULE 3

TOWN OF EAST HAVEN, CONNECTICUT

REPORT OF TAX COLLECTOR
YEAR ENDED JUNE 30, 2012

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2011	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED AMOUNT COLLECTIBLE	TAXES COLLECTED	INTEREST & LIEN FEES	TOTAL	UNCOLLECTED TAXES JUNE 30, 2012
			ADDITIONS	DEDUCTIONS						
1995	\$ 84,486	\$	\$	\$	\$ 84,486	\$ -	\$	\$	\$ -	\$ -
1996	62,091		122			62,213	122		122	62,091
1997	53,835					53,835			-	53,835
1998	49,853					49,853			-	49,853
1999	51,866					51,866			-	51,866
2000	61,447					61,447			-	61,447
2001	60,720					60,720	112	111	223	60,608
2002	73,509		186			73,695	237	160	397	73,458
2003	66,773		655	554		66,874	312	117	429	66,562
2004	77,397		377			77,774	730	338	1,068	77,044
2005	80,959		524	227		81,256	1,160	1,016	2,176	80,096
2006	107,913		82	137		107,858	6,354	2,726	9,080	101,504
2007	162,064		54,105	742		215,427	79,746	14,521	94,267	135,681
2008	310,824		101,877	5,880		406,821	141,113	45,566	186,679	265,708
2009	1,356,612		124,193	68,534	158,421	1,253,850	607,610	143,771	751,381	646,240
TOTAL PRIOR YEARS	2,660,349		282,121	76,074	242,907	2,623,489	837,496	208,326	1,045,822	1,785,993
2010		59,998,187	255,269	195,146	1,539	60,056,771	58,428,197	224,032	58,652,229	1,628,574
TOTAL	\$ 2,660,349	\$ 59,998,187	\$ 537,390	\$ 271,220	\$ 244,446	\$ 62,680,260	59,265,693	432,358	59,698,051	\$ 3,414,567
Suspense collections							80,461		80,461	
Totals							\$ 59,346,154	\$ 432,358	\$ 59,778,512	

Nonmajor Governmental Funds

Special Revenue Funds

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

Public Safety

Historical Documents Preservation

Economic Development

Town Pool Repair

Open Space

Workforce Alliance

Marine Enforcement Grants

Public Works State Aid

FEMA

Permanent Patch Fund

East Haven Kennel Club

Small Cities

Dog Licenses

Senior Center Special Funding

Senior Center

Teen Center

Hagaman Memorial Library

Health and Welfare

Emergency Management Fund

Day Care

Athletic Department

High School Rental

School Lunch

Adult Education

Education Grants

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Debt Service

This fund is used to account for resources used to pay off the sewer related bonds.

Capital Projects Funds

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

Road Bonding 2008

Land Acquisition

LOCIP

LOCIP Town Clerk Fees

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

J. Woodward Thompson Education Fund

Library Fund

Library Building Project

Isaac Hagaman Library Fund

A. J. Berman Library Fund

TOWN OF EAST HAVEN, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

SPECIAL REVENUE FUNDS

	PUBLIC SAFETY	HISTORICAL DOCUMENTS PRESERVATION	ECONOMIC DEVELOPMENT	TOWN POOL REPAIR	OPEN SPACE	MARINE ENFORCEMENT GRANTS
<u>ASSETS</u>						
Cash.....	\$ 10,475	\$	\$	\$	\$	\$
Receivables:						
Other.....		50				
Due from other funds.....	8,445	16,178	1,380	2,467	45,000	16,660
TOTAL ASSETS.....	\$ 18,920	\$ 16,228	\$ 1,380	\$ 2,467	\$ 45,000	\$ 16,660
<u>LIABILITIES AND FUND BALANCES</u>						
LIABILITIES:						
Due to other funds.....	\$ 8,297	\$	\$	\$	\$	\$
FUND BALANCES:						
Restricted.....	10,623	16,228				16,660
Assigned.....			1,380	2,467	45,000	
TOTAL FUND BALANCES.....	10,623	16,228	1,380	2,467	45,000	16,660
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 18,920	\$ 16,228	\$ 1,380	\$ 2,467	\$ 45,000	\$ 16,660

(Continued)

SCHEDULE 4
(2 of 6)

