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**Annual Financial Report**  
**of the**  
**Town of East Haven, Connecticut**  
**For the Year Ended June 30, 2022**

**Town of East Haven, Connecticut**

**Annual Financial Report  
For the Year Ended June 30, 2022**

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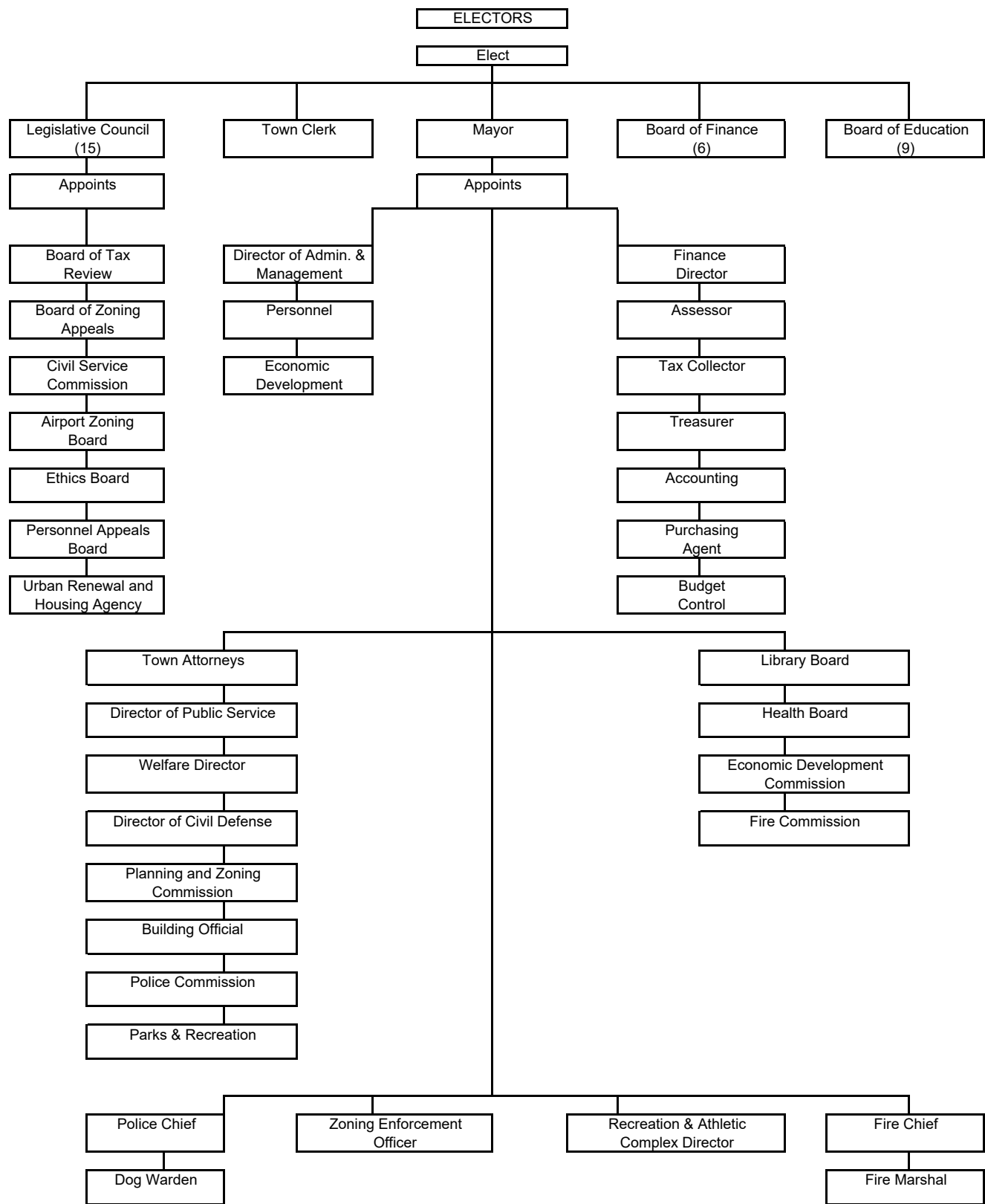
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## **Introductory Section**

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Town of East Haven, Connecticut

Organizational Chart



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## Financial Section

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## **Independent Auditors' Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of East Haven, Connecticut ("Town"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

#### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
March 9, 2023



## Management's Discussion and Analysis For the Year Ended June 30, 2022

As management of the Town of East Haven, Connecticut ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022.

### Financial highlights

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

Change in net position	\$ (6,500,166)
Total net position	(76,508,566)
Unrestricted net position	(139,374,221)

- The significant factors of the decrease are as follows:

#### Governmental funds activity:

➤ positive operations of the General Fund of	\$ 1,554,726
➤ negative operations of the Capital Projects Fund of	(3,899,052)

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

➤ capital outlay net of depreciation/amortization expense of	1,873,871
➤ net principal debt activity of	174,763
➤ change in net pension liability of	14,604,517
➤ change in OPEB liability of	(14,984,746)
➤ change in pension and OPEB deferred outflows of resources of	(286,714)
➤ change in pension and OPEB deferred inflows of resources of	(4,710,331)
➤ net revenue (expense) of the activities of the internal service funds of	(1,534,817)

- At year end, the unassigned fund balance for the general fund was \$7,252,881, an increase of \$1,554,726 from the prior year. The unassigned fund balance represents 7.85% of total budgetary expenditures and other financing uses as compared to 6.31% in the prior year.
- Capital asset additions of \$6,344,454 were offset by depreciation expense of \$4,470,583 and disposals of \$77,664, resulting in a net increase in capital assets of \$1,796,207.

## Management's Discussion and Analysis (continued)

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- The Town's total long-term debt decreased by \$174,763. The decrease was due to the issuance of leases payable of \$547,585, offset by scheduled debt service payments of \$722,348.
- During the year, the Town implemented GASB No. 87 - Leases. The implementation of this statement had no impact on beginning equity, but had the following impact on Town's financial statements:

	<u>Governmental Activities</u>
Capital assets:	
Right-to-use leased assets	\$ 59,086
Long-term liabilities:	
Lease liability	(59,086)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Government-wide financial analysis**

The analysis below focuses on the net position and the changes in net position. Unrestricted net position at year-end totaled \$(139,374,221). This is a decrease of \$6,500,166 from the prior year.

**Summary Statement of Net Position  
June 30**

	<u>2022</u>	<u>2021</u> (as restated)
Current and other assets	\$ 44,780,879	\$ 45,977,977
Capital assets (net)	<u>95,995,699</u>	<u>94,199,492</u>
Total assets	<u>140,776,578</u>	<u>140,177,469</u>
Deferred outflows of resources	<u>37,930,583</u>	<u>38,217,297</u>
Long-term liabilities	212,179,620	213,223,978
Current liabilities	<u>18,556,525</u>	<u>16,502,745</u>
Total liabilities	<u>230,736,145</u>	<u>229,726,723</u>
Deferred inflows of resources	<u>24,479,582</u>	<u>18,676,443</u>
Net investment in capital assets	55,331,001	54,279,061
Restricted	7,534,654	4,703,441
Unrestricted	<u>(139,374,221)</u>	<u>(128,990,902)</u>
Total net position	<u>\$ (76,508,566)</u>	<u>\$ (70,008,400)</u>

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

An additional portion of the Town's net position, \$7,534,654, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit balance of \$139,374,221.

Net position may serve over time as a useful indicator of the Town's financial position. The Town's total net position decreased by \$6,500,166 as detailed in the table below:

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

	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 4,098,174	\$ 2,793,702
Operating grants and contributions	39,663,376	38,255,403
Capital grants and contributions	1,555,191	6,471,738
General revenues:		
Property taxes	71,264,654	70,160,658
Grants and contributions not restricted to specific programs	617,823	681,205
Net income (loss) from investments	(181,684)	460,087
Gain on sale of capital assets	-	29,766
Other	31,917	58,196
Total revenues	<u>117,049,451</u>	<u>118,910,755</u>
Expenses:		
General government	8,046,813	7,618,682
Public safety	31,429,495	29,823,351
Public works	11,047,373	11,510,154
Health and welfare	1,488,988	2,137,161
Culture and recreation	2,514,602	2,202,880
Education	68,005,653	64,547,055
Interest	1,016,693	643,397
Total expenses	<u>123,549,617</u>	<u>118,482,680</u>
Change in net position	(6,500,166)	428,075
Net position - July 1	<u>(70,008,400)</u>	<u>(70,436,475)</u>
Net position - June 30	<u><u>\$ (76,508,566)</u></u>	<u><u>\$ (70,008,400)</u></u>

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

Revenues

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

- Charges for services increased by \$1,304,472 primarily due to increased revenue from the following sources as a result of the pandemic in the prior year:
  - Police special assignments revenue increased by \$618,504
  - High school rental fees increased by \$249,407
  - School activities revenue increased by \$239,817

## Management's Discussion and Analysis (continued)

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- Operating grants and contributions increased by \$1,407,973 primarily due to an increase in the ESSER grant received of \$4,800,870, offset by a decrease in the Coronavirus Relief Fund grant received in prior year of \$2,675,138.
- Capital grants and contributions decreased by \$4,916,547 primarily due to the Town receiving the American Rescue Plan Act ("ARPA") grant of \$4,227,506 and LOCIP grant of \$523,460 in the prior year.
- Property taxes increased by \$1,103,996 due to the increase in the amount required to fund the general fund adopted budget.

### Expenses

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

- Public safety expenses increased by \$1,606,144 primarily due to:
  - An increase in the police department of \$350,437 and fire department of \$245,749 related to contractual increases
  - An increase in the police department of \$310,958 for motor vehicle costs
  - An increase in the OPEB expense of \$1,157,301
  - An increase in claims expense for workers compensation and medical insurance of \$935,705
  - An increase in employee benefits of \$587,921 and compensated absences of \$379,823
  - Offset by a decrease in the MERS pension expense of \$2,660,415
- Education expenses increased by \$3,458,598 primarily due to:
  - ESSER grant expenses of \$4,800,870
  - An increase in depreciation expense of \$828,230
  - An increase in repairs and maintenance costs of \$795,964
  - Offset by a decrease of \$2,926,764 related to the Coronavirus Relief Fund grant received in the prior year

### Financial analysis of the Town's funds

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

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

## Management's Discussion and Analysis (continued)

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The components of fund balance were as follows:

Nonspendable for endowments	\$ 100,000
Restricted	7,434,654
Committed	2,397,077
Assigned	534,076
Unassigned	<u>(902,503)</u>
Total	<u>\$ 9,563,304</u>

The total fund balance decreased by \$1,866,041 to \$9,563,304. This decrease is the result of the following activity:

### General fund

The general fund is the operating fund of the Town. The fund balance of the general fund increased by \$1,554,726 during the fiscal year.

Significant items contributing to the positive operations were as follows:

### Revenues

- Charges for services revenue was over budget by \$744,385 primarily due to police special assignments over budget by \$573,660 as a result of conservative budgeting during the pandemic.
- Other revenue was under budget by \$565,487 primarily due to lower-than-expected employee benefit cost sharing of \$159,364 due to unfilled positions and workers' compensation reimbursement of \$188,040 lower than expected.

### Expenditures

- General government expenditures were under budget by \$238,661 primarily due to savings from salaries of \$194,152 due to vacancies.
- Public services and engineering expenditures were under budget by \$238,938 primarily due to savings from salaries of \$200,792 due to vacancies.
- Culture and recreation expenditures were under budget by \$217,830 primarily due to savings in ice rink utilities of \$78,954 and salaries of \$25,856 as a result of closures due to construction.

### Capital projects fund

This fund's net change in fund balance was a decrease of \$3,899,052 for the fiscal year, resulting in a deficit fund balance at the end of the year of \$5,350,475 due to the timing of the funding and spending of projects.

### Education grants fund

This fund's net change in fund balance was an increase of \$81,743 for the fiscal year for charges for programs, resulting in a positive fund balance at the end of the year of \$776,229.

**General fund budgetary highlights**

The significant budget transfers during the year were as follows:

- The general services budget was decreased by \$533,642 primarily due to the following transfers:
  - legal services budget was increased by \$175,000 to address the underfunded budget amount for legal and lawyer fees
  - employee benefits budget was increased by \$222,804 to address the underfunded budget amount for retirement payments
  - police department budget was increased by \$198,634 to address the underfunded budget amount for police overtime wages

**Capital assets and debt administration**

**Capital assets**

The Town's net investment in capital assets of \$95,995,699 (net of accumulated depreciation/amortization) is as follows:

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

	<u>2022</u>	<u>2021</u> (as restated)
Land	\$ 3,505,816	\$ 3,505,816
Construction in progress	4,067,639	1,078,903
Land improvements	3,171,097	3,422,611
Buildings	34,542,962	35,516,005
Building improvements	12,272,480	12,423,558
Machinery and equipment	7,702,622	7,216,516
Right-to-use leased machinery and equipment	488,242	59,086
Vehicles	3,033,732	3,187,124
Infrastructure	<u>27,211,109</u>	<u>27,789,873</u>
Total	<u><u>\$ 95,995,699</u></u>	<u><u>\$ 94,199,492</u></u>

The significant capital asset additions consisted of the following:

- Construction in progress:
  - Ice rink \$ 1,923,477
  - Town green 264,108
- Land improvements:
  - West End phase 4 project 105,544

➤ Building improvements:	
○ School floors	\$ 164,875
○ Air conditioners - all purpose room	
➤ Machinery and equipment:	
○ Fire bunker gear	205,874
○ Cafeteria equipment	240,312
○ Manufacturing class materials	263,181
○ Education computers and monitors	546,832
➤ Right-to-use leased machinery and equipment:	
○ Education copiers	537,499
➤ Vehicles:	
○ Public safety vehicles	280,816
○ Food truck	111,350

The capital asset additions were offset by depreciation expense of \$4,470,583 and loss on disposals of \$77,664, resulting in the net increase in capital assets of \$1,796,207.

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

### **Long-term debt**

At the end of the current fiscal year, the Town had total debt outstanding of \$38,493,587.

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

	<u>2022</u>	<u>2021</u> (as restated)
Bonds payable	\$ 30,735,000	\$ 30,735,000
Notes payable	7,208,811	7,856,544
PPP loan	-	17,720
Leases payable	<u>549,776</u>	<u>59,086</u>
Total	<u><u>\$ 38,493,587</u></u>	<u><u>\$ 38,668,350</u></u>

The Town's total long-term debt decreased by \$174,763. The decrease was due to leases payable of \$547,585, offset by scheduled debt service payments of \$722,348.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total prior year tax collections including interest and lien fees and the tax relief for the elderly freeze grant. The current debt limitation for the Town is \$479,831,114, which is significantly in excess of the Town's outstanding general obligation debt.

