

Annual Financial Report
of the
Town of East Haven, Connecticut
Year Ended June 30, 2013

Town of East Haven, Connecticut

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Town of East Haven, Connecticut

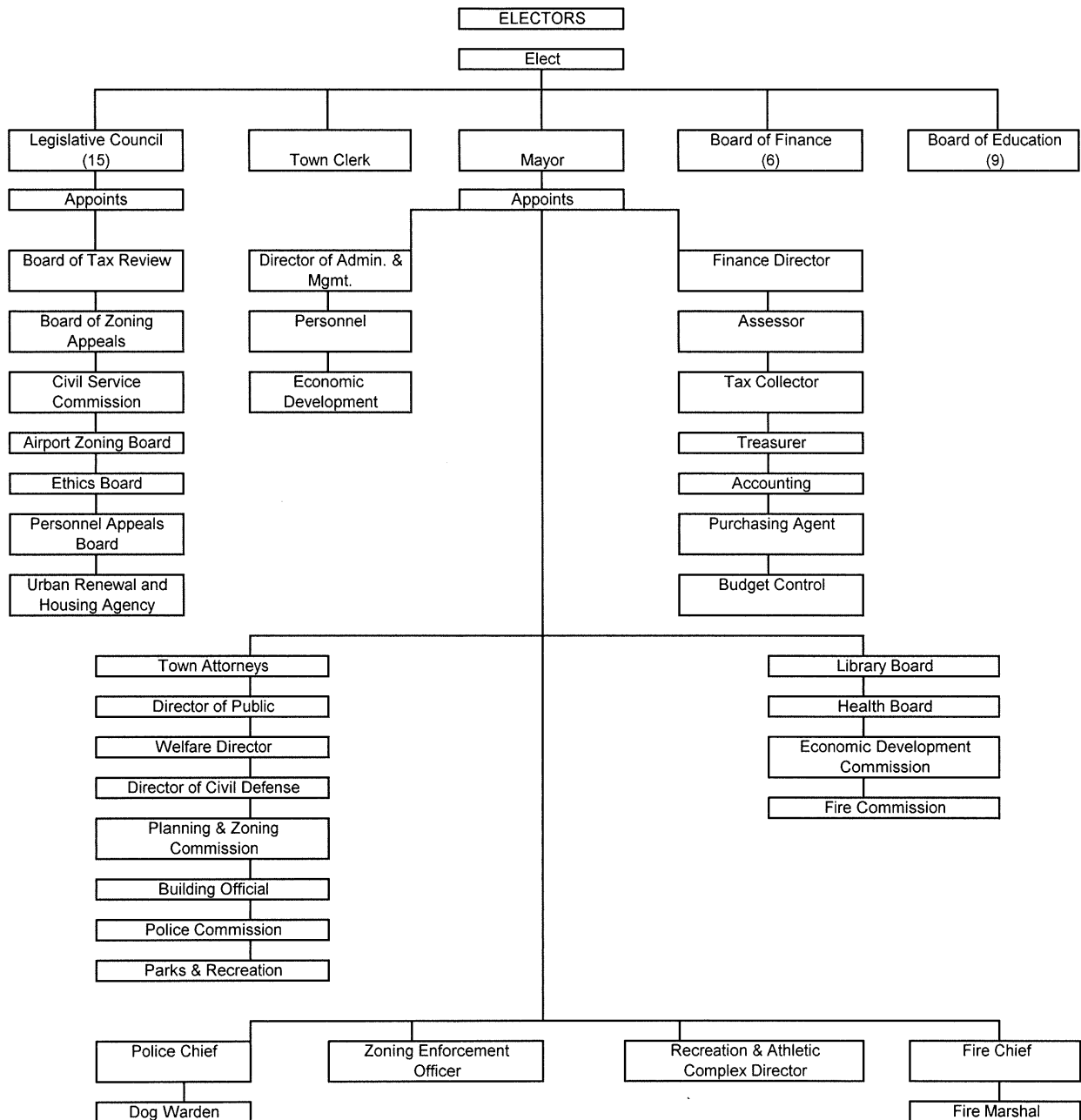
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Introductory Section

TOWN OF EAST HAVEN, CONNECTICUT

ORGANIZATIONAL CHART



Financial Section

Independent Auditor's Report

Board of Finance
Town of East Haven, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of East Haven, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of East Haven, Connecticut, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of the East Haven Other Post Employment Benefit Plans Schedules of Funding Progress and Employer Contributions on pages 5-12 and pages 52 and 53, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2013, on our consideration of the Town of East Haven, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of East Haven, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CohnReznick LLP". The signature is written in a cursive, flowing style.

Farmington, Connecticut
December 30, 2013



FINANCE DEPARTMENT

PAUL S. RIZZA

Director of Finance

Management's Discussion and Analysis Year Ended June 30, 2013

As management of the Town of East Haven, Connecticut 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, 2013.

Financial Highlights

- On a government-wide basis, the Town's net position decreased by \$3,570,993 for the fiscal year. Positive operations of the general fund were offset by increases in the other post employment liability of \$2,280,477 and an increase of \$1,200,000 in legal claims.
- The Town's net position totaled \$32,364,340 at June 30, 2013. Of this amount, unrestricted net position was a deficit balance of \$(20,675,727). This deficit was generated by increases in the other post employment benefit liability, self-insurance claims, including workers' compensation and depreciation expense in excess of capital replacement.
- At year end, the unassigned fund balance for the general fund was \$1,600,450, an increase of \$1,162,607 from the prior year.
- The Town's total long-term debt decreased by \$3,060,000. The Town permanently financed bond anticipation notes outstanding at June 30, 2013 and, therefore, reported an issuance of \$2,580,000 in new debt during the year offset by scheduled debt payments.

Overview of the Basic Financial Statements

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town of East Haven, Connecticut'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 and liabilities, with the difference between the two 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by \$32,364,340 at the close of the fiscal year.