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

	SPECIAL REVENUE FUNDS					
	PUBLIC WORKS STATE AID	FEMA	PERMANENT PATCH FUND	EAST HAVEN KENNEL CLUB	SMALL CITIES	DOG LICENSES
<u>ASSETS</u>						
Cash.....	\$	\$	\$	\$	\$ 62,109	\$
Receivables:						
Intergovernmental.....		7,081				
Other.....						704
Due from other funds.....	93,968	17,185	500	20,178		13,353
TOTAL ASSETS.....	\$ 93,968	\$ 24,266	\$ 500	\$ 20,178	\$ 62,109	\$ 14,057
<u>LIABILITIES AND FUND BALANCES</u>						
LIABILITIES:						
Accounts payable.....	\$ 6,541	\$	\$	\$ 578	\$	\$ 855
Unearned revenue.....	91,105	24,266				
TOTAL LIABILITIES.....	97,646	24,266	-	578	-	855
FUND BALANCES:						
Restricted.....					62,109	
Assigned.....			500	19,600		13,202
Unassigned.....	(3,678)					
TOTAL FUND BALANCES.....	(3,678)	-	500	19,600	62,109	13,202
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 93,968	\$ 24,266	\$ 500	\$ 20,178	\$ 62,109	\$ 14,057

(Continued)

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

SPECIAL REVENUE FUNDS

	SENIOR CENTER SPECIAL FUNDING	SENIOR CENTER	TEEN CENTER	HAGAMAN MEMORIAL LIBRARY	HEALTH AND WELFARE	EMERGENCY MANAGEMENT FUND
<u>ASSETS</u>						
Cash.....	\$	\$ 8,135	\$	\$ 56,249	\$ 3	\$
Receivables:						
Other.....					20,215	2,075
Due from other funds.....	12		5,823		116,633	10,858
TOTAL ASSETS.....	\$ 12	\$ 8,135	\$ 5,823	\$ 56,249	\$ 136,851	\$ 12,933
<u>LIABILITIES AND FUND BALANCES</u>						
LIABILITIES:						
Accounts payable.....	\$	\$	\$	\$	\$ 7,595	\$
Due to other funds.....					1,310	
TOTAL LIABILITIES.....	-	-	-	-	8,905	-
FUND BALANCES:						
Restricted.....						12,933
Committed.....	12	8,135			127,946	
Assigned.....			5,823	56,249		
TOTAL FUND BALANCES.....	12	8,135	5,823	56,249	127,946	12,933
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 12	\$ 8,135	\$ 5,823	\$ 56,249	\$ 136,851	\$ 12,933

(Continued)

SCHEDULE 4

(4 of 6)

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

SPECIAL REVENUE FUNDS

	DAY CARE	ATHLETIC DEPARTMENT	HIGH SCHOOL RENTAL	SCHOOL LUNCH	ADULT EDUCATION	EDUCATION GRANTS	TOTAL
<u>ASSETS</u>							
Cash.....	\$	\$ 16,794	\$ 171,384	\$ 28,953	\$ 2,990	\$ 215,909	\$ 573,001
Receivables:							
Intergovernmental.....				123,133		412,344	542,558
Other.....							23,044
Due from other funds.....	14,000				49		382,689
Other.....				9,780			9,780
TOTAL ASSETS.....	\$ 14,000	\$ 16,794	\$ 171,384	\$ 161,866	\$ 3,039	\$ 628,253	\$ 1,531,072
<u>LIABILITIES AND FUND BALANCES</u>							
LIABILITIES:							
Cash overdraft.....	\$ 2,338	\$	\$	\$	\$	\$	\$ 2,338
Accounts payable.....			1,809	227,140	672	81,760	326,950
Accrued payroll.....	11,044					237,061	248,105
Due to other funds.....	49		126,884			176,244	312,784
Unearned revenue.....						35,978	151,349
TOTAL LIABILITIES.....	13,431	-	128,693	227,140	672	531,043	1,041,526
FUND BALANCES:							
Restricted.....			42,691		2,367	97,210	260,821
Committed.....							136,093
Assigned.....	569	16,794					161,584
Unassigned.....				(65,274)			(68,952)
TOTAL FUND BALANCES.....	569	16,794	42,691	(65,274)	2,367	97,210	489,546
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 14,000	\$ 16,794	\$ 171,384	\$ 161,866	\$ 3,039	\$ 628,253	\$ 1,531,072

(Continued)

SCHEDULE 4

(5 of 6)

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

	DEBT SERVICE	CAPITAL PROJECTS FUNDS				
	DEBT SERVICE	ROAD BONDING 2008	LAND ACQUISITION	LOCIP	LOCIP TOWN CLERK FEES	TOTAL
ASSETS						
Cash.....	\$ 26,280	\$	\$	\$	\$	\$ -
Investments.....	1,106,377					-
Receivables:						
Intergovernmental.....				31,013		31,013
Other.....					75	75
Due from other funds.....		2,081		43,872	50,965	96,918
TOTAL ASSETS.....	\$ 1,132,657	\$ 2,081	\$ -	\$ 74,885	\$ 51,040	\$ 128,006
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Due to other funds.....	\$ 20,040	\$	\$ 7,766	\$	\$	\$ 7,766
FUND BALANCES:						
Committed.....		2,081		74,885	51,040	128,006
Assigned.....	1,112,617					-
Unassigned.....			(7,766)			(7,766)
TOTAL FUND BALANCES.....	1,112,617	2,081	(7,766)	74,885	51,040	120,240
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 1,132,657	\$ 2,081	\$ -	\$ 74,885	\$ 51,040	\$ 128,006