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

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

As of June 2022, the unemployment rate for the Town was at 4.5%, as compared to 6.9% in the prior year. This is lower than the State average unemployment rate of 4.1% and lower than the national unemployment rate of 3.8%.

Town officials considered many factors when setting the fiscal year 2023 budget. The Town decided that it was important to adopt a budget designed to promote long-term fiscal stability. In order to meet the objectives of the budget, the Town recognized the need to continue its pattern of conservative budgeting while at the same time providing excellent services to its residents and taxpayers.

The 2023 general fund budget is \$98,449,865, which is an increase of \$4,994,511 from the prior year. The Town continues to focus on managing the tax rate in an environment of changing levels of state funding.

**Requests for information**

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

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# **Basic Financial Statements**

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Town of East Haven, Connecticut

Governmental Activities  
Statement of Net Position  
June 30, 2022

Assets

Current assets:	
Cash	\$ 13,747,787
Investments	22,532,239
Receivables:	
Property taxes	1,286,909
Intergovernmental	965,587
Loans	13,992
Other	581,924
Other	<u>70,876</u>
Total current assets	<u>39,199,314</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	92,514
Investments	2,205,192
Permanently restricted:	
Investments	<u>100,000</u>
Total restricted assets	<u>2,397,706</u>
Receivables (net):	
Property taxes	<u>3,183,859</u>
Capital assets (net of accumulated depreciation/amortization):	
Land	3,505,816
Construction in progress	4,067,639
Land improvements	3,171,097
Buildings	34,542,962
Building improvements	12,272,480
Machinery and equipment	7,702,622
Right-to-use leased machinery and equipment	488,242
Vehicles	3,033,732
Infrastructure	<u>27,211,109</u>
Total capital assets (net of accumulated depreciation/amortization)	<u>95,995,699</u>
Total noncurrent assets	<u>101,577,264</u>
Total assets	<u>140,776,578</u>

Deferred Outflows of Resources

Pension related	12,735,611
OPEB related	<u>25,194,972</u>
Total deferred outflows of resources	<u>37,930,583</u>

(Continued)

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

Town of East Haven, Connecticut

Governmental Activities  
Statement of Net Position  
June 30, 2022

Liabilities

Current liabilities:

Accounts payable	\$ 4,635,387
Accrued payroll and related liabilities	5,489,890
Retainage payable	63,785
Unearned revenue	225,304
Overpayments	69,554
Accrued interest payable	343,572
Bonds and notes payable	2,922,252
Leases payable	131,944
Compensated absences	1,252,759
Claims payable	3,422,078
Total current liabilities	<u>18,556,525</u>

Noncurrent liabilities:

Bonds, notes, and related liabilities	35,949,996
Leases payable	417,832
Compensated absences	5,011,036
Net pension liability	26,539,525
OPEB liability	134,488,394
Claims payable	9,772,837
Total noncurrent liabilities	<u>212,179,620</u>

Total liabilities	<u>230,736,145</u>
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Deferred Inflows of Resources

Advance property tax collections	6,009,926
Deferred charge on refunding	2,052
Pension related	13,884,806
OPEB related	4,582,798
Total deferred inflows of resources	<u>24,479,582</u>

Net Position

Net investment in capital assets	55,331,001
Restricted for:	
Endowments:	
Nonexpendable	100,000
Expendable	2,297,706
Capital replacement	2,871,481
Road maintenance	580,471
Historical document preservation	41,591
Housing rehabilitation programs	216,453
Cafeteria operations	1,342,828
Education programs	84,124
Unrestricted	<u>(139,374,221)</u>
Total net position	<u>\$ (76,508,566)</u>

(Concluded)

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

## Town of East Haven, Connecticut

**Governmental Activities**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 8,046,813	\$ 842,603	\$ 375,788	\$ -	\$ (6,828,422)
Public safety	31,429,495	1,381,874	188,028	-	(29,859,593)
Public works	11,047,373	411,592	63,568	1,555,191	(9,017,022)
Health and welfare	1,488,988	238,416	127,052	-	(1,123,520)
Culture and recreation	2,514,602	61,570	5,546	-	(2,447,486)
Education	68,005,653	1,162,119	38,903,394	-	(27,940,140)
Interest	1,016,693	-	-	-	(1,016,693)
17 Total	<u>\$ 123,549,617</u>	<u>\$ 4,098,174</u>	<u>\$ 39,663,376</u>	<u>\$ 1,555,191</u>	<u>(78,232,876)</u>
General revenues:					
Property taxes					71,264,654
Grants and contributions not restricted to specific programs					617,823
Net income (loss) from investments					(181,684)
Other					<u>31,917</u>
Total general revenues					<u>71,732,710</u>
Change in net position					(6,500,166)
Net position - July 1, 2021					<u>(70,008,400)</u>
Net position - June 30, 2022					<u>\$ (76,508,566)</u>

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

Town of East Haven, Connecticut

Governmental Funds  
Balance Sheet  
June 30, 2022

	General Fund	Capital Projects Fund	Education Grants Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 8,496,090	\$ -	\$ 1,484,140	\$ 2,789,200	\$ 12,769,430
Investments	17,744,769	-	-	2,348,413	20,093,182
Receivables:					
Property taxes	3,629,306	-	-	-	3,629,306
Intergovernmental	-	-	308,028	657,559	965,587
Loans	-	-	-	13,992	13,992
Other	338,830	-	27,120	6,749	372,699
Due from other funds	4,730,951	-	500,541	1,639,736	6,871,228
Other	12,934	-	-	57,942	70,876
Total assets	<u>\$34,952,880</u>	<u>\$ -</u>	<u>\$ 2,319,829</u>	<u>\$ 7,513,591</u>	<u>\$ 44,786,300</u>
<u>Liabilities</u>					
Accounts payable	\$ 2,253,374	\$ 1,176,837	\$ 713,530	\$ 366,743	\$ 4,510,484
Accrued payroll and related liabilities	4,868,664	-	616,147	5,079	5,489,890
Retainage payable	-	63,785	-	-	63,785
Due to other funds	10,869,175	4,109,853	-	245,719	15,224,747
Unearned revenue	-	-	213,923	11,381	225,304
Overpayments	69,554	-	-	-	69,554
Total liabilities	<u>18,060,767</u>	<u>5,350,475</u>	<u>1,543,600</u>	<u>628,922</u>	<u>25,583,764</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	3,629,306	-	-	-	3,629,306
Advance property tax collections	6,009,926	-	-	-	6,009,926
Total deferred inflows of resources	<u>9,639,232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,639,232</u>
<u>Fund Balances</u>					
Nonspendable	-	-	-	100,000	100,000
Restricted	-	2,804,909	-	4,629,745	7,434,654
Committed	-	-	776,229	1,620,848	2,397,077
Assigned	-	-	-	534,076	534,076
Unassigned	7,252,881	(8,155,384)	-	-	(902,503)
Total fund balances	<u>7,252,881</u>	<u>(5,350,475)</u>	<u>776,229</u>	<u>6,884,669</u>	<u>9,563,304</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$34,952,880</u>	<u>\$ -</u>	<u>\$ 2,319,829</u>	<u>\$ 7,513,591</u>	<u>\$ 44,786,300</u>

(Continued)

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

**Town of East Haven, Connecticut**  
**Reconciliation of Fund Balance**  
**to Net Position of Governmental Activities**  
**June 30, 2022**

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

Total fund balances (Exhibit C, page 1)	\$ 9,563,304
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets (net)	94,199,492
Capital asset additions (net of construction in progress)	6,344,454
Depreciation/amortization expense	(4,470,583)
Disposal of capital assets	(77,664)

Total	95,995,699
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Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:

Property tax interest and lien accrual	2,426,462
Allowance for doubtful accounts	(1,585,000)
Deferred outflows related to pension	12,735,611
Deferred outflows related to OPEB	25,194,972

Total	38,772,045
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Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

Property tax receivable - accrual basis change	3,629,306
--	-----------

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

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	1,058,046
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(37,943,811)
Premium	(928,437)
Leases payable	(549,776)
Compensated absences	(6,263,795)
Net pension liability	(26,539,525)
OPEB liability	(134,488,394)
Deferred charge on refunding	(2,052)
Deferred inflows related to pension	(13,884,806)
Deferred inflows related to OPEB	(4,582,798)
Accrued interest payable	(343,572)

Total	(225,526,966)
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Total net position (Exhibit A)	\$ (76,508,566)
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(Concluded)

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

## Town of East Haven, Connecticut

**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2022**

	General Fund	Capital Projects Fund	Education Grants Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 71,150,527	\$ -	\$ -	\$ -	\$ 71,150,527
Intergovernmental	25,624,046	836,238	11,517,288	3,844,142	41,821,714
Charges for services	2,549,885	26,929	393,403	1,127,957	4,098,174
Income from investments	54,532	-	-	107,509	162,041
Change in fair value of investments	-	-	-	(349,393)	(349,393)
Contributions	-	-	-	14,676	14,676
Other	834,513	-	-	-	834,513
Total revenues	100,213,503	863,167	11,910,691	4,744,891	117,732,252
Expenditures:					
Current:					
General government	3,037,668	-	-	755,662	3,793,330
Public safety	15,435,078	-	-	182,126	15,617,204
Public works	5,631,818	84,680	-	406,759	6,123,257
Health and welfare	531,446	-	-	251,008	782,454
Culture and recreation	1,828,077	-	-	237,766	2,065,843
Employee benefits and insurance	14,835,843	-	-	-	14,835,843
Education	54,217,122	-	11,828,948	2,511,554	68,557,624
General services	1,293,501	-	-	-	1,293,501
Debt service	1,821,432	-	-	-	1,821,432
Capital outlay	-	5,295,340	-	-	5,295,340
Total expenditures	98,631,985	5,380,020	11,828,948	4,344,875	120,185,828
Excess (deficiency) of revenues over expenditures	1,581,518	(4,516,853)	81,743	400,016	(2,453,576)
Other financing sources (uses):					
Issuance of debt	-	547,585	-	-	547,585
Sale of Town owned property	39,950	-	-	-	39,950
Transfers in	3,474	70,216	-	-	73,690
Transfers out	(70,216)	-	-	(3,474)	(73,690)
Net other financing sources (uses)	(26,792)	617,801	-	(3,474)	587,535
Net change in fund balances	1,554,726	(3,899,052)	81,743	396,542	(1,866,041)
Fund balances - July 1, 2021 (as restated)	5,698,155	(1,451,423)	694,486	6,488,127	11,429,345
Fund balances - June 30, 2022	\$ 7,252,881	\$ (5,350,475)	\$ 776,229	\$ 6,884,669	\$ 9,563,304

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

Town of East Haven, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2022**

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

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ (1,866,041)</u>
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:

Capital outlay	6,344,454
Depreciation/amortization expense	<u>(4,470,583)</u>

Total	<u>1,873,871</u>
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase/decrease net position. In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold or donated.

Loss on disposal of assets	<u>(77,664)</u>
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in property tax receivable - accrual basis change	173,318
Change in property tax interest and lien revenue	<u>(59,191)</u>

Total	<u>114,127</u>
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The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Issuance of debt	(547,585)

Principal repayments:	
Notes	665,453
Leases	<u>56,895</u>

Total	<u>174,763</u>
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(Continued)

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

Town of East Haven, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2022**

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

Change in:	
Compensated absences	\$ 53,583
Net pension liability	14,604,517
OPEB liability	(14,984,746)
Accrued interest payable	(14,707)
Amortization of:	
Premium	82,516
Deferred charge on refunding	71,477
Deferred outflows of resources related to pension	(4,666,274)
Deferred outflows of resources related to OPEB	4,379,560
Deferred inflows of resources related to pension	(10,394,351)
Deferred inflows of resources related to OPEB	<u>5,684,020</u>
Total	<u>(5,184,405)</u>
Internal service funds are used by management for risk financing activities:	
The net revenue (expense) of the activities of the internal service funds are reported with governmental activities	<u>(1,534,817)</u>
Change in net position (Exhibit B)	<u><u>\$ (6,500,166)</u></u>
	(Concluded)

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

## Town of East Haven, Connecticut

Internal Service Funds  
Statement of Net Position  
June 30, 2022

Assets

## Current assets:

Cash	\$ 1,070,871
Investments	4,744,249
Accounts receivable	209,225
Due from other funds	<u>8,778,898</u>

Total assets	<u>14,803,243</u>
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Liabilities

## Current liabilities:

Accounts payable	124,903
Claims payable	3,422,078
Due to other funds	<u>425,379</u>

Total current liabilities	3,972,360
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## Noncurrent liabilities:

Claims payable	<u>9,772,837</u>
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Total liabilities	<u>13,745,197</u>
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Net Position

Unrestricted	<u><u>\$ 1,058,046</u></u>
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The notes to financial statements are an integral part of this statement.

## Town of East Haven, Connecticut

**Internal Service Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2022**

Operating revenues:	
Charges for services	<u>\$ 16,974,989</u>
Operating expenses:	
Claims	16,686,990
Administration	<u>1,828,484</u>
Total operating expenses	<u>18,515,474</u>
Operating income (loss)	(1,540,485)
Nonoperating revenues:	
Income from investments	<u>5,668</u>
Change in net position	(1,534,817)
Total net position - July 1, 2021	<u>2,592,863</u>
Total net position - June 30, 2022	<u><u>\$ 1,058,046</u></u>

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

## Town of East Haven, Connecticut

**Internal Service Funds  
Statement of Cash Flows  
For the Year Ended June 30, 2022**

Cash flows from (used in) operating activities:	
Premiums received	\$ 17,105,530
Payments for interfund services	(196,048)
Payments to vendors	(1,705,194)
Payments for claims	<u>(15,984,175)</u>
Net cash from (used in) operating activities	(779,887)
Cash flows from (used in) investing activities:	
Income from investments	<u>5,668</u>
Net increase (decrease) in cash and cash equivalents	(774,219)
Cash and cash equivalents - July 1, 2021	<u>6,589,339</u>
Cash and cash equivalents - June 30, 2022	<u><u>\$ 5,815,120</u></u>
Reconciliation to statement of net position cash:	
Cash and cash equivalents per above	\$ 5,815,120
Cash and cash equivalents reported as investments	<u>(4,744,249)</u>
Statement of net position cash	<u><u>\$ 1,070,871</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ (1,540,485)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	115,260
Due from other funds	(180,767)
Increase (decrease) in:	
Accounts payable	123,290
Claims payable	<u>702,815</u>
Net cash from (used in) operating activities	<u><u>\$ (779,887)</u></u>

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

## Town of East Haven, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2022****History and organization**

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

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

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

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

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

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

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

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

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

The Town reports the following major governmental funds:

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

Additionally, the Town reports the following fund types:

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

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

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

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

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

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

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

**b. Investments**

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

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

**Fair value of investments**

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

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

**d. Risk policies**

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

**b. Property taxes and other receivables**

In the government-wide financial statements, property tax and related interest and lien fee receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 16.00% - 42.00% of outstanding receivable balances and are calculated based upon prior collection history.