	Summary Statement of Net Position	
	2013	2012
Current and other assets	\$ 27,011,079	\$ 27,076,115
Capital assets (net)	92,907,431	96,182,625
Total assets	119,918,510	123,258,740
Deferred outflows of resources	341,961	417,427
Current liabilities	21,341,532	22,069,494
Long-term liabilities	65,776,022	65,518,226
Total liabilities	87,117,554	87,587,720
Deferred inflows of resources	778,577	153,114
Net investment in capital assets	51,037,398	48,709,002
Restricted	2,002,669	2,029,894
Unrestricted	(20,675,727)	(14,803,563)
Total net position	\$ 32,364,340	\$ 35,935,333

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be used of \$2,002,669. The remaining balance of unrestricted net position is a deficit balance in the amount of \$(20,675,727).

Governmental activities. Already noted was the statement of activities purpose in presenting information in how the Town's net position changed during the most recent fiscal year. The Town's net position decreased by \$3,570,993 for the fiscal year. This was generated by positive operations of the general fund offset by increases in the other post employment liability of \$2,280,477 and an increase of \$1,200,000 in legal claims.

	Statement of Changes in Net Position	
	2013	2012
Revenues:		
Program revenues:		
Charges for services	\$ 4,031,605	\$ 4,055,342
Operating grants and contributions	28,911,829	29,707,082
Capital grants and contributions	789,422	1,178,046
General revenues:		
Property taxes	61,295,638	61,176,525
Grants and contributions not restricted to specific programs	1,180,008	1,262,527
Investment income (loss)	237,361	96,601
Miscellaneous	449,173	256,200
Total revenues	<u>96,895,036</u>	<u>97,732,323</u>
Expenses:		
General government	5,554,632	5,239,574
Public safety	21,286,890	19,531,501
Public works	9,403,321	9,957,576
Culture and recreation	2,480,332	2,538,126
Health and welfare	1,963,182	1,988,889
Education	57,965,388	58,978,842
Interest expense	1,812,284	2,124,579
Total expenses	<u>100,466,029</u>	<u>100,359,087</u>
Change in net position	(3,570,993)	(2,626,764)
Net Position - July 1	<u>35,935,333</u>	<u>38,562,097</u>
Net Postion - June 30	<u>\$ 32,364,340</u>	<u>\$ 35,935,333</u>

Governmental Activities - Revenues

The significant changes in revenues for governmental activities for the fiscal year ended June 30, 2013 were as follows:

- Operating grants and contributions decreased by \$795,253 due to FEMA revenues received for storms Irene and Sandy and the education jobs grant funding received in the prior year.
- Capital grants and contributions decreased by \$388,624 due to decrease LOCIP funding and the completion of the school roof project and related funding,

Governmental Activities - Expenses

The significant changes in expenses for governmental activities for the fiscal year ended June 30, 2013 were as follows:

- Education decreased by \$1,013,454 due to a decrease in ARRA and other related education grant funding as compared to the prior year.
- Public safety expense increased by \$1,755,389 substantially due to an increase in claims and judgments.
- Public works expense decreased \$554,255 substantially due to decreased depreciation expense and decreased spending on noncapitalized projects as compared to 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 a Town's net resources available for spending at the end of the fiscal year.

The combined fund balances of governmental funds for the fiscal year ended June 30, 2013 is \$4,006,679. This amount is comprised of the following components: (1) nonspendable reserve for endowments in the amount of \$100,000, (2) restricted amounts totaling \$1,902,669, (3) committed amounts of \$277,924, (4) assigned amounts totaling \$1,011,211 and (5) unassigned of \$714,875.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

General Fund

The general fund is the operating fund of the Town. The fund balance of the general fund increased by \$1,162,607 for the fiscal year. This increase is mainly due to the Town's plan to increase fund balance and spending less than the amount budgeted.

Significant budget variances from actual were as follows:

- Intergovernmental revenues were received in excess of the amount budgeted due to the municipal revenue sharing line having a positive variance of \$289,059. This was due to the grant not being budgeted by the Town due to the uncertainty of the State budget at the time the Town's budget was adopted.
- General government expenditures were under budget by \$761,401. This was due to the Town's plan to increase fund balance by budgeting a fund balance contribution line. This budget line had a positive variance of \$697,895. The original amount budgeted was \$1,200,000, but this was reduced to address other unbudgeted needs of the Town during the fiscal year.
- General services was under spent by \$171,971 due to lower than anticipated costs related to the snow storm (\$96,000) and a lower amount spent for police overtime related to outside services (\$43,000).

Capital Projects Fund

This fund's net change in fund balance was an increase of \$1,783,941 for the fiscal year, resulting in a deficit fund balance at the end of the year of \$(758,028). The increase was a result of decreased spending in the fund of \$2,372,039 coupled with the permanently financed bond anticipation notes of \$2,580,000 as well as insurance proceeds of \$276,141.

Capital Assets and Debt Administration

At June 30, 2013, the Town of East Haven's investment in capital assets for its governmental activities was \$92,907,431 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, building improvements, machinery and equipment, vehicles and infrastructure (roads, sidewalks and bridges). The net decrease in the Town's investment in capital assets for the current fiscal year was \$3,275,194.

The significant capital asset activity during the year was the construction in progress increase of \$737,249 mainly due to the Maple Street Bridge and the Industrial Park projects.

These additions were offset by depreciation expense of \$4,104,233, resulting in the net decrease of \$3,275,194.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

	Capital Assets - Net	
	2013	2012
Land	\$ 3,497,216	\$ 3,497,216
Construction in progress	4,975,938	4,238,689
Land improvements	2,889,723	2,993,691
Buildings	43,326,177	44,309,278
Building improvements	7,704,856	9,273,700
Machinery and equipment	1,731,719	2,002,232
Vehicles	2,207,408	2,681,203
Infrastructure	26,574,394	27,186,616
Total	<u>\$ 92,907,431</u>	<u>\$ 96,182,625</u>

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

Long-term Debt

For the year ended June 30, 2013, the Town's long-term debt decreased by \$3,060,000. The decrease is the net effect of the following items:

- Issuance of bonds that permanently financed bond anticipation notes that were outstanding at June 30, 2013 of \$2,580,000.
- Scheduled principal payments of \$5,640,000.