(Continued)

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

	PERMANENT FUNDS						
	J. WOODWARD THOMPSON EDUCATION FUND	LIBRARY FUND	LIBRARY BUILDING PROJECT	ISAAC HAGAMAN LIBRARY FUND	A. J. BERMAN LIBRARY FUND	TOTAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<u>ASSETS</u>							
Cash.....	\$	\$	\$	\$	\$	\$	\$
Investments.....	417,330	20,956	156,742	1,155,597	13,987	177,698	776,979
Receivables:		4,461				1,591,375	2,697,752
Intergovernmental.....						-	573,571
Other.....						-	23,119
Due from other funds.....						-	479,607
Other.....						-	9,780
TOTAL ASSETS.....	\$ 417,330	\$ 25,417	\$ 156,742	\$ 1,155,597	\$ 13,987	\$ 1,769,073	\$ 4,560,808
<u>LIABILITIES AND FUND BALANCES</u>							
LIABILITIES:							
Cash overdraft.....	\$	\$	\$	\$	\$	\$ -	\$ 2,338
Accounts payable.....						-	326,950
Accrued payroll.....						-	248,105
Due to other funds.....						-	340,590
Unearned revenue.....						-	151,349
TOTAL LIABILITIES.....	-	-	-	-	-	-	1,069,332
FUND BALANCES:							
Nonspendable.....				100,000		100,000	100,000
Restricted.....	417,330	25,417	156,742	1,055,597	13,987	1,669,073	1,929,894
Committed.....						-	264,099
Assigned.....						-	1,274,201
Unassigned.....						-	(76,718)
TOTAL FUND BALANCES.....	417,330	25,417	156,742	1,155,597	13,987	1,769,073	3,491,476
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 417,330	\$ 25,417	\$ 156,742	\$ 1,155,597	\$ 13,987	\$ 1,769,073	\$ 4,560,808

(Concluded)

TOWN OF EAST HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012

	SPECIAL REVENUE FUNDS						
	PUBLIC SAFETY	HISTORICAL DOCUMENTS PRESERVATION	ECONOMIC DEVELOPMENT	TOWN POOL REPAIR	OPEN SPACE	WORKFORCE ALLIANCE	MARINE ENFORCEMENT GRANTS
REVENUES:							
Charges for services.....	\$ 8,048	\$ 9,834	\$ 2,990	\$ 873	\$	\$ 4,179	\$
Intergovernmental.....	49,950	6,008					
Other.....	150						
TOTAL REVENUES.....	58,148	15,842	2,990	873	-	4,179	-
EXPENDITURES:							
Current:							
General government.....		21,962	1,610			4,179	1,737
Public safety.....	58,708						
TOTAL EXPENDITURES.....	58,708	21,962	1,610	-	-	4,179	1,737
NET CHANGE IN FUND BALANCES.....	(560)	(6,120)	1,380	873	-	-	(1,737)
FUND BALANCES, JULY 1, 2011.....	11,183	22,348		1,594	45,000		18,397
FUND BALANCES, JUNE 30, 2012.....	\$ 10,623	\$ 16,228	\$ 1,380	\$ 2,467	\$ 45,000	\$ -	\$ 16,660

(Continued)

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

	SPECIAL REVENUE FUNDS					
	PUBLIC WORKS STATE AID	FEMA	PERMANENT PATCH FUND	EAST HAVEN KENNEL CLUB	SMALL CITIES	DOG LICENSES
REVENUES:						
Charges for services.....	\$	\$	\$	\$ 7,412	\$	\$ 17,727
Intergovernmental.....	110,257	567,914			133,301	
Other.....					70,600	
TOTAL REVENUES.....	110,257	567,914	-	7,412	203,901	17,727
EXPENDITURES:						
Current:						
General government.....					252,297	
Public safety.....				15,778		11,625
Public works.....	110,257	567,914				
TOTAL EXPENDITURES.....	110,257	567,914	-	15,778	252,297	11,625
NET CHANGE IN FUND BALANCES.....	-	-	-	(8,366)	(48,396)	6,102
FUND BALANCES, JULY 1, 2011.....	(3,678)		500	27,966	110,505	7,100
FUND BALANCES, JUNE 30, 2012.....	\$ (3,678)	\$ -	\$ 500	\$ 19,600	\$ 62,109	\$ 13,202