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

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

**3. Restricted assets**

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

**4. Capital assets**

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$7,458 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

Assets	Years
Land improvements	25
Buildings	10-75
Building improvements	50
Machinery and equipment	5-40
Vehicles	10-20
Infrastructure:	
Bridges	50
Roads	80
Right-to-use leased assets	Lease term

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

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

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

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

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

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

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

**7. Long-term liabilities**

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

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

**8. Lease liabilities**

The Town is a lessee for noncancellable leases of buildings and equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$7,458 or more.

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

Key estimates and judgments related to leases include:

Discount Rate	The Town uses its estimated incremental borrowing rate as the discount rate used to discount the expected lease receipts to present value.
Lease Term	The lease term includes the noncancellable period of the lease.
Lease Payments	Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

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

**9. Fund equity and net position**

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

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

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

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

Nonspendable	This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
Restricted	This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.
Committed	This category presents amounts that can be used only for specific purposes determined by a formal action of the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by Town Council.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

Assigned	This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by an action by the Town Council or by a properly approved purchase order.
Unassigned	This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

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

**10. Use of estimates**

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

**11. Reclassifications**

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

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

Only the General Fund has a legally adopted annual budget.

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

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

**B. Donor-restricted endowments**

The Town has received certain endowments for the Hagan Memorial Library and Thompson Education fund. The amounts are reflected in net position as restricted for endowments. Investment income (including appreciation) is approved for expenditure by the Library Board. The amount of appreciation (depreciation) included in restricted fund balance for the Hagan Memorial Library was \$188,867.

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

**C. Excess expenditures over appropriations**

During the year, general fund expenditures exceeded appropriations as follows:

Transfers out	<u>\$ 70,216</u>
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**III. Detailed notes****A. Cash and investments****1. Deposits – custodial credit risk**

At year end, the Town's bank balance including certificates of deposit classified as investments, was \$20,372,494 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 14,399,044
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>5,049,683</u>
Total amount subject to custodial credit risk	<u>\$ 19,448,727</u>

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

**A. Cash and investments (continued)****2. Investments**

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

Type of Investment	Fair Value	Investment Maturities (In Years)		
		N/A	Less Than 1	1-5
Mutual funds:				
Money market	\$ 5,079,304	\$ -	\$ 5,079,304	\$ -
Domestic equities	744,903	744,903	-	-
International equities	255,763	255,763	-	-
Domestic bonds	210,546	-	-	210,546
International bonds	12,657	-	-	12,657
Common stock	648	648	-	-
Certificates of deposit	499,131	-	499,131	-
Bank money market	3,386,982	-	3,386,982	-
Pooled fixed income	14,647,497	-	14,647,497	-
Total	<u>\$ 24,837,431</u>	<u>\$ 1,001,314</u>	<u>\$ 23,612,914</u>	<u>\$ 223,203</u>

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

Investments at fair value level:	Amount	Quoted Market Prices in Active Markets
		Level 1
Mutual funds:		
Money market	\$ 5,079,304	\$ 5,079,304
Domestic equity	744,903	744,903
International equities	255,763	255,763
Domestic bonds	210,546	210,546
International bonds	12,657	12,657
Common stock	648	648
Total investments by fair value level	<u>6,303,821</u>	<u>\$ 6,303,821</u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

**A. Cash and investments (continued)**Other investments not subject to fair value measurement:

Certificates of deposit	\$ 499,131
Bank money market	3,386,982
Pooled fixed income	<u>14,647,497</u>
Total other investments	<u>18,533,610</u>
Total investments	<u><u>\$24,837,431</u></u>

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

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

Type of Investment	Ratings			Totals
	AAA	A	Unrated	
Mutual funds:				
Money market	\$ -	\$ -	\$ 5,079,304	\$ 5,079,304
Domestic bonds	-	190,630	19,916	210,546
International bonds	-	12,657	-	12,657
Pooled fixed income	<u>14,647,497</u>	<u>-</u>	<u>-</u>	<u>14,647,497</u>
Total	<u><u>\$ 14,647,497</u></u>	<u><u>\$ 203,287</u></u>	<u><u>\$ 5,099,220</u></u>	<u><u>\$ 19,950,004</u></u>

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

**B. Receivables**

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

	Property Taxes	
	Taxes	Interest and Lien Fees
Current portion	<u>\$ 961,766</u>	<u>\$ 325,143</u>
Long-term portion	2,667,540	2,101,319
Less allowance for uncollectible	<u>(585,000)</u>	<u>(1,000,000)</u>
Net long-term portion	<u><u>\$ 2,082,540</u></u>	<u><u>\$ 1,101,319</u></u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
<u>Major Funds:</u>			
General fund:			
Capital projects	N/A	\$ 4,109,853	\$ -
Public safety	N/A	-	92,950
General government	N/A	-	41,591
Culture and recreation	N/A	-	11,537
Health and welfare	N/A	-	307,340
Roads state aid	N/A	-	587,056
School rental	N/A	-	11,678
Education grants	N/A	-	450,541
School activity	N/A	-	8,508
Debt service	N/A	-	534,076
Open space	N/A	-	45,000
LOCIP	N/A	195,719	-
Self-insurance	N/A	425,379	-
Workers' compensation	N/A	-	5,547,212
Town medical insurance	N/A	-	2,034,687
Education medical insurance	N/A	-	1,196,999
Total General Fund		<u>4,730,951</u>	<u>10,869,175</u>
Capital projects	General fund	<u>-</u>	<u>4,109,853</u>
Education grants fund:			
General fund	N/A	450,541	-
Daycare	N/A	<u>50,000</u>	<u>-</u>
Total Education Grants Fund		<u>500,541</u>	<u>-</u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

**C. Interfund accounts (continued)**

	Corresponding Fund	Due From	Due To
<u>Other Governmental Funds:</u>			
Special Revenue Funds:			
Public safety	General fund	\$ 92,950	\$ -
General government	General fund	41,591	-
Culture and recreation	General fund	11,537	-
Health and welfare	General fund	307,340	-
Roads state aid	General fund	587,056	-
Daycare	Education grants	-	50,000
School rental	General fund	11,678	-
School activity	General fund	8,508	-
Debt service fund	General fund	534,076	-
Capital Projects Funds:			
Open space	General fund	45,000	-
LOCIP	General fund	-	195,719
Total Other Governmental Funds		<u>1,639,736</u>	<u>245,719</u>
Internal Service Funds:			
Self-insurance	General fund	-	425,379
Workers' compensation	General fund	5,547,212	-
Town medical insurance	General fund	2,034,687	-
Education medical insurance	General fund	1,196,999	-
Total Internal Service Funds		<u>8,778,898</u>	<u>425,379</u>
Grand Total		<u><u>\$ 15,650,126</u></u>	<u><u>\$ 15,650,126</u></u>

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

	Corresponding Fund	Transfers In	Transfers Out
<u>Major Funds:</u>			
General fund:			
Capital projects	N/A	\$ -	\$ 70,216
Culture and recreation	N/A	3,474	-
Total General Fund		3,474	70,216
Capital projects	General fund	70,216	-
Total Major Funds		73,690	70,216
<u>Other Governmental Funds:</u>			
Special Revenue Funds:			
Culture and recreation	General fund	-	3,474
Grand Total		\$ 73,690	\$ 73,690

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

**D. Capital assets**

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2021 (as restated)	Increases	Decreases	Balance June 30, 2022
<u>Capital assets, not being depreciated/amortized:</u>				
Land	\$ 3,505,816	\$ -	\$ -	\$ 3,505,816
Construction in progress	1,078,903	2,988,736	-	4,067,639
Total capital assets, not being depreciated/amortized	4,584,719	2,988,736	-	7,573,455
<u>Capital assets, being depreciated/amortized:</u>				
Land improvements	5,255,422	105,544	-	5,360,966
Buildings	62,712,818	-	-	62,712,818
Building improvements	22,652,841	671,813	227,138	23,097,516
Machinery and equipment	12,663,684	1,611,427	689,995	13,585,116
Right-to-use leased machinery and equipment	59,086	547,585	-	606,671
Vehicles	7,615,176	419,349	94,536	7,939,989
Infrastructure	42,443,813	-	-	42,443,813
Total capital assets, being depreciated/amortized	153,402,840	3,355,718	1,011,669	155,746,889
Total capital assets	157,987,559	6,344,454	1,011,669	163,320,344

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

**D. Capital assets**

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2021 (as restated)	Increases	Decreases	Balance June 30, 2022
<u>Less accumulated depreciation/amortization for:</u>				
Land improvements	\$ 1,832,811	\$ 357,058	\$ -	\$ 2,189,869
Buildings	27,196,813	973,043	-	28,169,856
Building improvements	10,229,283	785,578	189,825	10,825,036
Machinery and equipment	5,447,168	1,125,321	689,995	5,882,494
Right-to-use leased machinery and equipment	-	118,429	-	118,429
Vehicles	4,428,052	532,390	54,185	4,906,257
Infrastructure	14,653,940	578,764	-	15,232,704
Total accumulated depreciation/amortization	<u>63,788,067</u>	<u>4,470,583</u>	<u>934,005</u>	<u>67,324,645</u>
Total capital assets, being depreciated/amortized, net	<u>89,614,773</u>	<u>(1,114,865)</u>	<u>77,664</u>	<u>88,422,244</u>
Capital assets, net	<u><u>\$ 94,199,492</u></u>	<u><u>\$ 1,873,871</u></u>	<u><u>\$ 77,664</u></u>	<u><u>\$ 95,995,699</u></u>

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

General government	\$ 94,329
Public safety	607,552
Public works	950,893
Culture and recreation	135,012
Health and welfare	27,271
Education	<u>2,655,526</u>
Total depreciation/amortization expense	<u><u>\$ 4,470,583</u></u>

**E. Construction commitments**

The Town has the following construction contract commitments:

East Haven Ice Rink	<u><u>\$ 2,804,909</u></u>
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## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

**F. Changes in long-term liabilities**

General obligation bonds, equipment financing notes and leases are direct obligations and pledge the full faith and credit of the Town.

**1. Summary of changes**

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2021 (as restated)	Additions	Deductions	Balance June 30, 2022	Current Portion	Long-term Portion
<b>Bonds:</b>										
General purpose:										
Improvement	\$ 1,275,000	7/26/11	2026	2.00%	\$ 120,000	\$ -	\$ -	\$ 120,000	\$ -	\$ 120,000
Improvement	3,150,000	7/17/13	2026	2.00-4.00%	1,407,600	-	-	1,407,600	144,000	1,263,600
Refunding	3,421,340	8/5/14	2025	5.00%	1,206,660	-	-	1,206,660	382,360	824,300
Improvement	3,500,000	11/17/16	2037	3.00-4.00%	2,900,000	-	-	2,900,000	200,000	2,700,000
Refunding	4,991,576	11/17/16	2030	3.00-4.00%	4,514,371	-	-	4,514,371	615,596	3,898,775
Improvement	2,885,000	12/27/18	2039	4.25-6.00%	2,585,000	-	-	2,585,000	110,000	2,475,000
Refunding*	3,460,000	12/13/18	2039	4.25-6.00%	3,460,000	-	-	3,460,000	-	3,460,000
Improvement / refunding	6,850,000	6/16/20	2045	2.50-5.00%	6,850,000	-	-	6,850,000	185,000	6,665,000
Improvement / refunding*	3,214,800	6/16/20	2045	2.37-4.15%	3,214,800	-	-	3,214,800	97,200	3,117,600
Total general purpose	32,747,716				26,258,431	-	-	26,258,431	1,734,156	24,524,275
Schools:										
Improvement	1,285,000	7/17/13	2026	2.00-4.00%	547,400	-	-	547,400	56,000	491,400
Refunding	3,468,660	8/5/14	2025	5.00%	1,223,340	-	-	1,223,340	387,640	835,700
Refunding	238,424	11/17/16	2030	3.00-4.00%	215,629	-	-	215,629	29,404	186,225
Improvement	420,000	12/27/18	2039	4.25-6.00%	375,000	-	-	375,000	15,000	360,000
Refunding*	865,000	12/13/18	2039	4.25-6.00%	865,000	-	-	865,000	-	865,000
Improvement / refunding*	1,250,200	6/16/20	2045	2.37-4.15%	1,250,200	-	-	1,250,200	37,800	1,212,400
Total schools	7,527,284				4,476,569	-	-	4,476,569	525,844	3,950,725
Total bonds					30,735,000	-	-	30,735,000	2,260,000	28,475,000

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2021 (as restated)	Additions	Deductions	Balance June 30, 2022	Current Portion	Long-term Portion
<b>Notes (direct borrowings):</b>										
Equipment financing notes	\$ 1,321,321	9/15/18	2026	2.30-6.70%	\$ 1,081,544	\$ -	\$ 207,733	\$ 873,811	\$ 212,252	\$ 661,559
Energy financing notes	<u>7,200,000</u>	7/1/19	2034	2.83%	<u>6,775,000</u>	<u>-</u>	<u>440,000</u>	<u>6,335,000</u>	<u>450,000</u>	<u>5,885,000</u>
Total notes	<u>8,521,321</u>				<u>7,856,544</u>	<u>-</u>	<u>647,733</u>	<u>7,208,811</u>	<u>662,252</u>	<u>6,546,559</u>
Total bonds and notes					38,591,544	-	647,733	37,943,811	2,922,252	35,021,559
43 Paycheck protection program loan	<u>138,590</u>	5/13/20	2026	1.00%	17,720	-	17,720	-	-	-
Premium					<u>1,010,953</u>	<u>-</u>	<u>82,516</u>	<u>928,437</u>	<u>-</u>	<u>928,437</u>
Total bonds, notes, loans and related liabilities					39,620,217	-	747,969	38,872,248	2,922,252	35,949,996
Leases					59,086	547,585	56,895	549,776	131,944	417,832
Compensated absences					6,317,378	2,555,560	2,609,143	6,263,795	1,252,759	5,011,036
Net pension liability					41,144,042	18,214,405	32,818,922	26,539,525	-	26,539,525
OPEB liability					119,503,648	20,743,285	5,758,539	134,488,394	-	134,488,394
Claims payable					<u>11,518,777</u>	<u>2,977,646</u>	<u>2,563,969</u>	<u>11,932,454</u>	<u>2,159,617</u>	<u>9,772,837</u>
Total long-term liabilities					<u>\$ 218,163,148</u>	<u>\$ 45,038,481</u>	<u>\$ 44,555,437</u>	<u>\$ 218,646,192</u>	<u>\$ 6,466,572</u>	<u>\$ 212,179,620</u>