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$41,445,000. Of this amount, \$6,410,876 will be funded from state grants, resulting in net outstanding debt in the amount of \$35,034,124, which is backed by the full faith and credit of the Town of East Haven.

OUTSTANDING LONG-TERM DEBT

	2013	2012
General purpose bonds	\$ 22,379,150	\$ 24,432,900
School bonds	15,405,850	18,632,100
Bond anticipation notes	2,580,000	
Sewer	1,080,000	1,440,000
Total	<u>\$ 41,445,000</u>	<u>\$ 44,505,000</u>

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 ¼ to 4 ½ times total tax collections including interest and lien fees and the tax relief for the elderly freeze grant. The current debt limitation for the Town is \$426,836,494, which is significantly in excess of the Town's outstanding general obligation debt.

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

Next Year's Budgets and Rates

Town officials considered many factors when setting the fiscal year 2014 budget. The Town decided that it was important to adopt a budget designed to promote long-term fiscal stability. This included an appropriation of \$900,000 to return fund balance to appropriate level. 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 2014 general fund budget was \$87,305,281, an increase of .69% over the prior year. The Town continues to focus on restoring the Towns' general fund fund balance to a comfortable level.

Requests for Information

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

Basic Financial Statements

TOWN OF EAST HAVEN, CONNECTICUT

STATEMENT OF NET POSITION
JUNE 30, 2013

<u>ASSETS</u>	
Current assets:	
Cash.....	\$ 8,277,161
Investments.....	4,418,918
Receivables:	
Property taxes.....	1,425,154
Intergovernmental.....	2,543,144
Other.....	1,277,273
Other.....	<u>145,806</u>
Total current assets.....	<u>18,087,456</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash.....	35,351
Investments.....	1,532,335
Permanently restricted:	
Investments.....	<u>100,000</u>
Total restricted assets.....	<u>1,667,686</u>
Receivables (net):	
Property taxes.....	1,979,388
Intergovernmental.....	<u>5,276,549</u>
Total receivables (net).....	<u>7,255,937</u>
Capital assets (net of accumulated depreciation):	
Land.....	3,497,216
Construction in progress.....	4,975,938
Land improvements.....	2,889,723
Buildings.....	43,326,177
Building improvements.....	7,704,856
Machinery and equipment.....	1,731,719
Vehicles.....	2,207,408
Infrastructure.....	<u>26,574,394</u>
Total capital assets (net of accumulated depreciation).....	<u>92,907,431</u>
Total noncurrent assets.....	<u>101,831,054</u>
TOTAL ASSETS.....	<u>119,918,510</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding.....	<u>341,961</u>

(Continued)

TOWN OF EAST HAVEN, CONNECTICUT

STATEMENT OF NET POSITION
JUNE 30, 2013

LIABILITIES

Current liabilities:	
Accounts payable.....	\$ 2,917,608
Accrued payroll.....	4,402,352
Accrued interest payable.....	655,455
Unearned revenue.....	254,065
Bond anticipation notes.....	45,000
Other liabilities.....	482,727
Bonds and notes payable.....	5,815,000
Capital lease payable.....	243,684
Compensated absences.....	1,474,563
Claims and judgments.....	5,051,078
	<u>21,341,532</u>
Total current liabilities.....	
Noncurrent liabilities:	
Bonds and related liabilities.....	35,855,634
Capital lease payable.....	252,676
Compensated absences.....	5,898,253
Net OPEB obligations.....	10,163,536
Claims and judgments.....	13,605,923
	<u>65,776,022</u>
Total noncurrent liabilities.....	
TOTAL LIABILITIES.....	<u>87,117,554</u>

DEFERRED INFLOWS OF RESOURCES

Advance property tax collections.....	<u>778,577</u>
---------------------------------------	----------------

NET POSITION

Net investment in capital assets.....	51,037,398
Restricted for:	
Endowments:	
Nonexpendable.....	100,000
Expendable.....	1,567,686
Grant programs.....	210,138
Public safety.....	35,684
Historical document preservation.....	15,018
Education.....	74,143
Unrestricted.....	<u>(20,675,727)</u>
TOTAL NET POSITION.....	<u>\$ 32,364,340</u>

(Concluded)

See Notes to Financial Statements.

TOWN OF EAST HAVEN, CONNECTICUTSTATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES:					
General government.....	\$ 5,554,632	\$ 819,450	\$ 6,500	\$ 306,927	\$ (4,421,755)
Public safety.....	21,286,890	597,263	23,287		(20,666,340)
Public works.....	9,403,321	253,482	562,468	482,495	(8,104,876)
Culture and recreation.....	2,480,332	439,414	32,922		(2,007,996)
Health and welfare.....	1,963,182	222,330	106,952		(1,633,900)
Education.....	57,965,388	1,699,666	28,179,700		(28,086,022)
Interest expense.....	1,812,284				(1,812,284)
TOTAL.....	\$ 100,466,029	\$ 4,031,605	\$ 28,911,829	\$ 789,422	(66,733,173)
GENERAL REVENUES:					
Property taxes.....					\$ 61,295,638
Grants and contributions not restricted to specific programs.....					1,180,008
Investment income.....					237,361
Miscellaneous.....					449,173
TOTAL GENERAL REVENUES					63,162,180
CHANGE IN NET POSITION.....					(3,570,993)
NET POSITION, JULY 1, 2012.....					35,935,333
NET POSITION, JUNE 30, 2013.....					\$ 32,364,340

See Notes to Financial Statements.