(Continued)

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

	SPECIAL REVENUE FUNDS					
	SENIOR CENTER SPECIAL FUNDING	SENIOR CENTER	TEEN CENTER	HAGAMAN MEMORIAL LIBRARY	HEALTH AND WELFARE	EMERGENCY MANAGEMENT FUND
REVENUES:						
Charges for services.....	\$	\$ 45,646	\$	\$ 21,267	\$ 71,340	\$
Intergovernmental.....					158,310	2,573
Investment income.....				108		
Contributions.....			94	66,676		
Other.....						2,075
TOTAL REVENUES.....	-	45,646	94	88,051	229,650	4,648
EXPENDITURES:						
Current:						
Public safety.....						23,924
Culture and recreation.....		41,538	6,356	94,038	91,577	
Health and welfare.....					143,975	
TOTAL EXPENDITURES.....	-	41,538	6,356	94,038	235,552	23,924
NET CHANGE IN FUND BALANCES.....	-	4,108	(6,262)	(5,987)	(5,902)	(19,276)
FUND BALANCES, JULY 1, 2011.....	12	4,027	12,085	62,236	133,848	32,209
FUND BALANCES, JUNE 30, 2012.....	\$ 12	\$ 8,135	\$ 5,823	\$ 56,249	\$ 127,946	\$ 12,933

(Continued)

SCHEDULE 5
(4 of 6)

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

	SPECIAL REVENUE FUNDS						
	DAY CARE	ATHLETIC DEPARTMENT	HIGH SCHOOL RENTAL	SCHOOL LUNCH	ADULT EDUCATION	EDUCATION GRANTS	TOTAL
REVENUES:							
Charges for services.....	\$ 431,158	\$ 63,517	\$ 893,930	\$ 527,811	\$ 16,901	\$ 159,156	\$ 2,281,789
Intergovernmental.....				832,605		4,800,714	6,661,632
Investment income.....							108
Contributions.....	30						66,800
Other.....							72,825
TOTAL REVENUES.....	431,188	63,517	893,930	1,360,416	16,901	4,959,870	9,083,154
EXPENDITURES:							
Current:							
General government.....							281,785
Public safety.....							110,035
Public works.....							678,171
Culture and recreation.....							233,509
Health and welfare.....							143,975
Education.....	484,531	55,266	896,325	1,441,011	14,807	4,901,527	7,793,467
TOTAL EXPENDITURES.....	484,531	55,266	896,325	1,441,011	14,807	4,901,527	9,240,942
NET CHANGE IN FUND BALANCES.....	(53,343)	8,251	(2,395)	(80,595)	2,094	58,343	(157,788)
FUND BALANCES, JULY 1, 2011.....	53,912	8,543	45,086	15,321	273	38,867	647,334
FUND BALANCES, JUNE 30, 2012.....	\$ 569	\$ 16,794	\$ 42,691	\$ (65,274)	\$ 2,367	\$ 97,210	\$ 489,546

(Continued)

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

	DEBT SERVICE	CAPITAL PROJECTS FUNDS				
	DEBT SERVICE	ROAD BONDING 2008	LAND ACQUISITION	LOCIP	LOCIP TOWN CLERK FEES	TOTAL
REVENUES:						
Charges for services.....	\$	\$	\$ 9,688	\$ 235,045	\$ 14,760	\$ 24,448
Intergovernmental.....						235,045
Investment income.....	92,998					-
Change in fair value of investments.....	728					-
TOTAL REVENUES.....	93,726	-	9,688	235,045	14,760	259,493
EXPENDITURES:						
Debt Service:						
Principal.....	360,000					-
Interest.....	71,460					-
Capital outlay.....			12,119	235,045		247,164
TOTAL EXPENDITURES.....	431,460	-	12,119	235,045	-	247,164
NET CHANGE IN FUND BALANCES.....	(337,734)	-	(2,431)	-	14,760	12,329
FUND BALANCES, JULY 1, 2011.....	1,450,351	2,081	(5,335)	74,885	36,280	107,911
FUND BALANCES, JUNE 30, 2012.....	\$ 1,112,617	\$ 2,081	\$ (7,766)	\$ 74,885	\$ 51,040	\$ 120,240

(Continued)