\* Taxable

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

Fiscal Year Ended June 30,	Bonds		Notes	
	Principal	Interest	Principal	Interest
2023	\$ 2,260,000	\$ 1,143,689	\$ 662,252	\$ 204,047
2024	2,355,000	1,045,673	653,421	184,572
2025	2,445,000	999,001	664,927	166,138
2026	2,085,000	849,066	661,661	147,349
2027	1,975,000	765,894	616,550	129,095
2028	1,935,000	689,025	520,000	111,785
2029	1,990,000	616,234	535,000	97,069
2030	1,635,000	547,110	545,000	81,929
2031	1,050,000	492,928	565,000	66,505
2032	1,075,000	451,357	580,000	50,516
2033	1,105,000	411,064	595,000	34,102
2034	1,135,000	369,517	610,000	17,263
2035	1,165,000	326,391	-	-
2036	1,205,000	281,563	-	-
2037	1,245,000	235,373	-	-
2038	1,105,000	191,413	-	-
2039	1,145,000	149,473	-	-
2040	585,000	119,060	-	-
2041	605,000	100,660	-	-
2042	625,000	80,485	-	-
2043	645,000	58,503	-	-
2044	670,000	35,730	-	-
2045	695,000	12,064	-	-
Total	<u>\$ 30,735,000</u>	<u>\$ 9,971,273</u>	<u>\$ 7,208,811</u>	<u>\$ 1,290,370</u>

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

In May 2020, the Town received loan proceeds in the amount of \$138,590 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1.00% per annum. All or a portion of the PPP loan principal and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act, over a period of either eight or twenty-four weeks ("Covered Period"). The amount of loan forgiveness could be reduced if the borrower terminates employees or reduces salaries above a certain threshold during the Covered Period and does not qualify for certain safe harbors.

The United States Small Business Administration approved loan forgiveness of \$120,870 based upon actual payroll. The remaining principal balance of \$17,720 was paid during the fiscal year.

**3. Assets pledged as collateral**

The Town's outstanding equipment financing notes are secured with collateral of the equipment purchased of \$7,208,811.

**4. Statutory debt limitations**

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 154,231,430	\$ 26,258,431	\$ 127,972,999
Schools	308,462,859	4,476,569	303,986,290
Sewers	257,052,383	-	257,052,383
Urban renewal	222,778,732	-	222,778,732
Pension deficit	205,641,906	-	205,641,906

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year's taxation, \$479,831,114.

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

**5. Authorized/Unissued Bonds**

The Town had authorized, and unissued bonds as follows:

General purpose	\$ 11,635,084
Schools	<u>2,846,000</u>
Total	<u><u>\$ 14,481,084</u></u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

**F. Changes in long-term liabilities (continued)****6. Prior years' advanced refunding**

In prior years, the Town has defeased a bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Town's financial statements. At fiscal year-end, the amount of defeased debt outstanding but removed from the Town's financial statements amounted to \$170,000.

**7. Leases**

Lease agreements are summarized as follows:

Description	Date	Lease Term* (years)	Interest Rate**	Original Amount*	Balance June 30, 2022
Town copiers	2017-2018	2-3	2.64%	\$ 39,101	\$ 19,932
Town mailing machines	2018-2021	1-6	2.64%	17,551	13,342
Education copiers	2022	6	2.64%	537,499	512,293
Education mailing machine	2018	2	2.64%	12,519	4,209
Total				<u>\$ 606,670</u>	<u>\$ 549,776</u>

\*As of GASB No. 87 implementation date of July 1, 2021.

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

Description	Lease Agreement Terms
Town copiers	These leases are not renewable and the Town will not acquire the equipment at the end of the term.
Town mailing machines	These leases are not renewable and the Town will not acquire the equipment at the end of the term.
Education copiers	These leases are not renewable and the Town will not acquire the equipment at the end of the term.
Education mailing machine	This lease is not renewable and the Town will not acquire the equipment at the end of the term.

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 131,944	\$ 14,513
2024	111,419	11,031
2025	113,275	8,089
2026	115,298	5,099
2027	77,840	2,056
Totals	<u>\$ 549,776</u>	<u>\$ 40,788</u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

Fund balances are composed of the following:

Fund Balance Component	General Fund	Capital Projects Fund	Education Grants Fund	Other Governmental Funds	Total
Nonspendable:					
Library building maintenance	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Restricted:					
Capital projects and replacement	-	2,804,909	-	66,572	2,871,481
Road maintenance	-	-	-	580,471	580,471
Library building maintenance	-	-	-	1,841,148	1,841,148
Historical document preservation*	-	-	-	41,591	41,591
Housing rehabilitation programs	-	-	-	216,453	216,453
Cafeteria operations*	-	-	-	1,342,828	1,342,828
Education programs	-	-	-	498,109	498,109
School activity programs	-	-	-	42,573	42,573
Total restricted	-	2,804,909	-	4,629,745	7,434,654
Committed:					
Library operations	-	-	-	116,787	116,787
Daycare program	-	-	-	98,272	98,272
Public safety programs	-	-	-	88,990	88,990
Open space	-	-	-	45,000	45,000
Health and welfare programs	-	-	-	224,216	224,216
Emergency medical services	-	-	-	377,100	377,100
Culture and recreation programs	-	-	-	16,032	16,032
Education programs	-	-	776,229	367,499	1,143,728
School activity programs	-	-	-	286,952	286,952
Total committed	-	-	776,229	1,620,848	2,397,077
Assigned:					
Debt service	-	-	-	534,076	534,076
Unassigned	7,252,881	(8,155,384)	-	-	(902,503)
Total	\$7,252,881	\$(5,350,475)	\$776,229	\$ 6,884,669	\$ 9,563,304

\*The amount of restricted net position, which was restricted by enabling legislation, totaled \$ 1,384,419

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

The Town is exposed to various risks of loss related to public official liability, police liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town is self-insured for all claims and purchases stop loss insurance for claims over \$1,000,000. Settled claims have not exceeded commercial coverage in any of the past three years, and there have not been any significant reductions in insurance coverage from amounts held in prior years.

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

The Town has purchased a stop loss policy for individual claims exceeding \$150,000 for the Town Medical Insurance Fund, \$175,000 for the Education Medical Insurance Fund, and \$750,000 for the Workers' Compensation Fund.

In addition, the Town has established the Self-Insurance Fund to pay judgments and claims up to the \$1,000,000 stop loss amount.

The claims liability reported is based upon the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries.

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

Fiscal Year End/Fund	Claims Payable July 1,	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,	Current Portion	Long-Term Portion
<u>Self-Insurance Fund</u>						
2020-2021	\$ 2,682,071	\$ 467,929	\$ -	\$ 3,150,000	\$ 150,000	\$ 3,000,000
2021-2022	3,150,000	29,355	8,619	3,170,736	170,736	3,000,000
<u>Workers' Compensation Fund</u>						
2020-2021	8,639,673	2,271,382	2,542,278	8,368,777	2,877,961	5,490,816
2021-2022	8,368,777	2,948,291	2,555,350	8,761,718	1,988,881	6,772,837
<u>Subtotal</u>						
2020-2021	11,321,744	2,739,311	2,542,278	11,518,777	3,027,961	8,490,816
2021-2022	11,518,777	2,977,646	2,563,969	11,932,454	2,159,617	9,772,837

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

**A. Risk management (continued)**

Fiscal Year End/Fund	Claims Payable July 1,	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,	Current Portion	Long-Term Portion
<u>Town Medical Insurance Fund</u>						
2020-2021	\$ 355,256	\$ 5,110,590	\$ 5,063,610	\$ 402,236	\$ 402,236	\$ -
2021-2022	402,236	6,267,691	6,060,466	609,461	609,461	-
<u>Education Medical Insurance Fund</u>						
2020-2021	727,528	7,966,302	8,122,743	571,087	571,087	-
2021-2022	571,087	7,441,653	7,359,740	653,000	653,000	-
<u>Total</u>						
2020-2021	<u>12,404,528</u>	<u>15,816,203</u>	<u>15,728,631</u>	<u>12,492,100</u>	<u>4,001,284</u>	<u>8,490,816</u>
2021-2022	<u>\$12,492,100</u>	<u>\$16,686,990</u>	<u>\$15,984,175</u>	<u>\$13,194,915</u>	<u>\$3,422,078</u>	<u>\$ 9,772,837</u>

**B. Commitments and litigation**

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

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

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

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

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

Municipalities may designate which departments (including elective officers if so specified) are to be covered under the Connecticut Municipal Employees' Retirement System ("MERS"). This designation may be the result of collective bargaining. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans as follows:

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

**2. Benefit provisions**

<b>Normal retirement</b>	
General Employees	Age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service
Police and Firemen	Compulsory retirement age is age 65
Benefit calculation	The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.
With social security	1.50% of the average final compensation not in excess of the year's breakpoint plus 2.00% of average final compensation in excess of the year's breakpoint, times years of service. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.
Without social security	2.00% of average final compensation, times years of service
Final average compensation	Average of the three highest paid years of service
<b>Early retirement</b>	
Early retirement amount	5 years of continuous service or 15 years of active aggregate service
Service connected disability amount	Calculated on the basis of average final compensation and service to date of termination. Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.
Non-service connected disability service requirement	Calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability
Non-service connected disability service amount	10 years of service
Pre-retirement death benefit amount	Calculated based on compensation and service to the date of the disability
Cost of living increases	Lump-sum return of contributions with interest of if vested and married, the surviving spouse will receive a lifetime benefit
	2.50% - 6.00% depending on retirement date and increase in CPI

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

**Employees**

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

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

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

The Town reported \$26,539,525 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Town's proportionate share of the net pension liability was based upon the Town's 2021 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date.

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

<u>Plan Description</u>	<u>Proportional share</u>	<u>Change from prior year</u>
General employees without social security	6.599776%	0.017364%
Police and fire without social security	6.017146%	-0.317797%

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

For the fiscal year, the Town recognized pension expense of \$5,304,131. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 3,801,793	\$ 1,396,183	\$ 2,405,610
Changes in assumptions	3,003,635	-	3,003,635
Changes in proportional share	1,152,574	2,010,604	(858,030)
Net difference between projected and actual earnings on pension plan investments	-	10,478,019	(10,478,019)
Contributions subsequent to measurement date	<u>4,777,609</u>	<u>-</u>	<u>4,777,609</u>
Total	<u>\$12,735,611</u>	<u>\$ 13,884,806</u>	(1,149,195)
Contributions subsequent to the measurement date to be recognized as a reduction of the net pension liability in the subsequent year			<u>(4,777,609)</u>
Net amortized amount of deferred inflows and outflows			<u>\$ (5,926,804)</u>

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

Year Ending June 30,	
2023	\$ 1,442,850
2024	(1,913,368)
2025	(2,285,408)
2026	<u>(3,170,878)</u>
Total	<u>\$ (5,926,804)</u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

**A. Connecticut municipal employees' retirement system (continued)****5. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

**Long-term expected rate of return**

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

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

**6. Discount rate**

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

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

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

	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Town's proportional share of the net pension liability	<u>7.00%</u>	<u>\$ 44,795,307</u>	<u>\$ 26,539,525</u>	<u>\$ 10,603,973</u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

Detailed information about the MERS plan's fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021.

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

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

**2. Benefit provisions**

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

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

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

**Employer (school districts)**

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

**Employees**

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

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

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>72,024,891</u>
Total	<u><u>\$ 72,024,891</u></u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net pension liability.

During the year, the Town recognized pension expense and revenue of \$6,030,932 for on-behalf amounts for contributions to the plan by the State.

**5. Actuarial assumptions**

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

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

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

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

**Changes in assumptions and inputs**

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

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

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

**6. Discount rate**

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021.