TOWN OF EAST HAVEN, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash.....	\$ 5,851,734	\$	\$ 1,481,441	\$ 7,333,175
Investments.....	2,824,862		2,425,562	5,250,424
Receivables:				
Property taxes.....	3,378,680			3,378,680
Intergovernmental			766,455	766,455
Other.....	1,086,168		17,384	1,103,552
Due from other funds.....	3,156,678	820,933	512,913	4,490,524
Other.....	73,575		16,463	90,038
TOTAL ASSETS.....	\$ 16,371,697	\$ 820,933	\$ 5,220,218	\$ 22,412,848
<u>LIABILITIES</u>				
Accounts payable.....	\$ 2,216,859	\$ 166,605	\$ 534,144	\$ 2,917,608
Accrued payroll.....	4,090,684		311,668	4,402,352
Due to other funds.....	4,307,897	1,367,356	956,084	6,631,337
Unearned revenue.....			254,065	254,065
Bond anticipation notes.....		45,000		45,000
Other liabilities.....	482,727			482,727
TOTAL LIABILITIES.....	11,098,167	1,578,961	2,055,961	14,733,089
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue - property taxes.....	2,894,503			2,894,503
Advance property tax collections.....	778,577			778,577
TOTAL DEFERRED INFLOWS OF RESOURCES..	3,673,080	-	-	3,673,080
<u>FUND BALANCES</u>				
Nonspendable.....			100,000	100,000
Restricted.....			1,902,669	1,902,669
Committed.....			277,924	277,924
Assigned.....			1,011,211	1,011,211
Unassigned.....	1,600,450	(758,028)	(127,547)	714,875
TOTAL FUND BALANCES.....	1,600,450	(758,028)	3,164,257	4,006,679
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 16,371,697	\$ 820,933	\$ 5,220,218	\$ 22,412,848

(Continued)

TOWN OF EAST HAVEN, CONNECTICUT

RECONCILIATION OF FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2013

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

TOTAL FUND BALANCES (EXHIBIT C, PAGE 1).....	\$ 4,006,679
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CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES
AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning net capital assets.....	96,182,625
Capital asset additions.....	829,039
Depreciation expense.....	(4,104,233)

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

School building grant receivable.....	7,053,238
Property tax interest and lien accrual.....	1,610,862
Property tax receivable - accrual basis change.....	2,894,503
Allowance for doubtful accounts.....	(1,585,000)

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

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.....	(14,407,617)
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SOME LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE
CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Bonds and notes payable.....	(38,865,000)
Bond anticipation notes.....	(2,580,000)
Bond premiums.....	(225,634)
Deferred charge on refunding.....	341,961
Capital leases.....	(496,360)
Compensated absences.....	(7,372,816)
Net OPEB obligation.....	(10,163,536)
Claims and judgments.....	(98,916)
Accrued interest payable.....	(655,455)

NET POSITION OF GOVERNMENTAL ACTIVITIES.....	<u>\$ 32,364,340</u>
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(Concluded)

TOWN OF EAST HAVEN, CONNECTICUTSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Property taxes.....	\$ 61,664,960	\$	\$	\$ 61,664,960
Charges for services.....	1,644,392		2,387,213	4,031,605
Intergovernmental.....	26,362,443	112,392	6,326,100	32,800,935
Investment income.....	23,074		134,108	157,182
Change in fair value of investments.....			79,284	79,284
Contributions.....			13,228	13,228
Other.....	748,688	276,141	22,836	1,047,665
TOTAL REVENUES.....	90,443,557	388,533	8,962,769	99,794,859
EXPENDITURES:				
Current:				
General government.....	2,549,199		184,083	2,733,282
Public safety.....	11,201,915		120,424	11,322,339
Public works.....	5,073,208		791,257	5,864,465
Culture and recreation.....	1,698,347		268,248	1,966,595
Health and welfare.....	989,959		96,554	1,086,513
Employee benefits and insurance.....	10,329,345			10,329,345
Education.....	48,455,006		7,102,452	55,557,458
General services.....	1,882,355			1,882,355
Debt service:				
Principal.....	5,280,000		360,000	5,640,000
Interest.....	1,820,343		56,156	1,876,499
Capital outlay.....		1,259,517	312,087	1,571,604
TOTAL EXPENDITURES.....	89,279,677	1,259,517	9,291,261	99,830,455
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	1,163,880	(870,984)	(328,492)	(35,596)
OTHER FINANCING SOURCES (USES):				
Bond anticipation notes.....		2,580,000		2,580,000
BAN premium.....		29,925		29,925
Transfers in.....			52,645	52,645
Transfers out.....	(1,273)		(51,372)	(52,645)
NET OTHER FINANCING SOURCES (USES).....	(1,273)	2,609,925	1,273	2,609,925
NET CHANGE IN FUND BALANCES.....	1,162,607	1,738,941	(327,219)	2,574,329
FUND BALANCE, JULY 1, 2012.....	437,843	(2,496,969)	3,491,476	1,432,350
FUND BALANCE, JUNE 30, 2013.....	\$ 1,600,450	\$ (758,028)	\$ 3,164,257	\$ 4,006,679

See Notes to Financial Statements.

TOWN OF EAST HAVEN, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ 2,574,329

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

Capital outlay.....	829,039
Depreciation expense.....	(4,104,233)

Total	(3,275,194)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

School building grant receipts.....	(1,932,904)
Change in property tax receivable - accrual basis change.....	(182,971)
Change in property tax interest and lien revenue.....	(186,351)

Total	(2,302,226)
-------------	-------------

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net 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 bond anticipation notes.....	(2,580,000)
Deferred charges.....	(75,466)
Capital lease.....	(306,039)
Principal repayments:	
General obligation bonds.....	5,640,000
Premium.....	13,095
Capital lease.....	262,000
Claims and judgments.....	32,972

Total	2,986,562
-------------	-----------

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

Compensated absences.....	59,549
Early retirement.....	380,854
Net OPEB obligation.....	(2,280,477)
Accrued interest payable.....	96,661