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

	PERMANENT FUNDS						TOTAL NONMAJOR GOVERNMENTAL FUNDS
	J. WOODWARD THOMPSON EDUCATION FUND	LIBRARY FUND	ELIZABETH MCHARDY TRUST	LIBRARY BUILDING PROJECT	ISAAC HAGAMAN LIBRARY FUND	A. J. BERMAN LIBRARY FUND	
REVENUES:							
Charges for services.....	\$	\$	\$	\$	\$	\$	\$ -
Intergovernmental.....		3,391					3,391
Investment income.....	816	123	1,351		32,184	165	34,639
Change in fair value of investments.....			(6,033)		(46,511)	(203)	(52,747)
Contributions.....		2,135		57,949	3,800		63,884
Other.....		1,176					1,176
TOTAL REVENUES.....	816	6,825	(4,682)	57,949	(10,527)	(38)	50,343
EXPENDITURES:							
Current:							
General government.....							-
Public safety.....							-
Public works.....							-
Culture and recreation.....		450			57,801		58,251
Health and welfare.....							-
Education.....							-
Debt service:							
Principal.....							-
Interest.....							-
Capital outlay.....				200,329			200,329
TOTAL EXPENDITURES.....	-	450	-	200,329	57,801	-	258,580
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	816	6,375	(4,682)	(142,380)	(68,328)	(38)	(208,237)
OTHER FINANCING SOURCES (USES):							
Transfers in.....				299,122			299,122
Transfers out.....		(156,872)	(142,250)				(299,122)
NET OTHER FINANCING SOURCES (USES).....	-	(156,872)	(142,250)	299,122	-	-	-
NET CHANGE IN FUND BALANCES.....	816	(150,497)	(146,932)	156,742	(68,328)	(38)	(208,237)
FUND BALANCES, JULY 1, 2011.....	416,514	175,914	146,932		1,223,925	14,025	1,977,310
FUND BALANCES, JUNE 30, 2012.....	\$ 417,330	\$ 25,417	\$ -	\$ 156,742	\$ 1,155,597	\$ 13,987	\$ 1,769,073

(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 as allowed by GASB Statement No. 10.

Self-Insurance Reserve

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

Workers' Compensation Fund

To account for the resources used to pay workers' compensation claims for the Town.

Medical Insurance Fund

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

TOWN OF EAST HAVEN, CONNECTICUTINTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2012

	SELF- INSURANCE	WORKERS' COMPENSATION	MEDICAL INSURANCE	TOTAL
<u>ASSETS</u>				
Cash.....	\$	\$	\$ 1,093,782	\$ 1,093,782
Investments.....	323,213		477,034	800,247
Accounts receivable.....		51,589	55,338	106,927
Due from other funds.....	73,789	696,463	1,395,384	2,165,636
Other asset.....		86,867		86,867
TOTAL ASSETS.....	397,002	834,919	3,021,538	4,253,459
<u>LIABILITIES</u>				
Current liabilities:				
Claims and judgments payable.....	624,000	2,603,708	816,000	4,043,708
Due to other funds.....	533,713			533,713
Total current liabilities.....	1,157,713	2,603,708	816,000	4,577,421
Noncurrent liability:				
Claims and judgments payable.....	3,126,000	9,146,604		12,272,604
TOTAL LIABILITIES.....	4,283,713	11,750,312	816,000	16,850,025
<u>NET ASSETS</u>				
Unrestricted.....	\$ (3,886,711)	\$ (10,915,393)	\$ 2,205,538	\$ (12,596,566)

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

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 YEAR ENDED JUNE 30, 2012

	SELF- INSURANCE	WORKERS' COMPENSATION	MEDICAL INSURANCE	TOTAL
OPERATING REVENUES:				
Charges for services.....	\$ 140,797	\$ 2,654,889	\$ 13,481,485	\$ 16,277,171
OPERATING EXPENSES:				
Claims.....	1,794,845	2,659,664	11,598,609	16,053,118
Administration.....			1,486,753	1,486,753
TOTAL OPERATING EXPENSES.....	1,794,845	2,659,664	13,085,362	17,539,871
OPERATING INCOME (LOSS).....	(1,654,048)	(4,775)	396,123	(1,262,700)
NONOPERATING REVENUES:				
Investment income.....			829	829
CHANGES IN NET ASSETS.....	(1,654,048)	(4,775)	396,952	(1,261,871)
NET ASSETS - JULY 1, 2011.....	(2,232,663)	(10,910,618)	1,808,586	(11,334,695)
NET ASSETS - JUNE 30, 2012.....	\$ (3,886,711)	\$ (10,915,393)	\$ 2,205,538	\$ (12,596,566)

TOWN OF EAST HAVEN, CONNECTICUTINTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012