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

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

**b. Plan membership**

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

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

**2. Benefit provisions**

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

**Employee contributions**

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

**4. Actuarial methods and significant assumptions**

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

Valuation date	July 1, 2021
Actuarial cost method	Entry age normal
Discount rate	2.16%
Salary increases	3.50%
Healthcare cost trend rates:	
Medical	7.00% decreasing to 4.50% ultimate rate
Prescription drug	6.00% decreasing to 4.50% ultimate rate
Dental, administrative costs	3.00%
Mortality rates	
Healthy participants other than Teachers, Police and Fire participants	Based on the RP-2014 mortality tables projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB
Healthy Police and Fire participants	Based on the RP-2014 Blue Collar mortality tables projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB
Disabled retirees other than Teachers	Based on the RP-2014 disabled mortality tables projected to 2020 with Scale BB
Healthy Teachers	Based on the PubT-2010 table projected to Scale MP-2019
Disabled Teachers	Based on the PubNS-2010 table projected to Scale MP-2019

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

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

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

- The discount rate decreased from 2.21% to 2.16%.
- The salary increases rate decreased from 4.00% to 3.50%.
- The mortality tables changed as follows:

Mortality	From	To
Healthy participants other than Teachers, Police and Fire participants	Based on the RP-2006 mortality tables projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	Based on the RP-2014 mortality tables projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB
Healthy Police and Fire participants	Based on the Blue Collar RP-2006 mortality tables projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	Based on the RP-2014 Blue Collar mortality tables projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB
Healthy Teachers	Based on the RP-2014 mortality tables projected to 2020 with Scale BB	Based on the PubT-2010 table projected to Scale MP-2019
Disabled Teachers	Based on the RP-2014 disabled mortality tables projected to 2017 with Scale BB	Based on the PubNS-2010 table projected to Scale MP-2019

**b. Changes in benefit terms**

There were changes in benefit terms due to a new pre-65 HRA benefit for police.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

	Town	Education	Total
Balance at July 1, 2021	\$ 88,222,527	\$ 31,281,121	\$ 119,503,648
Service cost	3,176,864	471,953	3,648,817
Interest	1,981,588	682,436	2,664,024
Change of benefit terms	605,345	-	605,345
Differences between expected and actual experience	11,493,767	(109,804)	11,383,963
Changes in assumptions	(403,297)	2,331,332	1,928,035
Benefit payments	(3,488,635)	(1,756,803)	(5,245,438)
Net change	13,365,632	1,619,114	14,984,746
Balance at June 30, 2022	\$ 101,588,159	\$ 32,900,235	\$ 134,488,394

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

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

OPEB Liability	Discount Rate	1% Decrease	Discount Rate	1% Increase
Town	2.16%	\$ 116,729,861	\$101,588,159	\$ 89,322,757
Education	2.16%	\$ 36,658,407	\$ 32,900,235	\$ 29,716,358

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

<u>OPEB Liability</u>	<u>Trend Rate</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Town	7.00% decreasing to 4.50%	<u>\$ 88,344,960</u>	<u>\$101,588,159</u>	<u>\$ 118,174,056</u>
Education	7.00% decreasing to 4.50%	<u>\$ 29,911,219</u>	<u>\$ 32,900,235</u>	<u>\$ 36,419,230</u>

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

For the fiscal year, the Town and Education plans recognized OPEB expense of \$11,525,821 and \$(1,032,447), respectively. The Town plan reported deferred outflows and inflows of resources related to OPEB from the following sources:

<u>Town</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 9,312,787	\$ 955,565	\$ 8,357,222
Changes in assumptions	<u>11,246,065</u>	<u>383,662</u>	<u>10,862,403</u>
Total	<u>\$ 20,558,852</u>	<u>\$ 1,339,227</u>	<u>\$ 19,219,625</u>

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

<u>Education</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 156,637	\$ 919,589	\$ (762,952)
Changes in assumptions	<u>4,479,483</u>	<u>2,323,982</u>	<u>2,155,501</u>
Total	<u>\$ 4,636,120</u>	<u>\$ 3,243,571</u>	<u>\$ 1,392,549</u>

Experience losses (gain) and changes in assumptions are amortized over the average remaining service period of actives and inactive, which were 5.27 years for the Town plan and 5.83 years for the Education plan.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

Year ending June 30,	Town	Education
2023	\$ 5,353,401	\$ (1,207,017)
2024	5,737,063	593,373
2025	3,772,507	756,682
2026	2,112,395	933,238
2027	<u>2,244,259</u>	<u>316,273</u>
Total	<u>\$ 19,219,625</u>	<u>\$ 1,392,549</u>

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

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

**2. Benefit provisions**

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

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

## Town of East Haven, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2022****D. Connecticut state teachers' retirement board retiree health insurance plan (continued)****Retiree health care coverage**

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

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

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

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

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

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

**Survivor health care coverage**

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

**Employer (school districts)**

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

**Employees**

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

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

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

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>7,846,980</u>
Total	<u><u>\$ 7,846,980</u></u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$141,919 for on-behalf amounts for contributions to the plan by the State.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

Investment rate of return	3.00%
Discount rate	2.17%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2023

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

**Changes in assumptions and inputs**

- The discount rate was decreased from 2.21% to 2.17% to reflect the change in the Municipal Bond Index rate.

**Long-term expected rate of return**

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

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.00%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2021.

**6. Discount rate**

The discount rate used to measure the total OPEB liability was 2.17%. The Municipal Bond Index Rate of 2.16% was used in the determination in the discount rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that annual State contributions will equal the most recent 5-year average of state contributions.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2022**

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

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

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021.

**E. Total OPEB plans**

	<u>OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense</u>
Town	\$101,588,159	\$ 20,558,852	\$ 1,339,227	\$ 11,525,821
Education	<u>32,900,235</u>	<u>4,636,120</u>	<u>3,243,571</u>	<u>(1,032,447)</u>
Total	<u><u>\$134,488,394</u></u>	<u><u>\$ 25,194,972</u></u>	<u><u>\$ 4,582,798</u></u>	<u><u>\$ 10,493,374</u></u>

**VI. Prior period adjustments**

As a result of the implementation of GASB No. 87 right-to-use leased assets and lease liability were recorded. There was no impact on beginning net position or fund balance. The amounts recorded are as follows:

	<u>Governmental Activities</u>
Capital assets:	
Right-to-use leased assets	\$ 59,086
Long-term liabilities:	
Lease liability	(59,086)

The Education Grants Fund was reclassified from a nonmajor special revenue fund to a major fund. This resulted in the other governmental fund beginning fund balance decreasing from \$7,182,613 to \$6,488,127.

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# Required Supplementary Information

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

Town of East Haven, Connecticut

Required Supplementary Information

General Fund  
Schedule of Revenues and Other Financing Sources  
Budget and Actual  
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Real estate	\$ 58,952,914	\$ -	\$ 58,952,914	\$ 59,191,635	\$ 238,721
Motor vehicle and personal property	8,728,636	-	8,728,636	8,328,441	(400,195)
Supplemental motor vehicle	856,938	-	856,938	1,010,720	153,782
Delinquent taxes	794,000	-	794,000	987,418	193,418
Suspense collections	96,000	-	96,000	50,835	(45,165)
Interest, penalties and liens	400,000	-	400,000	647,655	247,655
PILOT water authority	833,956	-	833,956	833,341	(615)
PILOT GNHWPCA	63,000	-	63,000	63,000	-
Telecommunication property tax	52,000	-	52,000	37,482	(14,518)
Total property taxes	70,777,444	-	70,777,444	71,150,527	373,083
Intergovernmental:					
Education cost sharing	18,764,125	-	18,764,125	18,701,448	(62,677)
PILOT state property	462,357	-	462,357	462,357	-
PILOT Pequot funds	82,006	-	82,006	82,006	-
Tax relief elderly	2,000	-	2,000	2,000	-
Veterans' exemption	57,550	-	57,550	46,443	(11,107)
Disability reimbursement	4,032	-	4,032	4,491	459
State of CT Department of children	20,340	-	20,340	20,526	186
FEMA - storm Isaias	-	-	-	63,568	63,568
Coronavirus relief fund	-	-	-	68,356	68,356
Total intergovernmental	19,392,410	-	19,392,410	19,451,195	58,785
Charges for services:					
Zoning board of appeals	2,800	-	2,800	2,536	(264)
Zoning fees	21,500	-	21,500	16,087	(5,413)
Police permits, tags, etc.	41,000	-	41,000	35,097	(5,903)
Fire permits/fees	200	-	200	475	275
Town clerk fees	515,000	-	515,000	782,321	267,321
Building department permits	315,000	-	315,000	339,408	24,408
Recreation fees	40,000	-	40,000	20,075	(19,925)
Pool fees	-	-	-	105	105
Athletic complex fees	125,000	-	125,000	-	(125,000)
C.A.M. fees	-	-	-	800	800
Human services fees	-	-	-	52	52
Landfill fees	20,000	-	20,000	33,289	13,289
Inland/wetland prints	-	-	-	1,080	1,080
Police special assignments	725,000	-	725,000	1,298,660	573,660
Blight revenue	-	-	-	19,900	19,900
Total charges for services	1,805,500	-	1,805,500	2,549,885	744,385
Income from investments	40,000	-	40,000	54,532	14,532

(Continued)

See Notes to Required Supplementary Information.

Town of East Haven, Connecticut

Required Supplementary Information

General Fund  
Schedule of Revenues and Other Financing Sources  
Budget and Actual  
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Other:					
Employee benefit cost sharing	\$ 825,000	\$ -	\$ 825,000	\$ 665,636	\$ (159,364)
Workers' compensation reimbursement	325,000	-	325,000	136,960	(188,040)
Other	250,000	-	250,000	31,917	(218,083)
Total other	1,400,000	-	1,400,000	834,513	(565,487)
Total revenues	93,415,354	-	93,415,354	94,040,652	625,298
Other financing sources:					
Sale of Town owned property	40,000	-	40,000	39,950	(50)
Transfers in	-	-	-	3,474	3,474
Total other financing sources	40,000	-	40,000	43,424	3,424
Total revenues and other financing sources	\$ 93,455,354	\$ -	\$ 93,455,354	\$ 94,084,076	\$ 628,722

(Concluded)

Town of East Haven, Connecticut

Required Supplementary Information

General Fund  
Schedule of Expenditures and Other Financing Uses  
Budget and Actual  
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Town Council	\$ 82,250	\$ (2,033)	\$ 80,217	\$ 71,868	\$ 8,349
Board of Finance	6,800	2,033	8,833	8,833	-
Mayor	173,106	-	173,106	172,500	606
Finance	506,209	(2,696)	503,513	456,517	46,996
Purchasing	62,773	2,696	65,469	65,465	4
Tax collector	279,397	-	279,397	274,065	5,332
Assessor	298,907	(3,327)	295,580	207,579	88,001
Personnel, administration and management	277,687	-	277,687	275,088	2,599
Board of assessment appeals	3,500	-	3,500	2,875	625
Town clerk	315,806	-	315,806	309,339	6,467
Registrar of voters	156,005	-	156,005	96,850	59,155
Planning and zoning	184,825	2,493	187,318	187,318	-
Zoning board of appeals	3,675	3,200	6,875	6,323	552
Legal	526,660	175,000	701,660	700,724	936
Probate	19,000	-	19,000	14,517	4,483
Civil service	49,246	(2,493)	46,753	42,674	4,079
Flood and erosion	300	-	300	-	300
Inland/wetland	1,400	1,310	2,710	1,798	912
School building committee	2,600	-	2,600	1,910	690
Information technology	150,000	-	150,000	141,425	8,575
Total general government	3,100,146	176,183	3,276,329	3,037,668	238,661
Public safety:					
Board of police commissioners	3,150	(841)	2,309	2,309	-
Animal shelter	325,609	2,600	328,209	328,209	-
Police department	7,082,649	198,634	7,281,283	7,279,707	1,576
Board of fire commissioners	14,075	-	14,075	13,783	292
Fire department	6,963,403	-	6,963,403	6,833,938	129,465
Public safety command center	963,614	(21,477)	942,137	942,132	5
Emergency operations center	35,000	-	35,000	35,000	-
Total public safety	15,387,500	178,916	15,566,416	15,435,078	131,338
Public services and engineering:					
Engineering	65,850	-	65,850	36,230	29,620
Public services	2,488,793	172	2,488,965	2,279,647	209,318
Total public services and engineering	2,554,643	172	2,554,815	2,315,877	238,938
Sanitation and maintenance:					
Building department	177,959	-	177,959	165,132	12,827
Sanitation	2,484,201	9,828	2,494,029	2,450,403	43,626
Building maintenance	744,701	(10,000)	734,701	700,406	34,295
Total sanitation and maintenance	3,406,861	(172)	3,406,689	3,315,941	90,748

(Continued)

Town of East Haven, Connecticut

Required Supplementary Information

General Fund  
Schedule of Expenditures and Other Financing Uses  
Budget and Actual  
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Health and welfare:					
Public health	\$ 347,811	\$ 1	\$ 347,812	\$ 347,812	\$ -
Social services	62,890	-	62,890	53,796	9,094
Counseling and community services	128,230	120	128,350	128,350	-
Housing authority	600	(121)	479	-	479
Urban renewal	6,950	-	6,950	1,488	5,462
Total health and welfare	546,481	-	546,481	531,446	15,035
Culture and recreation:					
Recreation	431,473	22,000	453,473	419,924	33,549
Ice rink	260,608	(22,000)	238,608	113,790	124,818
Senior center	346,568	-	346,568	302,002	44,566
Library	877,990	-	877,990	865,424	12,566
Community services	129,268	-	129,268	126,937	2,331
Total culture and recreation	2,045,907	-	2,045,907	1,828,077	217,830
Employee benefits and insurance:					
Employee benefits	12,007,000	222,804	12,229,804	12,229,804	-
Insurance	2,650,377	(44,261)	2,606,116	2,606,039	77
Total employee benefits and insurance	14,657,377	178,543	14,835,920	14,835,843	77
Education	48,044,271	-	48,044,271	48,044,271	-
General services	1,886,774	(533,642)	1,353,132	1,293,501	59,631
Debt service:					
Principal	440,000	-	440,000	440,000	-
Interest	1,385,394	-	1,385,394	1,381,432	3,962
Total debt service	1,825,394	-	1,825,394	1,821,432	3,962
Total expenditures	93,455,354	-	93,455,354	92,459,134	996,220
Other financing uses:					
Transfers out	-	-	-	70,216	(70,216)
Total expenditures and other financing uses	\$ 93,455,354	\$ -	\$ 93,455,354	\$ 92,529,350	\$ 926,004

(Concluded)

# Town of East Haven, Connecticut

## Notes to Required Supplementary Information

### Budgets and Budgetary Accounting For the Year Ended June 30, 2022

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

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

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

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

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

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI-1	\$ 94,040,652	\$ 92,459,134
State Teachers' pension on behalf amount	6,030,932	6,030,932
State Teachers' OPEB on behalf amount	<u>141,919</u>	<u>141,919</u>
GAAP Basis - Exhibit D	<u><u>\$ 100,213,503</u></u>	<u><u>\$ 98,631,985</u></u>

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

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

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

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

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

There were no additional appropriations during the year.