Total	(1,743,413)
-------------	-------------

Internal Service Funds are used by management to charge costs of various self-insured risk premiums to individual departments.....	(1,811,946)
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The net revenue of the activities of the Internal Service Fund is reported with governmental activities.....	895
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CHANGE IN NET POSITION (EXHIBIT B)	\$ (3,570,993)
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TOWN OF EAST HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 61,695,412	\$ 61,695,412	\$ 61,664,960	\$ (30,452)
Intergovernmental.....	22,438,799	21,948,932	22,217,570	268,638
Investment income.....	28,500	28,500	23,074	(5,426)
Charges for services.....	1,733,800	1,733,800	1,644,392	(89,408)
Other.....	812,243	812,243	748,688	(63,555)
TOTAL REVENUES.....	86,708,754	86,218,887	86,298,684	79,797
EXPENDITURES:				
Current:				
General government.....	3,680,318	3,310,600	2,549,199	761,401
Public safety.....	10,945,359	11,238,512	11,201,915	36,597
Highways and engineering.....	2,237,929	2,313,439	2,289,059	24,380
Sanitation and maintenance.....	2,808,201	2,792,516	2,784,149	8,367
Health and welfare.....	1,023,959	997,749	989,959	7,790
Culture and recreation.....	1,724,340	1,711,072	1,698,347	12,725
Employee benefits and insurance.....	10,272,299	10,388,918	10,329,345	59,573
Education.....	44,800,000	44,310,133	44,310,133	-
General services.....	2,116,000	2,054,326	1,882,355	171,971
Debt service.....	7,100,349	7,100,349	7,100,343	6
TOTAL EXPENDITURES.....	86,708,754	86,217,614	85,134,804	1,082,810
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	-	1,273	1,163,880	1,162,607
OTHER FINANCING SOURCES (USES):				
Transfers out.....		(1,273)	(1,273)	-
NET CHANGE IN FUND BALANCE.....	<u>\$ -</u>	<u>\$ -</u>	1,162,607	<u>\$ 1,162,607</u>
FUND BALANCE - JULY 1, 2012.....			437,843	
FUND BALANCE - JUNE 30, 2013.....			<u>\$ 1,600,450</u>	

See Notes to Financial Statements.

TOWN OF EAST HAVEN, CONNECTICUTSTATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2013ASSETS

Cash.....	\$ 979,337
Investments.....	800,829
Accounts receivable.....	86,854
Due from other funds.....	2,974,526
Other asset.....	142,635
	<hr/>
TOTAL ASSETS.....	4,984,181

LIABILITIES

Current liabilities:	
Claims and judgments payable.....	5,018,106
Due to other funds.....	833,713
	<hr/>
Total current liabilities.....	5,851,819
Noncurrent liability:	
Claims and judgments payable.....	13,539,979
	<hr/>
TOTAL LIABILITIES.....	19,391,798

NET POSITION

Unrestricted.....	<u><u>\$ (14,407,617)</u></u>
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See Notes to Financial Statements.

TOWN OF EAST HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

OPERATING REVENUES:	
Charges for services.....	<u>\$ 16,588,972</u>
OPERATING EXPENSES:	
Claims.....	16,769,184
Administration.....	<u>1,631,734</u>
TOTAL OPERATING EXPENSES.....	<u>18,400,918</u>
OPERATING INCOME (LOSS).....	(1,811,946)
NONOPERATING REVENUES:	
Investment income.....	<u>895</u>
CHANGE IN NET POSITION.....	(1,811,051)
TOTAL NET POSITION - JULY 1, 2012.....	<u>(12,596,566)</u>
TOTAL NET POSITION - JUNE 30, 2013.....	<u><u>\$ (14,407,617)</u></u>

See Notes to Financial Statements.

TOWN OF EAST HAVEN, CONNECTICUTSTATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

Premiums received.....	\$ 15,800,155
Payments to vendors.....	(1,631,734)
Payments for claims.....	<u>(14,283,179)</u>

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES..... (114,758)

CASH FLOWS FROM INVESTING ACTIVITIES:

Income (loss) on investments.....	<u>895</u>
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS..... (113,863)

CASH AND CASH EQUIVALENTS - JULY 1, 2012..... 1,894,029

CASH AND CASH EQUIVALENTS - JUNE 30, 2013..... \$ 1,780,166

RECONCILIATION TO STATEMENT OF NET POSITION CASH:

Cash and cash equivalents per above..... \$ 1,780,166

Cash and cash equivalents reported as investments..... (800,829)

STATEMENT OF NET POSITION CASH..... \$ 979,337

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
PROVIDED BY (USED IN) OPERATING ACTIVITIES:

Operating income (loss)..... \$ (1,811,946)

Adjustments to reconcile operating income (loss) to net cash
provided by (used in) operating activities:

(Increase) decrease in:

Accounts receivable.....	20,073
Due from other funds.....	(808,890)
Other asset.....	<u>(55,768)</u>

Increase (decrease) in:

Claims and judgments payable.....	2,241,773
Due to other funds.....	<u>300,000</u>

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES..... \$ (114,758)

See Notes to Financial Statements.

TOWN OF EAST HAVEN, CONNECTICUTSTATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	PRIVATE- PURPOSE TRUST FUNDS	AGENCY FUNDS
<u>ASSETS</u>		
Cash.....	\$ 30,799	\$ 188,935
Investments.....	44,891	53,747
Accounts receivable.....		5,293
TOTAL ASSETS.....	75,690	247,975
<u>LIABILITY</u>		
LIABILITY:		
Accounts payable.....		247,975
<u>NET POSITION</u>		
Held in trust for:		
individuals.....	75,690	
NET POSITION HELD IN TRUST.....	\$ 75,690	\$ -

See Notes to Financial Statements.

TOWN OF EAST HAVEN, CONNECTICUTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2013

	PRIVATE- PURPOSE TRUST FUNDS
ADDITIONS:	
Investment income (loss):	
Interest and dividends.....	\$ 76
DEDUCTIONS:	
Scholarships awarded.....	<u>4,000</u>
CHANGE IN NET POSITION.....	(3,924)
TOTAL NET POSITION, JULY 1, 2012.....	<u>79,614</u>
TOTAL NET POSITION, JUNE 30, 2013.....	<u>\$ 75,690</u>

See Notes to Financial Statements.

TOWN OF EAST HAVEN, CONNECTICUT**NOTES TO FINANCIAL STATEMENTS**

HISTORY AND ORGANIZATION

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

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

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The Town reports the following major governmental funds:

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

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

Additionally, the Town reports the following fund types:

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

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

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

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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Deposits and Investments

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Receivables and Payables

a. Interfunds

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

b. Property Taxes and Other Receivables

In the government-wide financial statements, property tax and related interest and lien fee receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 17 to 62% of outstanding receivable balances and are calculated based upon prior collection history.