	SELF- INSURANCE	WORKERS' COMPENSATION	MEDICAL INSURANCE	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Premiums received.....	\$ 67,008	\$ 1,958,426	\$ 13,223,957	\$ 15,249,391
Payments to vendors.....			(1,486,753)	(1,486,753)
Payments for claims.....	(417,419)	(1,953,726)	(11,480,472)	(13,851,617)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(350,411)	4,700	256,732	(88,979)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Income from investments.....			829	829
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(350,411)	4,700	257,561	(88,150)
CASH AND CASH EQUIVALENTS (OVERDRAFT) - JULY 1, 2011.....	673,624	(4,700)	1,313,255	1,982,179
CASH AND CASH EQUIVALENTS - JUNE 30, 2012.....	\$ 323,213	\$ -	\$ 1,570,816	\$ 1,894,029
RECONCILIATION TO BALANCE SHEET CASH:				
Cash and cash equivalents per above.....	\$ 323,213	\$	\$ 1,570,816	\$ 1,894,029
Cash and cash equivalents reported as investments.....	(323,213)		(477,034)	(800,247)
BALANCE SHEET CASH.....	\$ -	\$ -	\$ 1,093,782	\$ 1,093,782
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (1,654,048)	\$ (4,775)	\$ 396,123	\$ (1,262,700)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable.....		(51,589)	47,196	(4,393)
Due from other funds.....	(73,789)	(438,587)	(304,724)	(817,100)
Other asset.....		(86,867)		(86,867)
Increase (decrease) in:				
Claims and judgments payable.....	1,610,000	586,518	118,137	2,314,655
Due to other funds.....	(232,574)			(232,574)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ (350,411)	\$ 4,700	\$ 256,732	\$ (88,979)

Fiduciary Funds

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

PRIVATE-PURPOSE TRUST FUNDS

Shinder Scholarship Fund

To account for the named scholarship fund activity.

Patsy Dilungo Scholarship Fund

To account for the scholarship fund activity.

AGENCY FUNDS

Performance Bonds

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

Student Activities

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

Flex Spending

To account for the Town employees flex spending plan activity.

TOWN OF EAST HAVEN, CONNECTICUT

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	<u>PRIVATE-PURPOSE TRUST FUNDS</u>		
	SHINDER SCHOLARSHIP FUND	PATSY DILUNGO SCHOLARSHIP FUND	TOTAL PRIVATE- PURPOSE TRUST FUNDS
<u>ASSETS</u>			
Cash.....	\$	\$ 33,787	\$ 33,787
Investments.....	45,827		45,827
TOTAL ASSETS.....	\$ 45,827	\$ 33,787	\$ 79,614
<u>NET ASSETS</u>			
Held in trust for:			
Individuals.....	\$ 45,827	\$ 33,787	\$ 79,614
TOTAL NET ASSETS HELD IN TRUST.....	\$ 45,827	\$ 33,787	\$ 79,614

TOWN OF EAST HAVEN, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2012

	PRIVATE-PURPOSE TRUST FUNDS		
	SHINDER SCHOLARSHIP FUND	PATSY DILUNGO SCHOLARSHIP FUND	TOTAL PRIVATE- PURPOSE TRUST FUNDS
ADDITIONS:			
Investment income (loss):			
Interest and dividends.....	\$ 1,203	\$ 21	\$ 1,224
DEDUCTIONS:			
Scholarships awarded.....	1,000	1,000	2,000
CHANGE IN NET ASSETS.....	203	(979)	(776)
TOTAL NET ASSETS, JULY 1, 2011.....	45,624	34,766	80,390
TOTAL NET ASSETS, JUNE 30, 2012.....	<u>\$ 45,827</u>	<u>\$ 33,787</u>	<u>\$ 79,614</u>