## Town of East Haven, Connecticut

## Required Supplementary Information

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

	2022	2021	2020	2019	2018	2017	2016	2015
<b><u>Schedule of Proportionate Share of the Net Pension Liability</u></b>								
Town's proportion of the net pension (asset) liability for the general employees without social security sub plan	<u>6.599776%</u>	<u>6.582412%</u>	<u>6.807427%</u>	<u>7.049960%</u>	<u>6.605138%</u>	<u>6.605138%</u>	<u>6.260323%</u>	<u>6.260323%</u>
Town's proportion of the net pension (asset) liability for the policemen and firemen without social security sub plan	<u>6.017146%</u>	<u>6.334943%</u>	<u>6.116068%</u>	<u>6.792200%</u>	<u>5.964528%</u>	<u>5.964528%</u>	<u>6.399948%</u>	<u>6.399948%</u>
Town's proportionate share of the net pension (asset) liability	<u>\$ 26,539,525</u>	<u>\$ 41,144,042</u>	<u>\$ 37,960,518</u>	<u>\$ 34,973,682</u>	<u>\$ 3,326,427</u>	<u>\$ 6,281,761</u>	<u>\$ 1,655,172</u>	<u>\$ (1,456,428)</u>
Town's covered payroll	<u>\$ 20,372,672</u>	<u>\$ 19,593,796</u>	<u>\$ 19,616,243</u>	<u>\$ 21,318,457</u>	<u>\$ 17,639,314</u>	<u>\$ 17,639,314</u>	<u>\$ 16,645,682</u>	<u>\$ 16,290,888</u>
Town's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	<u>130.27%</u>	<u>209.99%</u>	<u>193.52%</u>	<u>164.05%</u>	<u>18.86%</u>	<u>35.61%</u>	<u>9.94%</u>	<u>(8.94)%</u>
Total plan fiduciary net position as a percentage of the total pension liability	<u>82.59%</u>	<u>71.18%</u>	<u>72.69%</u>	<u>73.60%</u>	<u>91.68%</u>	<u>92.72%</u>	<u>92.72%</u>	<u>92.72%</u>
<b><u>Schedule of Contributions</u></b>								
Contractually required contribution	<u>\$ 3,998,834</u>	<u>\$ 3,565,853</u>	<u>\$ 2,736,019</u>	<u>\$ 2,968,956</u>	<u>\$ 2,295,586</u>	<u>\$ 2,295,586</u>	<u>\$ 2,567,016</u>	<u>\$ 2,502,937</u>
Contributions in relation to the contractually required contribution	<u>3,998,834</u>	<u>3,565,853</u>	<u>2,736,019</u>	<u>2,968,956</u>	<u>2,295,586</u>	<u>2,295,586</u>	<u>2,567,016</u>	<u>2,502,937</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 18,518,517</u>	<u>\$ 18,331,772</u>	<u>\$ 15,368,246</u>	<u>\$ 20,225,877</u>	<u>\$ 15,719,422</u>	<u>\$ 17,639,310</u>	<u>\$ 19,693,380</u>	<u>\$ 17,081,496</u>
Contributions as a percentage of covered payroll	<u>21.59%</u>	<u>19.45%</u>	<u>17.80%</u>	<u>14.68%</u>	<u>14.60%</u>	<u>13.01%</u>	<u>13.03%</u>	<u>14.65%</u>

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

## Town of East Haven, Connecticut

## Notes to Required Supplementary Information

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

	2022	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:								
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining Amortization Period	18 years	19 years	20 years	21 years	23 years	23 years	25 years	25 years
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.50%	2.50%	2.50%	2.50%	3.25%	3.25%	3.25%	3.25%
Salary Increases	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation
Cost-of-Living Adjustments	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards
Social Security Wage Base	3.00%	3.00%	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%
Investment Rate of Return (Net)	7.00%	7.00%	7.00%	7.00%	8.00%	8.00%	8.00%	8.00%
Mortality	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries

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

## Town of East Haven, Connecticut

## Required Supplementary Information

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

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

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

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

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

See Notes to Required Supplementary Information.

## Town of East Haven, Connecticut

## Notes to Required Supplementary Information

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

	2022	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:								
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	27.8 years	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-Living Adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment Rate of Return (Net)	6.90%	6.90%	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

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

## Town of East Haven, Connecticut

## Required Supplementary Information

Schedule of Changes in OPEB Liability  
Other Post-Employment Benefit (OPEB) Plans

## Last Five Years (1)

	2022	2021	2020	2019	2018
<b><u>Town Plan</u></b>					
OPEB liability:					
Service cost	\$ 3,176,864	\$ 2,578,351	\$ 1,475,596	\$ 1,652,879	\$ 2,715,495
Interest	1,981,588	2,810,460	2,471,687	2,326,716	2,471,758
Change of benefit terms	605,345	-	-	-	-
Differences between expected and actual experience	11,493,767	-	(2,218,424)	-	11,771,199
Changes in assumptions	(403,297)	6,739,058	16,400,900	(2,576,018)	(10,188,458)
Benefit payments	(3,488,635)	(3,223,953)	(2,406,876)	(2,294,079)	(2,193,267)
Net change in total OPEB liability	13,365,632	8,903,916	15,722,883	(890,502)	4,576,727
OPEB liability - July 1	88,222,527	79,318,611	63,595,728	64,486,230	59,909,503
OPEB liability - June 30 (2)	<u>\$ 101,588,159</u>	<u>\$ 88,222,527</u>	<u>\$ 79,318,611</u>	<u>\$ 63,595,728</u>	<u>\$ 64,486,230</u>
<b><u>Education Plan</u></b>					
OPEB liability:					
Service cost	\$ 471,953	\$ 345,379	\$ 171,969	\$ 198,053	\$ 440,264
Interest	682,436	956,022	1,149,729	1,120,214	1,520,774
Differences between expected and actual experience	(109,804)	-	322,681	-	(7,302,204)
Changes in assumptions	2,331,332	3,878,602	(2,357,248)	(916,308)	(8,048,304)
Benefit payments	(1,756,803)	(1,722,016)	(2,001,556)	(1,914,465)	(2,361,365)
Net change in OPEB liability	1,619,114	3,457,987	(2,714,425)	(1,512,506)	(15,750,835)
OPEB liability - July 1	31,281,121	27,823,134	30,537,559	32,050,065	47,800,900
OPEB liability - June 30 (2)	<u>\$ 32,900,235</u>	<u>\$ 31,281,121</u>	<u>\$ 27,823,134</u>	<u>\$ 30,537,559</u>	<u>\$ 32,050,065</u>

Notes:

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

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

(3) Covered-employee payroll information is not available.

## Town of East Haven, Connecticut

## Required Supplementary Information

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>Schedule of Proportionate Share of the Net OPEB Liability</u></b>					
Town's proportion of the net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>7,846,980</u>	<u>13,563,637</u>	<u>13,059,768</u>	<u>12,907,700</u>	<u>19,047,874</u>
Total	<u>\$ 7,846,980</u>	<u>\$ 13,563,637</u>	<u>\$ 13,059,768</u>	<u>\$ 12,907,700</u>	<u>\$ 19,047,874</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

**Schedule of Contributions**

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

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

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

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

See Notes to Required Supplementary Information.

## Town of East Haven, Connecticut

## Notes to Required Supplementary Information

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

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

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

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## **Supplemental Schedules**

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# General Fund

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

## Town of East Haven, Connecticut

**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2022**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 70,777,444	\$ -	\$ 70,777,444	\$ 71,150,527	\$ 373,083
Intergovernmental	19,392,410	-	19,392,410	19,451,195	58,785
Charges for services	1,805,500	-	1,805,500	2,549,885	744,385
Income from investments	40,000	-	40,000	54,532	14,532
Other	1,400,000	-	1,400,000	834,513	(565,487)
Total revenues	93,415,354	-	93,415,354	94,040,652	625,298
Expenditures:					
Current:					
General government	3,100,146	176,183	3,276,329	3,037,668	238,661
Public safety	15,387,500	178,916	15,566,416	15,435,078	131,338
Public services and engineering	2,554,643	172	2,554,815	2,315,877	238,938
Sanitation and maintenance	3,406,861	(172)	3,406,689	3,315,941	90,748
Health and welfare	546,481	-	546,481	531,446	15,035
Culture and recreation	2,045,907	-	2,045,907	1,828,077	217,830
Employee benefits and insurance	14,657,377	178,543	14,835,920	14,835,843	77
Education	48,044,271	-	48,044,271	48,044,271	-
General services	1,886,774	(533,642)	1,353,132	1,293,501	59,631
Debt service	1,825,394	-	1,825,394	1,821,432	3,962
Total expenditures	93,455,354	-	93,455,354	92,459,134	996,220
Excess (deficiency) of revenues over expenditures	(40,000)	-	(40,000)	1,581,518	1,621,518
Other financing sources (uses):					
Sale of Town owned property	40,000	-	40,000	39,950	(50)
Transfers in	-	-	-	3,474	3,474
Transfers out	-	-	-	(70,216)	(70,216)
Total other financing sources (uses)	40,000	-	40,000	(26,792)	(66,792)
Net change in fund balance	\$ -	\$ -	\$ -	1,554,726	\$ 1,554,726
Fund balance - July 1, 2021				5,698,155	
Fund balances - June 30, 2022				<u>\$ 7,252,881</u>	

## Town of East Haven, Connecticut

General Fund  
Report of Tax Collector  
For the Year Ended June 30, 2022

Grand List Year	Uncollected Taxes July 1, 2021	Current Year Levy	Lawful Corrections		Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2022
			Additions	Deductions		Taxes	Interest and Lien Fees	Total	
2005	\$ 34,188	\$ -	\$ -	\$ 34,188	\$ -	\$ -	\$ -	\$ -	\$ -
2006	68,527	-	-	14,631	53,896	-	-	-	53,896
2007	68,244	-	-	14,534	53,710	-	-	-	53,710
2008	70,718	-	-	14,533	56,185	-	-	-	56,185
2009	91,693	-	-	17,070	74,623	-	-	-	74,623
2010	90,905	-	-	17,984	72,921	-	-	-	72,921
2011	48,012	-	-	9,580	38,432	-	-	-	38,432
2012	149,444	-	-	9,580	139,864	13,885	19,457	33,342	125,979
2013	262,513	-	-	9,921	252,592	28,757	37,576	66,333	223,835
2014	264,529	-	-	12,244	252,285	28,309	31,895	60,204	223,976
2015	263,885	-	-	11,389	252,496	28,309	26,800	55,109	224,187
2016	143,755	-	427	10,433	133,749	53,062	37,883	90,945	80,687
2017	177,858	-	12,439	4,135	186,162	69,008	30,493	99,501	117,154
2018	486,463	-	1,686	5,124	483,025	153,678	56,277	209,955	329,347
2019	<u>1,235,254</u>	<u>-</u>	<u>7,358</u>	<u>13,357</u>	<u>1,229,255</u>	<u>635,710</u>	<u>124,978</u>	<u>760,688</u>	<u>593,545</u>
Total Prior Years	3,455,988	-	21,910	198,703	3,279,195	1,010,718	365,359	1,376,077	2,268,477
2020	<u>-</u>	<u>69,947,490</u>	<u>92,804</u>	<u>171,985</u>	<u>69,868,309</u>	<u>68,507,480</u>	<u>243,486</u>	<u>68,750,966</u>	<u>1,360,829</u>
Total	<u>\$ 3,455,988</u>	<u>\$ 69,947,490</u>	<u>\$ 114,714</u>	<u>\$ 370,688</u>	<u>\$ 73,147,504</u>	<u>\$ 69,518,198</u>	<u>\$ 608,845</u>	<u>\$ 70,127,043</u>	<u>\$ 3,629,306</u>

# Other Governmental Funds

## Special Revenue Funds

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

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

## Debt Service

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

Fund	Funding Source	Function
Debt Service	Bond issues and premiums	Debt service

# Other Governmental Funds

## Capital Projects Funds

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

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

## Permanent Funds

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

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

Town of East Haven, Connecticut

Other Governmental Funds  
Combining Balance Sheet  
June 30, 2022

Special Revenue Funds

	Public Safety	General Government	Culture and Recreation	Health and Welfare	Roads State Aid	Small Cities	Hagaman Memorial Library
<u>Assets</u>							
Cash	\$ 14,375	\$ -	\$ 4,495	\$ 294,151	\$ -	\$ 204,565	\$ 107,880
Investments	-	-	-	-	-	-	-
Receivables:							
Intergovernmental	-	-	-	-	-	-	-
Loans	-	-	-	-	-	13,992	-
Other	175	-	-	-	-	-	1,575
Due from other funds	92,950	41,591	11,537	307,340	587,056	-	-
Other	-	-	-	-	-	-	21,657
Total assets	<u>\$ 107,500</u>	<u>\$ 41,591</u>	<u>\$ 16,032</u>	<u>\$ 601,491</u>	<u>\$ 587,056</u>	<u>\$ 218,557</u>	<u>\$ 131,112</u>
<u>Liabilities</u>							
Accounts payable	\$ 16,697	\$ -	\$ -	\$ 175	\$ 6,585	\$ 2,104	\$ 14,325
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	1,813	-	-	-	-	-	-
Total liabilities	<u>18,510</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>6,585</u>	<u>2,104</u>	<u>14,325</u>
<u>Fund balances</u>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	41,591	-	-	580,471	216,453	-
Committed	88,990	-	16,032	601,316	-	-	116,787
Assigned	-	-	-	-	-	-	-
Total fund balances	<u>88,990</u>	<u>41,591</u>	<u>16,032</u>	<u>601,316</u>	<u>580,471</u>	<u>216,453</u>	<u>116,787</u>
Total liabilities and fund balances	<u>\$ 107,500</u>	<u>\$ 41,591</u>	<u>\$ 16,032</u>	<u>\$ 601,491</u>	<u>\$ 587,056</u>	<u>\$ 218,557</u>	<u>\$ 131,112</u>

(Continued)

Town of East Haven, Connecticut

Other Governmental Funds  
Combining Balance Sheet  
June 30, 2022

Special Revenue Funds

	Daycare	Athletic Department	School Rental	School Lunch	Adult Education	School Activity	Total Special Revenue Funds	Debt Service
<u>Assets</u>								
Cash	\$ 148,272	\$ 27,044	\$ 336,160	\$ 1,218,380	\$ 45,142	\$ 296,222	\$ 2,696,686	\$ -
Investments	-	-	648	-	-	42,573	43,221	-
Receivables:								
Intergovernmental	-	-	-	383,499	-	-	383,499	-
Loans	-	-	-	-	-	-	13,992	-
Other	-	-	4,963	-	-	-	6,713	-
Due from other funds	-	-	11,678	-	-	8,508	1,060,660	534,076
Other	-	-	-	36,285	-	-	57,942	-
Total assets	<u>\$ 148,272</u>	<u>\$ 27,044</u>	<u>\$ 353,449</u>	<u>\$ 1,638,164</u>	<u>\$ 45,142</u>	<u>\$ 347,303</u>	<u>\$ 4,262,713</u>	<u>\$ 534,076</u>
<u>Liabilities</u>								
Accounts payable	\$ -	\$ -	\$ 7,915	\$ 285,768	\$ 3,591	\$ 17,778	\$ 354,938	\$ -
Accrued payroll	-	-	5,079	-	-	-	5,079	-
Due to other funds	50,000	-	-	-	-	-	50,000	-
Unearned revenue	-	-	-	9,568	-	-	11,381	-
Total liabilities	<u>50,000</u>	<u>-</u>	<u>12,994</u>	<u>295,336</u>	<u>3,591</u>	<u>17,778</u>	<u>421,398</u>	<u>-</u>
<u>Fund balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	1,342,828	41,551	42,573	2,265,467	-
Committed	98,272	27,044	340,455	-	-	286,952	1,575,848	-
Assigned	-	-	-	-	-	-	-	534,076
Total fund balances	<u>98,272</u>	<u>27,044</u>	<u>340,455</u>	<u>1,342,828</u>	<u>41,551</u>	<u>329,525</u>	<u>3,841,315</u>	<u>534,076</u>
Total liabilities and fund balances	<u>\$ 148,272</u>	<u>\$ 27,044</u>	<u>\$ 353,449</u>	<u>\$ 1,638,164</u>	<u>\$ 45,142</u>	<u>\$ 347,303</u>	<u>\$ 4,262,713</u>	<u>\$ 534,076</u>