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

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

3. Restricted Assets

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

4. Capital Assets

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

5. 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, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town reports the deferred charge on refunding in this category in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town does not currently report any items in this category.

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 deferred and recognized as an inflow of resources in the period that the amounts become available.

6 Net Position Flow Assumption

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Compensated Absences

Employees accumulate, by prescribed formula, vacation, sick and personal days for subsequent use or for payment upon termination or retirement. Expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for amounts expected to be paid with available resources; for example, as a result of employee resignations and retirements.

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.

8. Long-Term Obligations

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

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

Restricted Net 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 restricted.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Fund Equity and Net Position (Continued)

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

Nonspendable

This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted

This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed

This category presents amounts that can be used only for specific purposes determined by a formal action of the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by Town Council.

Assigned

This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by an action by the Town Council or by a properly approved purchase order.

Unassigned

This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Accordingly, actual results could differ from those estimates.

11. Comparative Data/Reclassifications

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

- Prior to March 4, the Mayor submits to the Board of Finance a proposed operating budget for the year commencing the following July 1. The Board of Finance returns the budget to the Mayor with its recommendations by March 23. On or before March 31, the Mayor submits the budget to the Town Council, which calls a public hearing. By April 28, the Town Council votes to adopt the budget. The budget is adopted on a basis consistent with generally accepted accounting principles.
- The Director of Finance may make transfers within a department of amounts not to exceed \$2,500 in any one account in any one year. The Board of Finance is authorized to transfer budgeted amounts within and between departments for amounts up to \$25,000. The Town Council, upon recommendation of the Board of Finance, approves transfers in excess of \$25,000 but not to exceed \$50,000. Transfers in excess of \$50,000 may be authorized only by ordinance. Additional appropriations may be made by ordinance of the Town Council. There were no additional appropriations during the year. The amount budgeted for revenues and expenditures decreased from the original budget by \$489,867 for the ECS advance grant received from the State directly by the Board of Education.
- Formal budgetary integration is employed as a management control device during the year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- Budgeted amounts shown are as originally adopted, or as amended by the Town Council during the course of the year.
- The Board of Education is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Town Council approval.

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

B. Budget - GAAP Reconciliation

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

	<u>REVENUES</u>	<u>EXPENDITURES</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F - JUNE 30, 2013	\$ 86,298,684	\$ 85,134,804
State Teachers' Retirement on-behalf payment	<u>4,144,873</u>	<u>4,144,873</u>
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2013	<u>\$ 90,443,557</u>	<u>\$ 89,279,677</u>

C. Donor Restricted Endowments

The Town has received certain endowments for the Hagan Memorial Library. The amounts are reflected in net position as restricted for endowments. Investment income (including appreciation) is approved for expenditure by the Library Board. At June 30, 2013, the amount of appreciation (depreciation) included in restricted fund balance for the Hagan Memorial Library was \$27,674.

D. Deficit Fund Balances/Net Position

The following funds had deficit fund balances/net position at June 30, 2013:

Daycare	\$ 21,540
School lunch	98,241
Land acquisition	7,766
Self-insurance reserve	5,523,333
Workers' compensation	11,563,946

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

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

III. DETAILED NOTES

A. Cash and Investments

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2013, \$10,664,579 of the Town's bank balance of \$11,545,923 including certificates of deposits and money market accounts, was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 9,523,121
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,141,458</u>
Total amount subject to custodial credit risk.....	<u>\$ 10,664,579</u>

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

At June 30, 2013, the Town's investments (including restricted investments) consisted of the following:

TYPE OF INVESTMENT	FAIR VALUE	INVESTMENT MATURITIES (IN YEARS)		
		N/A	LESS THAN 1	1-5 YEARS
Mutual funds:				
Money market	\$ 44,077	\$	\$ 44,077	\$
Equity	502,429	502,429		
International equity	201,973	201,973		
Bond	140,644			140,644
International bond	46,040		11,567	34,473
Real estate investment trust	69,957	69,957		
Hedge fund	132,181	132,181		
Commodities	77,099	77,099		
Certificates of deposit	865,947		370,130	495,817
Bank money market funds	1,178,541		1,178,541	
U.S. Treasury notes	25,918		16,978	8,940
Pooled fixed income	<u>2,865,085</u>		<u>2,865,085</u>	
TOTAL	<u>\$ 6,149,891</u>	<u>\$ 983,639</u>	<u>\$ 4,486,378</u>	<u>\$ 679,874</u>

Of the \$2,865,085 of pooled fixed income, \$2,387,973 was invested in Short Term Investment Fund ("STIF"). STIF is an investment pool managed by the State of Connecticut Office of the State Treasurer. The balance was invested in a 2a-7 like pool.

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

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

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

III. **DETAILED NOTES (CONTINUED)**

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

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

AVERAGE RATING	MONEY MARKET MUTUAL FUNDS	BOND MUTUAL FUNDS	INTERNATIONAL BOND MUTUAL FUNDS	POOLED FIXED INCOME
AAA	\$ 44,077	\$	\$ 3,962	\$ 2,865,085
AA.....		140,644	2,377	
A.....			3,693	
BBB			4,343	
BB.....			10,818	
B.....			15,245	
CCC.....			5,602	
Unrated.....				
TOTAL.....	\$ 44,077	\$ 140,644	\$ 46,040	\$ 2,865,085

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

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
U.S. Treasury notes	\$ 25,918	\$ 25,918	\$ -

B. **Receivables**

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the Town's government-wide financial statements with allowances for uncollectible accounts as of June 30, 2013, including the applicable allowances for uncollectible accounts, are presented below.