SCHEDULE 11**TOWN OF EAST HAVEN, CONNECTICUT**

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED JUNE 30, 2012

	BALANCE JULY 1, 2011	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2012
<u>ASSETS</u>				
CASH:				
East Haven High School Activity Fund.....	\$ 94,772	\$ 270,840	\$ 236,135	\$ 129,477
Joseph Melillo Middle School Activity Fund.....	11,628	38,792	36,071	14,349
Deer Run Student Activity Fund.....	4,055	1,761	3,267	2,549
Ferrara Student Activity Fund.....	1,574	11,501	6,615	6,460
Tuttle Student Activity Fund.....	50		50	-
Overbrook Student Activity Fund.....	5,156	90	5,246	-
Hayes Student Activity Fund.....	761		761	-
General Activity Fund.....	4,193	2		4,195
EH School Fund.....	1,783	1		1,784
EH Highland School.....	9,003	5		9,008
BOE Medicare Account.....	80,308	14,287	86,488	8,107
R.W. Carbone School.....	5,350			5,350
Flex Spending.....	28,053	35,896	49,616	14,333
Performance bonds.....	958			958
TOTAL CASH.....	247,644	373,175	424,249	196,570
INVESTMENTS:				
East Haven High School Activity Fund.....	44,073	145		44,218
TOTAL ASSETS.....	\$ 291,717	\$ 373,320	\$ 424,249	\$ 240,788
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
East Haven High School Activity Fund.....	\$ 138,845	\$ 270,985	\$ 236,135	\$ 173,695
Joseph Melillo Middle School Activity Fund.....	11,628	38,792	36,071	14,349
Deer Run Student Activity Fund.....	4,055	1,761	3,267	2,549
Ferrara Student Activity Fund.....	1,574	11,501	6,615	6,460
Tuttle Student Activity Fund.....	50		50	-
Overbrook Student Activity Fund.....	5,156	90	5,246	-
Hayes Student Activity Fund.....	761		761	-
General Activity Fund.....	4,193	2		4,195
EH School Fund.....	1,783	1		1,784
EH Highland School.....	9,003	5		9,008
BOE Medicare Account.....	80,308	14,287	86,488	8,107
R.W. Carbone School.....	5,350			5,350
Flex Spending.....	28,053	35,896	49,616	14,333
Performance bonds.....	958			958
TOTAL LIABILITIES.....	\$ 291,717	\$ 373,320	\$ 424,249	\$ 240,788

Trend Information

TABLE 1

TOWN OF EAST HAVEN, CONNECTICUTNET ASSETS BY COMPONENT
LAST SEVEN YEARS
(UNAUDITED)

	FISCAL YEAR						
	2012	2011	(1) 2010	2009	2008	2007	2006
GOVERNMENTAL ACTIVITIES:							
Invested in capital assets, net of related debt.....	\$ 48,709,002	\$ 44,377,039	\$ 35,996,442	\$ 36,790,597	\$ 37,516,717	\$ 32,585,690	\$ 10,602,768
Restricted for:							
Endowments:							
Nonexpendable.....	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Expendable.....	1,669,073	1,877,310	1,701,821	1,729,333	1,963,496	2,193,639	1,667,578
General government.....	16,228	22,348	51,918				
Public safety.....	40,216	61,789	82,460				
Public works.....	62,109	110,505	87,883				
Education.....	142,268	99,547	59,809				
Unrestricted.....	(14,803,563)	(8,086,441)	(7,633,521)	(30,438)	15,914,574	26,928,603	5,239,393
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS.....	\$ 35,935,333	\$ 38,562,097	\$ 30,446,812	\$ 38,589,492	\$ 55,494,787	\$ 61,807,932	\$ 17,609,739

(1) Net asset components completely restated for fiscal year 2010 only.

TABLE 2
(1 of 2)

TOWN OF EAST HAVEN, CONNECTICUT

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

	FISCAL YEAR						
	2012	2011	2010	2009	2008	2007	2006
EXPENSES:							
Governmental activities:							
General government.....	\$ 5,239,574	\$ 5,646,738	\$ 5,905,126	\$ 7,585,922	\$ 5,517,911	\$ 5,501,604	\$ 8,106,306
Public safety.....	19,531,501	14,694,490	13,668,386	13,860,530	14,949,291	12,710,019	12,618,534
Public works.....	9,957,576	9,312,188	10,402,985	9,799,512	8,709,675	8,281,435	7,535,709
Culture and recreation.....	2,538,126	2,707,752	2,670,130	2,969,521	2,506,521	2,389,974	2,316,075
Health and welfare.....	1,988,889	2,736,590	2,433,413	2,510,330	1,487,119	1,553,644	1,462,279
Education.....	58,978,842	55,340,891	57,924,242	57,168,425	59,780,686	48,310,573	48,719,633
Interest expense.....	2,124,579	2,201,822	2,450,938	2,163,201	2,451,064	2,459,162	2,560,775
Total Governmental activities expenses.....	100,359,087	92,640,471	95,455,220	96,057,441	95,402,267	81,206,411	83,319,311
Business-type activities:							
WPCA.....							948,162
TOTAL EXPENSES.....	100,359,087	92,640,471	95,455,220	96,057,441	95,402,267	81,206,411	84,267,473
PROGRAM REVENUES:							
Governmental activities:							
Charges for services:							
General government.....	799,212	981,806	994,031	1,005,818	1,145,877	1,800,808	1,154,455
Public safety.....	715,801	651,684	864,981	717,495	784,725	762,533	876,316
Public works.....	211,734	164,944	174,740	177,137	266,067	339,911	41,885
Culture and recreation.....	443,601	599,630	563,289	554,137	500,184	527,920	403,708
Health and welfare.....	223,679	292,526	327,637	239,590	214,861	217,931	171,728
Education.....	1,661,315	1,677,875	1,817,360	709,799	848,760	858,575	687,627
Operating grants and contributions.....	29,707,082	26,793,155	27,083,953	27,325,227	33,285,847	23,416,379	27,894,969
Capital grants and contributions.....	1,178,046	4,791,019	1,924,549	508,202	462,595	560,949	1,795,969
Total Governmental activities program revenues.....	34,940,470	35,952,639	33,750,540	31,237,405	37,508,916	28,485,006	33,026,657
Business-type activities:							
WPCA.....							506,057
TOTAL PROGRAM REVENUES.....	34,940,470	35,952,639	33,750,540	31,237,405	37,508,916	28,485,006	33,532,714