(Continued)

Town of East Haven, Connecticut

Other Governmental Funds  
Combining Balance Sheet  
June 30, 2022

	Capital Projects Funds			Permanent Funds				
	Open Space	LOCIP	Total Capital Projects Funds	J. Woodward Thompson Education Fund	Library Fund	Isaac Hagaman Library Fund	Total Permanent Funds	Total
<u>Assets</u>								
Cash	\$ -	\$ -	\$ -	\$ -	\$ 92,514	\$ -	\$ 92,514	\$ 2,789,200
Investments	-	-	-	456,558	584,620	1,264,014	2,305,192	2,348,413
Receivables:								
Intergovernmental	-	274,060	274,060	-	-	-	-	657,559
Loans	-	-	-	-	-	-	-	13,992
Other	-	36	36	-	-	-	-	6,749
Due from other funds	45,000	-	45,000	-	-	-	-	1,639,736
Other	-	-	-	-	-	-	-	57,942
Total assets	<u>\$ 45,000</u>	<u>\$ 274,096</u>	<u>\$ 319,096</u>	<u>\$ 456,558</u>	<u>\$ 677,134</u>	<u>\$ 1,264,014</u>	<u>\$ 2,397,706</u>	<u>\$ 7,513,591</u>
<u>Liabilities</u>								
Accounts payable	\$ -	\$ 11,805	\$ 11,805	\$ -	\$ -	\$ -	\$ -	\$ 366,743
Accrued payroll	-	-	-	-	-	-	-	5,079
Due to other funds	-	195,719	195,719	-	-	-	-	245,719
Unearned revenue	-	-	-	-	-	-	-	11,381
Total liabilities	<u>-</u>	<u>207,524</u>	<u>207,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>628,922</u>
<u>Fund balances</u>								
Nonspendable	-	-	-	-	-	100,000	100,000	100,000
Restricted	-	66,572	66,572	456,558	677,134	1,164,014	2,297,706	4,629,745
Committed	45,000	-	45,000	-	-	-	-	1,620,848
Assigned	-	-	-	-	-	-	-	534,076
Total fund balances	<u>45,000</u>	<u>66,572</u>	<u>111,572</u>	<u>456,558</u>	<u>677,134</u>	<u>1,264,014</u>	<u>2,397,706</u>	<u>6,884,669</u>
Total liabilities and fund balances	<u>\$ 45,000</u>	<u>\$ 274,096</u>	<u>\$ 319,096</u>	<u>\$ 456,558</u>	<u>\$ 677,134</u>	<u>\$ 1,264,014</u>	<u>\$ 2,397,706</u>	<u>\$ 7,513,591</u>

(Concluded)

Town of East Haven, Connecticut

Other Governmental Funds  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2022

	Special Revenue Funds						
	Public Safety	General Government	Culture and Recreation	Health and Welfare	Roads State Aid	Coronavirus Relief Fund	Hagaman Memorial Library
Revenues:							
Intergovernmental	\$ 119,109	\$ 17,139	\$ -	\$ 127,052	\$ 442,933	\$ 358,649	\$ 4,049
Charges for services	47,642	20,679	40,590	238,364	-	-	105,560
Income from investments	-	-	-	-	-	-	84,979
Change in fair value of investments	-	-	-	-	-	-	-
Contributions	563	-	-	-	-	-	8,567
Total revenues	167,314	37,818	40,590	365,416	442,933	358,649	203,155
Expenditures:							
Current:							
General government	-	30,418	-	-	-	358,649	-
Public safety	182,126	-	-	-	-	-	-
Public works	-	-	-	-	406,759	-	-
Health and welfare	-	-	-	250,698	-	-	-
Culture and recreation	-	-	31,594	-	-	-	176,089
Education	-	-	-	-	-	-	-
Total expenditures	182,126	30,418	31,594	250,698	406,759	358,649	176,089
Excess (deficiency) of revenues over expenditures	(14,812)	7,400	8,996	114,718	36,174	-	27,066
Other financing sources (uses):							
Transfers out	-	-	(3,474)	-	-	-	-
Net change in fund balances	(14,812)	7,400	5,522	114,718	36,174	-	27,066
Fund balances - July 1, 2021 (as restated)	103,802	34,191	10,510	486,598	544,297	-	89,721
Fund balances - June 30, 2022	\$ 88,990	\$ 41,591	\$ 16,032	\$ 601,316	\$ 580,471	\$ -	\$ 116,787

(Continued)

Town of East Haven, Connecticut

Other Governmental Funds  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2022

Special Revenue Funds

	Daycare	Athletic Department	School Rental	School Lunch	Adult Education	School Activity	Total Special Revenue Funds	Debt Service
Revenues:								
Intergovernmental	\$ -	\$ -	\$ -	\$ 2,499,191	\$ -	\$ -	\$ 3,568,122	\$ -
Charges for services	37,298	-	254,530	42,377	2,150	326,801	1,115,991	-
Income from investments	-	2	-	-	-	27	85,008	-
Change in fair value of investments	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	9,130	-
Total revenues	37,298	2	254,530	2,541,568	2,150	326,828	4,778,251	-
Expenditures:								
Current:								
General government	-	-	-	-	-	-	389,067	-
Public safety	-	-	-	-	-	-	182,126	-
Public works	-	-	-	-	-	-	406,759	-
Health and welfare	-	-	-	-	-	-	251,008	-
Culture and recreation	-	-	-	-	-	-	207,683	-
Education	50,000	-	90,239	2,129,024	1,643	240,648	2,511,554	-
Total expenditures	50,000	-	90,239	2,129,024	1,643	240,648	3,948,197	-
Excess (deficiency) of revenues over expenditures	(12,702)	2	164,291	412,544	507	86,180	830,054	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Net change in fund balances	(12,702)	2	164,291	412,544	507	86,180	826,580	-
Fund balances - July 1, 2021 (as restated)	110,974	27,042	176,164	930,284	41,044	243,345	3,014,735	534,076
Fund balances - June 30, 2022	\$ 98,272	\$ 27,044	\$ 340,455	\$ 1,342,828	\$ 41,551	\$329,525	\$ 3,841,315	\$ 534,076

(Continued)

Town of East Haven, Connecticut

Other Governmental Funds  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2022

	Capital Projects Funds			Permanent Funds			
	Open Space	LOCIP	Total Capital Projects Funds	J. Woodward Thompson Education Fund	Library Fund	Isaac Hagaman Library Fund	Total Permanent Funds
							Total
Revenues:							
Intergovernmental	\$ -	\$ 276,020	\$ 276,020	\$ -	\$ -	\$ -	\$ -
Charges for services	-	11,966	11,966	-	-	-	-
Income from investments	-	-	-	684	12,321	9,496	22,501
Change in fair value of investments	-	-	-	-	(21,994)	(327,399)	(349,393)
Contributions	-	-	-	-	5,546	-	5,546
Total revenues	-	287,986	287,986	684	(4,127)	(317,903)	(321,346)
Expenditures:							
Current:							
General government	-	366,595	366,595	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	12,917	17,166	30,083
Education	-	-	-	-	-	-	-
Total expenditures	-	366,595	366,595	-	12,917	17,166	30,083
Excess (deficiency) of revenues over expenditures	-	(78,609)	(78,609)	684	(17,044)	(335,069)	(351,429)
Other financing sources (uses):							
Transfers out	-	-	-	-	-	-	-
Net change in fund balances	-	(78,609)	(78,609)	684	(17,044)	(335,069)	(351,429)
Fund balances - July 1, 2021 (as restated)	45,000	145,181	190,181	455,874	694,178	1,599,083	2,749,135
Fund balances - June 30, 2022	\$ 45,000	\$ 66,572	\$ 111,572	\$ 456,558	\$ 677,134	\$ 1,264,014	\$ 2,397,706

(Concluded)

# Internal Service Funds

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

Fund	Function
Self-Insurance	Various claims and judgements
Workers' Compensation	Workers' compensation claims of the Town
Town Medical Insurance	Self-insured medical benefits for Town employees
Education Medical Insurance	Self-insured medical benefits for Education employees

## Town of East Haven, Connecticut

**Internal Service Funds**  
**Combining Schedule of Net Position**  
**June 30, 2022**

	Self- Insurance Fund	Workers' Compensation Fund	Town Medical Insurance Fund	Education Medical Insurance Fund	Total
<u>Assets</u>					
Current assets:					
Cash	\$ -	\$ 111,014	\$ 754,933	\$ 204,924	\$ 1,070,871
Investments	237,788	-	-	4,506,461	4,744,249
Accounts receivable	-	-	20,161	189,064	209,225
Due from other funds	-	5,547,212	2,034,687	1,196,999	8,778,898
	<u>-</u>	<u>5,547,212</u>	<u>2,034,687</u>	<u>1,196,999</u>	<u>8,778,898</u>
Total assets	<u>237,788</u>	<u>5,658,226</u>	<u>2,809,781</u>	<u>6,097,448</u>	<u>14,803,243</u>
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	-	-	-	124,903	124,903
Claims payable	170,736	1,988,881	609,461	653,000	3,422,078
Due to other funds	425,379	-	-	-	425,379
	<u>425,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>425,379</u>
Total current liabilities	596,115	1,988,881	609,461	777,903	3,972,360
Noncurrent liabilities:					
Claims payable	3,000,000	6,772,837	-	-	9,772,837
	<u>3,000,000</u>	<u>6,772,837</u>	<u>-</u>	<u>-</u>	<u>9,772,837</u>
Total liabilities	<u>3,596,115</u>	<u>8,761,718</u>	<u>609,461</u>	<u>777,903</u>	<u>13,745,197</u>
<u>Net Position</u>					
Unrestricted	<u><u>\$ (3,358,327)</u></u>	<u><u>\$ (3,103,492)</u></u>	<u><u>\$ 2,200,320</u></u>	<u><u>\$ 5,319,545</u></u>	<u><u>\$ 1,058,046</u></u>

## Town of East Haven, Connecticut

**Internal Service Funds**  
**Combining Schedule of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2022**

	Self- Insurance Fund	Workers' Compensation Fund	Town Medical Insurance Fund	Education Medical Insurance Fund	Total
Operating revenues:					
Charges for services	<u>\$ 204,819</u>	<u>\$ 2,749,073</u>	<u>\$ 6,209,147</u>	<u>\$ 7,811,950</u>	<u>\$ 16,974,989</u>
Operating expenses:					
Claims	29,355	2,948,291	6,267,691	7,441,653	16,686,990
Administration	<u>-</u>	<u>-</u>	<u>925,506</u>	<u>902,978</u>	<u>1,828,484</u>
Total operating expenses	<u>29,355</u>	<u>2,948,291</u>	<u>7,193,197</u>	<u>8,344,631</u>	<u>18,515,474</u>
Operating income (loss)	175,464	(199,218)	(984,050)	(532,681)	(1,540,485)
Nonoperating revenues:					
Income from investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,668</u>	<u>5,668</u>
Change in net position	175,464	(199,218)	(984,050)	(527,013)	(1,534,817)
Total net position - July 1, 2021	<u>(3,533,791)</u>	<u>(2,904,274)</u>	<u>3,184,370</u>	<u>5,846,558</u>	<u>2,592,863</u>
Total net position - June 30, 2022	<u><u>\$ (3,358,327)</u></u>	<u><u>\$ (3,103,492)</u></u>	<u><u>\$ 2,200,320</u></u>	<u><u>\$ 5,319,545</u></u>	<u><u>\$ 1,058,046</u></u>

## Town of East Haven, Connecticut

**Internal Service Funds**  
**Combining Schedule of Cash Flows**  
**For the Year Ended June 30, 2022**

	Self- Insurance Fund	Workers' Compensation Fund	Town Medical Insurance Fund	Education Medical Insurance Fund	Total
Cash flows from (used in) operating activities:					
Premiums received	\$ 204,819	\$ 2,484,354	\$ 6,663,777	\$7,752,580	\$17,105,530
Payments for interfund services	(196,048)	-	-	-	(196,048)
Payments to vendors	-	-	(925,506)	(779,688)	(1,705,194)
Payments for claims	(8,619)	(2,555,350)	(6,060,466)	(7,359,740)	(15,984,175)
Net cash from (used in) operating activities	152	(70,996)	(322,195)	(386,848)	(779,887)
Cash flows from (used in) investing activities:					
Income from investments	-	-	-	5,668	5,668
Net increase (decrease) in cash and cash equivalents	152	(70,996)	(322,195)	(381,180)	(774,219)
Cash and cash equivalents - July 1, 2021	237,636	182,010	1,077,128	5,092,565	6,589,339
Cash and cash equivalents - June 30, 2022	<u>\$ 237,788</u>	<u>\$ 111,014</u>	<u>\$ 754,933</u>	<u>\$4,711,385</u>	<u>\$ 5,815,120</u>
Reconciliation to statement of net position cash:					
Cash and cash equivalents per above	\$ 237,788	\$ 111,014	\$ 754,933	\$4,711,385	\$ 5,815,120
Cash and cash equivalents reported as investments	(237,788)	-	-	(4,506,461)	(4,744,249)
Statement of net position cash	<u>\$ -</u>	<u>\$ 111,014</u>	<u>\$ 754,933</u>	<u>\$ 204,924</u>	<u>\$ 1,070,871</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:					
Operating income (loss)	\$ 175,464	\$ (199,218)	\$ (984,050)	\$ (532,681)	\$ (1,540,485)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:					
(Increase) decrease in:					
Accounts receivable	-	161,434	13,196	(59,370)	115,260
Due from other funds	(196,048)	(426,153)	441,434	-	(180,767)
Increase (decrease) in:					
Accounts payable	-	-	-	123,290	123,290
Claims payable	20,736	392,941	207,225	81,913	702,815
Net cash from (used in) operating activities	<u>\$ 152</u>	<u>\$ (70,996)</u>	<u>\$ (322,195)</u>	<u>\$ (386,848)</u>	<u>\$ (779,887)</u>

# Trend Information

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

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

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

## Town of East Haven, Connecticut

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

June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
			(as restated)							
Net investment in capital assets	\$ 55,331,001	\$ 54,279,061	\$ 50,531,444	\$ 56,188,341	\$ 56,763,497	\$ 54,831,555	\$ 54,687,757	\$ 54,538,832	\$ 52,762,397	\$ 51,037,398
Restricted for:										
Endowments:										
Nonexpendable	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Expendable	2,297,706	2,649,135	2,087,711	1,665,733	1,670,014	1,613,042	1,528,957	1,616,073	1,674,276	1,567,686
Capital replacement	2,871,481	145,181	154,108	143,053	364,232	-	-	-	-	-
Road maintenance	580,471	544,297	540,633	384,605	182,928	308,113	89,075	173,286	36,929	-
Health and welfare	-	-	-	6,364	161,817	402,150	167,226	224,418	69,256	210,138
Historical document preservation	41,591	34,191	25,103	31,919	24,081	24,413	22,450	23,528	17,690	15,018
Housing rehabilitation programs	216,453	216,763	190,538	136,096	131,372	66,260	49,247	20,727	6,835	95,914
Public safety	-	-	-	-	34,238	20,274	28,236	25,076	21,975	50,702
Cafeteria operations	1,342,828	930,284	284,477	27,937	70,904	-	-	-	-	-
Education programs	84,124	83,590	46,237	285,774	343,021	243,100	171,937	132,147	81,604	74,143
Unrestricted	(139,374,221)	(128,990,902)	(124,657,463)	(121,914,345)	(108,252,829)	(24,440,551)	(29,291,319)	(25,117,096)	(32,679,922)	(20,786,659)
Total net position	<u>\$ (76,508,566)</u>	<u>\$ (70,008,400)</u>	<u>\$ (70,697,212)</u>	<u>\$ (62,944,523)</u>	<u>\$ (48,406,725)</u>	<u>\$ 33,168,356</u>	<u>\$ 27,553,566</u>	<u>\$ 31,736,991</u>	<u>\$ 22,091,040</u>	<u>\$ 32,364,340</u>

Source: Current and prior year financial statements.

## Town of East Haven, Connecticut

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

For the Year Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental activities:										
General government	\$ 8,046,813	\$ 7,618,682	\$ 7,173,388	\$ 4,778,224	\$ 4,713,737	\$ 4,420,083	\$ 4,573,742	\$ 4,487,048	\$ 4,569,185	\$ 5,554,632
Public safety	31,429,495	29,823,351	27,446,229	41,770,546	21,518,460	14,930,997	20,167,431	19,419,729	20,060,343	21,286,890
Public works	11,047,373	11,510,154	10,012,727	7,857,854	6,946,876	7,896,236	9,284,044	8,361,845	8,836,442	9,403,321
Health and welfare	1,488,988	2,137,161	2,015,115	1,626,953	1,402,662	1,428,002	1,486,625	1,302,182	1,662,460	1,963,182
Culture and recreation	2,514,602	2,202,880	2,458,667	2,450,819	2,235,957	2,416,107	2,514,190	2,531,765	2,419,910	2,480,332
Education	68,005,653	64,547,055	61,650,269	59,346,663	61,146,314	67,507,850	65,203,368	60,805,829	62,587,934	57,965,388
Interest	1,016,693	643,397	1,060,160	764,279	3,146,589	944,761	1,158,231	1,467,224	1,752,349	1,812,284
Total expenses	<u>123,549,617</u>	<u>118,482,680</u>	<u>111,816,555</u>	<u>118,595,338</u>	<u>101,110,595</u>	<u>99,544,036</u>	<u>104,387,631</u>	<u>98,375,622</u>	<u>101,888,623</u>	<u>100,466,029</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	842,603	801,387	766,813	570,555	470,579	490,447	493,847	501,595	404,022	819,450
Public safety	1,381,874	766,731	959,929	760,070	770,094	580,678	768,586	855,473	556,395	597,263
Public works	411,592	389,992	454,973	474,289	304,998	300,614	299,185	265,860	256,565	253,482
Health and welfare	238,416	425,092	448,940	482,616	237,887	307,195	298,403	246,843	323,616	222,330
Culture and recreation	61,570	4,927	280,020	453,855	393,485	500,631	497,181	497,191	495,828	439,414
Education	1,162,119	405,573	534,977	1,109,896	1,458,426	1,140,545	1,116,049	1,244,761	2,465,337	1,699,666
Operating grants and contributions	39,663,376	38,255,403	33,164,366	33,005,422	35,450,104	34,998,871	30,819,650	29,716,676	30,937,361	28,911,829
Capital grants and contributions	1,555,191	6,471,738	1,001,266	730,578	816,822	57,206	331,519	331,519	639,485	789,422
Total program revenues	<u>45,316,741</u>	<u>47,520,843</u>	<u>37,611,284</u>	<u>37,587,281</u>	<u>39,902,395</u>	<u>38,376,187</u>	<u>34,624,420</u>	<u>33,659,918</u>	<u>36,078,609</u>	<u>33,732,856</u>
Net revenue (expenses)	<u>(78,232,876)</u>	<u>(70,961,837)</u>	<u>(74,205,271)</u>	<u>(81,008,057)</u>	<u>(61,208,200)</u>	<u>(61,167,849)</u>	<u>(69,763,211)</u>	<u>(64,715,704)</u>	<u>(65,804,611)</u>	<u>(66,733,173)</u>
General revenues:										
Property taxes	71,264,654	70,160,658	65,281,841	64,667,790	63,775,171	64,860,332	64,515,021	64,585,031	62,223,623	61,295,638
Grants and contributions not restricted to specific programs	617,823	681,205	728,790	688,620	544,213	1,470,420	897,510	1,039,493	990,995	1,180,008
Income (loss) from investments	(181,684)	460,087	395,659	388,485	355,811	373,983	43,120	147,232	313,667	237,361
Gain on sale of capital assets	-	29,766	-	559,769	-	-	-	-	-	-
Other	31,917	58,196	46,292	165,595	358,507	77,904	124,135	129,870	186,932	449,173
Total general revenues	<u>71,732,710</u>	<u>71,389,912</u>	<u>66,452,582</u>	<u>66,470,259</u>	<u>65,033,702</u>	<u>66,782,639</u>	<u>65,579,786</u>	<u>65,901,626</u>	<u>63,715,217</u>	<u>63,162,180</u>
Change in net position	<u>\$ (6,500,166)</u>	<u>\$ 428,075</u>	<u>\$ (7,752,689)</u>	<u>\$ (14,537,798)</u>	<u>\$ 3,825,502</u>	<u>\$ 5,614,790</u>	<u>\$ (4,183,425)</u>	<u>\$ 1,185,922</u>	<u>\$ (2,089,394)</u>	<u>\$ (3,570,993)</u>

Source: Current and prior year financial statements.

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

**For the Year Ended June 30**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
			<b>(as restated)</b>							
Revenues:										
Property taxes	\$ 71,150,527	\$ 69,380,880	\$ 64,982,655	\$ 64,605,676	\$ 63,509,176	\$ 64,677,274	\$ 64,114,541	\$ 64,161,304	\$ 62,439,118	\$ 61,664,960
Intergovernmental	19,451,195	19,697,361	19,547,765	19,091,803	20,541,003	21,353,106	21,408,594	21,718,741	21,540,125	22,217,570
Charges for services	2,549,885	2,026,595	2,520,086	2,372,660	2,093,243	1,962,418	2,112,569	2,116,598	1,820,124	1,644,392
Income from investments	54,532	30,045	280,956	333,234	247,238	100,899	46,659	20,894	23,742	23,074
Other	834,513	1,905,848	1,019,247	1,175,125	742,302	980,080	828,263	644,473	796,263	748,688
Total revenues	<u>94,040,652</u>	<u>93,040,729</u>	<u>88,350,709</u>	<u>87,578,498</u>	<u>87,132,962</u>	<u>89,073,777</u>	<u>88,510,626</u>	<u>88,662,010</u>	<u>86,619,372</u>	<u>86,298,684</u>
Expenditures:										
Current:										
General government	3,037,668	2,908,659	2,888,954	2,966,702	2,679,681	2,672,977	2,543,298	2,528,352	2,534,763	2,549,199
Public safety	15,435,078	14,420,951	13,773,850	13,076,582	12,637,790	12,520,030	11,311,874	11,168,583	11,002,841	11,201,915
Public services and engineering	2,315,877	2,303,054	2,168,327	2,169,603	2,162,715	2,231,127	2,312,697	2,258,845	2,213,932	2,289,059
Sanitation and maintenance	3,315,941	3,278,208	3,184,475	3,086,606	2,907,482	2,878,561	2,775,307	2,804,735	2,842,320	2,784,149
Health and welfare	531,446	953,464	1,001,041	1,141,332	1,016,003	1,098,996	958,128	927,309	948,859	989,959
Culture and recreation	1,828,077	1,438,370	1,681,007	1,847,051	1,792,413	1,828,137	1,823,489	1,778,635	1,759,712	1,698,347
Employee benefits and insurance	14,835,843	13,973,871	13,200,991	12,663,658	12,007,025	12,425,247	10,685,347	11,119,309	10,443,692	10,329,345
Education	48,044,271	47,994,271	47,994,271	47,944,271	47,683,005	47,342,941	48,079,032	46,410,357	45,437,659	44,310,133
General services	1,293,501	1,389,269	1,572,757	1,369,822	982,304	1,262,015	1,464,322	1,643,858	1,379,304	1,882,355
Debt service	1,821,432	1,564,787	2,706,478	3,051,025	3,207,801	4,370,489	5,448,298	6,784,455	7,103,860	7,100,343
Total expenditures	<u>92,459,134</u>	<u>90,224,904</u>	<u>90,172,151</u>	<u>89,316,652</u>	<u>87,076,219</u>	<u>88,630,520</u>	<u>87,401,792</u>	<u>87,424,438</u>	<u>85,666,942</u>	<u>85,134,804</u>
Excess (deficiency) of revenues over expenditures	<u>1,581,518</u>	<u>2,815,825</u>	<u>(1,821,442)</u>	<u>(1,738,154)</u>	<u>56,743</u>	<u>443,257</u>	<u>1,108,834</u>	<u>1,237,572</u>	<u>952,430</u>	<u>1,163,880</u>
Other financing sources (uses):										
Sale of Town owned property	39,950	29,766	2,299	559,769	297,832	9,023	-	-	-	-
Transfers in	3,474	8,560	-	25,000	25,000	-	25,015	61,290	-	-
Transfers out	(70,216)	(37)	-	-	-	-	-	-	(904)	(1,273)
Net other financing sources (uses)	<u>(26,792)</u>	<u>38,289</u>	<u>2,299</u>	<u>584,769</u>	<u>322,832</u>	<u>9,023</u>	<u>25,015</u>	<u>61,290</u>	<u>(904)</u>	<u>(1,273)</u>
Net change in fund balances	<u>\$ 1,554,726</u>	<u>\$ 2,854,114</u>	<u>\$ (1,819,143)</u>	<u>\$ (1,153,385)</u>	<u>\$ 379,575</u>	<u>\$ 452,280</u>	<u>\$ 1,133,849</u>	<u>\$ 1,298,862</u>	<u>\$ 951,526</u>	<u>\$ 1,162,607</u>
Debt service as a percentage of expenditures	<u>1.97%</u>	<u>1.73%</u>	<u>3.00%</u>	<u>3.42%</u>	<u>3.68%</u>	<u>4.93%</u>	<u>6.23%</u>	<u>7.76%</u>	<u>8.29%</u>	<u>8.34%</u>

Source: Current and prior year financial statements.

**Table 4**

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

<u>Year Ended June 30</u>	<u>Grand List of October 1,</u>	<u>(1) Tax Rate in Mills</u>	<u>Total Adjusted Tax Levy</u>	<u>Net Tax Collections</u>	<u>Percent of Levy Collected</u>
2013	2011	30.95	\$ 60,631,831	\$ 59,178,695	97.60%
2014	2012	30.95	60,695,731	59,331,720	97.75%
2015	2013	32.05	62,880,229	61,458,442	97.74%
2016	2014	31.55	63,039,498	61,734,456	97.93%
2017	2015	31.55	63,819,560	62,441,210	97.84%
2018	2016	31.55	61,771,861	60,571,894	98.06%
2019	2017	32.45	63,495,844	62,278,005	98.08%
2020	2018	32.42	64,137,177	63,020,402	98.26%
2021	2019	34.25	68,501,710	67,266,456	98.20%
2022	2020	34.25	69,868,309	68,507,480	98.05%

Source: Tax Collector

Notes:

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

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

**Town of East Haven, Connecticut**  
**Schedule of Debt Limitation**  
**Connecticut General Statutes, Section 7-374 (b)**  
**As of and For the Year Ended June 30, 2022**  
**(Unaudited)**

## Tax Base:

Total tax collections (including interest and lien fees) for prior year	\$ 68,545,302
Reimbursement for revenue loss on:	
Tax relief for elderly freeze	<u>2,000</u>
Base for debt limitation computation	<u><u>\$ 68,547,302</u></u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$ 154,231,430	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	308,462,859	-	-	-
3 3/4 times base	-	-	257,052,383	-	-
3 1/4 times base	-	-	-	222,778,732	-
3 times base	-	-	-	-	205,641,906
Total debt limitation	154,231,430	308,462,859	257,052,383	222,778,732	205,641,906
Indebtedness:					
Bonds payable	<u>26,258,431</u>	<u>4,476,569</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u><u>\$ 127,972,999</u></u>	<u><u>\$ 303,986,290</u></u>	<u><u>\$ 257,052,383</u></u>	<u><u>\$ 222,778,732</u></u>	<u><u>\$ 205,641,906</u></u>
The total of the above net indebtedness amounts to:					<u><u>\$ 30,735,000</u></u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation.					<u><u>\$ 479,831,114</u></u>

Source: Current and prior year financial statements.

Note:

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