(Continued)

TABLE 2
(2 of 2)

TOWN OF EAST HAVEN, CONNECTICUT

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

	FISCAL YEAR						
	2012	2011	2010	2009	2008	2007	2006
NET REVENUE (EXPENSES):							
Governmental activities.....	\$ (65,418,617)	\$ (56,687,832)	\$ (61,704,680)	\$ (64,820,036)	\$ (57,893,351)	\$ (52,721,405)	\$ (50,292,654)
Business-type activities.....							(442,105)
TOTAL NET EXPENSES.....	(65,418,617)	(56,687,832)	(61,704,680)	(64,820,036)	(57,893,351)	(52,721,405)	(50,734,759)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:							
Governmental activities:							
Property taxes.....	61,176,525	61,534,772	51,739,961	50,750,056	49,901,476	47,962,038	47,714,546
Grants and contributions not restricted to specific programs.....	1,262,527	924,343	956,185	1,671,362	1,203,035	1,442,446	2,540,442
Investment income.....	96,601	378,759	270,295	(316,533)	407,672	1,217,950	799,589
Gain on sale of assets.....		1,672,168					6,403
Miscellaneous.....	256,200	293,075	595,559	1,022,800	68,023	48,256	
Transfers.....							1,851,825
Total Governmental activities revenues.....	62,791,853	64,803,117	53,562,000	53,127,685	51,580,206	50,670,690	52,912,805
Business-type activities:							
Investment income.....							10,318
Transfers.....							(1,851,825)
Extraordinary item.....							7,321,731
Total Business-type activities revenues.....	-	-	-	-	-	-	5,480,224.00
TOTAL GENERAL REVENUES.....	62,791,853	64,803,117	53,562,000	53,127,685	51,580,206	50,670,690	58,393,029
CHANGE IN NET ASSETS:							
Governmental activities.....	(2,626,764)	8,115,285	(8,142,680)	(11,692,351)	(6,313,145)	(2,050,715)	2,620,151
Business-type activities.....							5,038,119
TOTAL CHANGE IN NET ASSETS.....	\$ (2,626,764)	\$ 8,115,285	\$ (8,142,680)	\$ (11,692,351)	\$ (6,313,145)	\$ (2,050,715)	\$ 7,658,270

(Concluded)

TABLE 3

TOWN OF EAST HAVEN, CONNECTICUTSCHEDULE OF DEBT LIMITATION
YEAR ENDED JUNE 30, 2012
(UNAUDITED)

Total tax collections (including interest and lien fees) for current year.....	\$ 59,778,512
Reimbursement for revenue loss on:	
Tax relief for elderly freeze.....	8,000
BASE FOR DEBT LIMITATION COMPUTATION.....	<u>\$ 59,786,512</u>

	GENERAL PURPOSES	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
DEBT LIMITATION:					
2 1/4 times base.....	\$ 134,519,652	\$	\$	\$	\$
4 1/2 times base.....		269,039,304			
3 3/4 times base.....			224,199,420		
3 1/4 times base.....				194,306,164	
3 times base.....					179,359,536
TOTAL DEBT LIMITATION.....	<u>134,519,652</u>	<u>269,039,304</u>	<u>224,199,420</u>	<u>194,306,164</u>	<u>179,359,536</u>
INDEBTEDNESS:					
Bonds payable.....	24,432,900	18,632,100	1,440,000		
Bond anticipation notes payable.....	1,295,000	1,400,000			
Less: School building grants.....		(8,036,189)			
NET INDEBTEDNESS (1).....	<u>25,727,900</u>	<u>11,995,911</u>	<u>1,440,000</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT	<u>\$ 108,791,752</u>	<u>\$ 257,043,393</u>	<u>\$ 222,759,420</u>	<u>\$ 194,306,164</u>	<u>\$ 179,359,536</u>

(1) The total of the above net indebtedness amounts to: \$ 39,163,811

In no event shall total indebtedness exceed seven times the base for debt limitation computation. \$ 418,505,584

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