	Taxes	Property Taxes Interest & Lien fees	Total
Current Portion.....	\$ 1,253,490	\$ 171,664	\$ 1,425,154
Long-term Portion	\$ 2,125,190	\$ 1,439,198	\$ 3,564,388
Less Allowance for Uncollectibles ...	(585,000)	(1,000,000)	(1,585,000)
Net Long-term Portion.....	\$ 1,540,190	\$ 439,198	\$ 1,979,388
Total Receivable.....	\$ 2,793,680	\$ 610,862	\$ 3,404,542

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

III. **DETAILED NOTES (CONTINUED)**

C. **Capital Assets**

Capital asset activity for the year ended June 30, 2013 was as follows:

	BALANCE JULY 1, 2012	INCREASES	DECREASES	BALANCE JUNE 30, 2013
<u>Capital Assets, not Being Depreciated:</u>				
Land	\$ 3,497,216	\$	\$	\$ 3,497,216
Construction in progress	4,238,689	829,039	91,790	4,975,938
Total Capital Assets, not Being Depreciated	7,735,905	829,039	91,790	8,473,154
<u>Capital Assets, Being Depreciated:</u>				
Land improvements.....	4,531,824	70,800		4,602,624
Buildings	62,712,818			62,712,818
Building improvements	11,729,139			11,729,139
Machinery and equipment.....	5,225,244			5,225,244
Vehicles	4,484,848	20,990		4,505,838
Infrastructure.....	36,919,321			36,919,321
Total Capital Assets, Being Depreciated	125,603,194	91,790		125,694,984
Total Capital Assets.....	133,339,099	920,829	91,790	134,168,138
<u>Less Accumulated Depreciation for:</u>				
Land improvements.....	1,538,133	174,768		1,712,901
Buildings	18,403,540	983,101		19,386,641
Building improvements	2,455,439	1,568,844		4,024,283
Machinery and equipment.....	3,223,012	270,513		3,493,525
Vehicles	1,803,645	494,785		2,298,430
Infrastructure.....	9,732,705	612,222		10,344,927
Total Accumulated Depreciation	37,156,474	4,104,233	-	41,260,707
Total Capital Assets, Being Depreciated, net	88,446,720	(4,012,443)	-	84,434,277
Capital Assets, net.....	\$ 96,182,625	\$ (3,183,404)	\$ 91,790	\$ 92,907,431

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

Governmental Activities:

General government	\$ 86,175
Public safety	438,865
Public works	832,750
Culture and recreation	123,712
Health and welfare	2,829
Education	2,619,902
Total Depreciation Expense	\$ 4,104,233

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

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts

1. Interfund Payables and Receivables

A summary of interfund balances as of June 30, 2013 is as follows:

	CORRESPONDING FUND	DUE FROM	DUE TO
<u>MAJOR FUNDS:</u>			
GENERAL FUND:			
Capital projects.....	N/A	\$ 1,367,356	\$ 820,933
Public safety	N/A	2,322	25,028
Historical documents preservation	N/A		20,588
Economic development.....	N/A		1,380
Town pool repair.....	N/A		3,155
Open space	N/A		45,000
Workforce alliance.....	N/A	2,905	
Marine enforcement grants	N/A		11,860
Public works state aid.....	N/A		89,037
FEMA	N/A	484,254	23,016
Permanent patch fund.....	N/A		500
East Haven kennel club.....	N/A		29,823
Dog licenses.....	N/A		14,139
Senior center special funding	N/A		12
Teen center	N/A		5,653
Health and welfare	N/A	37	115,028
Emergency management fund.....	N/A		7,300
Day care	N/A	16,198	
High school rental.....	N/A	126,884	
School lunch.....	N/A		2,483
Education grants	N/A	295,203	
Debt service	N/A	20,040	
Road Bonding 2008.....	N/A		2,081
Land acquisition	N/A	7,766	
LOCIP Town clerk fees	N/A		68,191
LOCIP	N/A		48,164
Self-insurance	N/A	833,713	217,663
Workers' compensation.....	N/A		697,614
Medical insurance	N/A		2,059,249
TOTAL GENERAL FUND		3,156,678	4,307,897
CAPITAL PROJECTS	General Fund	820,933	1,367,356

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

III. **DETAILED NOTES (CONTINUED)**

D. **Interfund Accounts (Continued)**

	CORRESPONDING FUND	DUE FROM	DUE TO
NONMAJOR GOVERNMENTAL FUNDS:			
SPECIAL REVENUE FUNDS:			
Public safety	General Fund	\$ 25,028	\$ 2,322
Historical documents preservation	General Fund	20,588	
Economic development	General Fund	1,380	
Town pool repair	General Fund	3,155	
Open space	General Fund	45,000	
Workforce alliance	General Fund		2,905
Marine enforcement grants	General Fund	11,860	
Public works state aid	General Fund	89,037	
FEMA	General Fund	23,016	484,254
Permanent patch fund	General Fund	500	
East Haven kennel club	General Fund	29,823	
Dog licenses	General Fund	14,139	
Senior center special funding	General Fund	12	
Teen center	General Fund	5,653	
Health and welfare	General Fund	115,028	37
Emergency management fund	General Fund	7,300	
Daycare	General Fund		16,198
High school rental	General Fund		126,884
School lunch	General Fund	2,483	
Adult education	Education Grants	475	
Education grants fund	General Fund		295,203
Education grants fund	Adult Education		475
DEBT SERVICE FUND:			
WPCA debt service fund	General Fund		20,040
CAPITAL PROJECTS FUNDS:			
Road Bonding 2008	General Fund	2,081	
Land acquisition	General Fund		7,766
LOCIP	General Fund	48,164	
LOCIP Town clerk fees	General Fund	68,191	
TOTAL NONMAJOR GOVERNMENTAL FUNDS		512,913	956,084
INTERNAL SERVICE FUNDS:			
Self-insurance	General Fund	217,663	833,713
Workers' compensation	General Fund	697,614	
Medical insurance	General Fund	2,059,249	
TOTAL INTERNAL SERVICE FUNDS		2,974,526	833,713
GRAND TOTAL		\$ 7,465,050	\$ 7,465,050

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

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

III. DETAILED NOTES (CONTINUED)

E. Transfers In/Out

A summary of interfund transfers for the year ended June 30, 2013 is as follows:

	<u>CORRESPONDING FUND</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
MAJOR FUNDS:			
GENERAL FUND:			
Health and welfare	n/a	\$	\$ 1,273
NONMAJOR FUNDS:			
SPECIAL REVENUE FUNDS:			
Hagaman Memorial Library	Library Fund	2,193	
Hagaman Memorial Library	Library Building Project	1,514	
Hagaman Memorial Library	Issac Hagaman Library Fund	47,665	
Health and welfare	General Fund	1,273	
TOTAL SPECIAL REVENUE FUNDS		<u>52,645</u>	<u>-</u>
PERMANENT FUNDS:			
Library Fund.....	Hagaman Memorial Library Fund		2,193
Issac Hagaman Library Fund.....	Hagaman Memorial Library Fund		47,665
Library Building Project.....	Hagaman Memorial Library Fund		1,514
TOTAL PERMANENT FUNDS.....		<u>-</u>	<u>51,372</u>
GRAND TOTAL.....		<u>\$ 52,645</u>	<u>\$ 52,645</u>

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

F. Short-Term Obligations - Bond Anticipation Notes

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

Short-term obligation activity for the year ended June 30, 2013 was as follows:

	<u>BALANCE JULY 1, 2012</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>PERMANENTLY FINANCED</u>	<u>BALANCE JUNE 30, 2013</u>
BOND ANTICIPATION NOTES:					
School improvements 12-13	\$ 1,400,000	\$	\$ 1,400,000	\$	\$ -
School roofs and solar panels....		1,330,000		1,285,000	45,000
Capital budget 12/13	1,295,000	1,295,000	1,295,000	1,295,000	-
	<u>\$ 2,695,000</u>	<u>\$ 2,625,000</u>	<u>\$ 2,695,000</u>	<u>\$ 2,580,000</u>	<u>\$ 45,000</u>

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

III. DETAILED NOTES (CONTINUED)

In August 2013, the Town issued \$4,435,000 of bonds to permanently finance the \$2,580,000 of bond anticipation notes outstanding at June 30, 2013 and to finance the costs associated with the Department of Justice settlement. The bonds mature in 2026 and carry interest rates from 2.0% to 4.0%.

G. Changes in Long-Term Obligations

1. Summary of Changes

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

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2012	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2013	CURRENT PORTION
<u>BONDS/NOTES:</u>									
General Purpose:									
Refunding Bond ..	\$ 4,505,600	02/15/03	2016	3.28%	\$ 1,005,900	\$	\$ 408,750	\$ 597,150	\$ 290,300
Improvement Bond	6,031,000	08/15/05	2025	3.50-5.00%	4,441,000		315,000	4,126,000	315,000
Refunding Bond ..	3,609,000	08/15/05	2015	3.00-4.25%	1,145,000		390,000	755,000	380,000
Improvement Bond	3,000,000	08/24/07	2028	4.1-5.5%	2,400,000		150,000	2,250,000	150,000
Improvement Bond	6,941,000	07/22/09	2028	5.00-6.00%	6,941,000		420,000	6,521,000	420,000
Refunding Bond ..	3,880,000	07/28/10	2030	3.00%	3,570,000		370,000	3,200,000	370,000
Improvement Bond	3,655,000	07/28/10	2021	3.00%	3,655,000			3,655,000	205,616
Improvement Bond	1,275,000	07/26/11	2026	2.00%	1,275,000			1,275,000	105,000
Total General Purpose					24,432,900	-	2,053,750	22,379,150	2,235,916
Schools:									
Refunding Bond ..	25,294,000	02/15/03	2017	3.28%	8,464,100		2,026,250	6,437,850	1,899,700
School Bonds.....	149,000	08/15/05	2018	3.50-5.00%	59,000		10,000	49,000	10,000
Refunding Bond ..	13,991,000	08/15/05	2019	3.00-4.25%	7,685,000		1,150,000	6,535,000	1,155,000
School Bonds.....	654,000	07/22/09	2028	5.00-6.00%	654,000		40,000	614,000	40,000
School Bonds.....	1,500,000	07/28/10	2021	3.00%	1,500,000			1,500,000	84,384
School Bonds.....	270,000	07/26/11	2021	2.00%	270,000			270,000	30,500
Total Schools					18,632,100	-	3,226,250	15,405,850	3,219,584
Sewer:									
Sewer Bond	5,000,000	12/01/01	2016	4.2500%	1,440,000		360,000	1,080,000	360,000
TOTAL BONDS/NOTES					44,505,000	-	5,640,000	38,865,000	5,815,000
BOND ANTICIPATION NOTES						2,580,000		2,580,000	
PREMIUM					238,729		13,095	225,634	
TOTAL BONDS/NOTES AND RELATED LIABILITIES					44,743,729	2,580,000	5,653,095	41,670,634	5,815,000
CAPITAL LEASE					452,321	306,039	262,000	496,360	243,684
COMPENSATED ABSENCES					7,432,365	2,351,713	2,411,262	7,372,816	1,474,563
EARLY RETIREMENT					380,854		380,854	-	
NET OPEB OBLIGATIONS					7,883,059	2,280,477		10,163,536	
CLAIMS AND JUDGMENTS					131,888		32,972	98,916	32,972
RISK MANAGEMENT (INTERNAL SERVICE FUNDS)					16,316,312	17,466,589	15,224,816	18,558,085	5,018,106
TOTAL LONG-TERM OBLIGATIONS					\$ 77,340,528	\$ 24,984,818	\$ 23,964,999	\$ 78,360,347	\$ 12,584,325

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

III. DETAILED NOTES (CONTINUED)

G. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

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

FISCAL YEAR ENDED JUNE 30,	AMOUNT TO BE PROVIDED BY STATE OF CT		BONDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2014	\$1,531,783	\$244,906	\$ 5,815,000	\$ 1,561,548
2015	1,429,567	181,563	5,570,000	1,319,619
2016	1,430,129	117,053	5,190,000	1,085,937
2017	1,050,385	63,363	3,935,000	895,970
2018	629,385	28,219	2,940,000	754,744
2019	339,627	7,258	2,380,000	641,844
2020			1,725,000	555,187
2021			1,720,000	481,082
2022			1,720,000	406,426
2023			1,310,000	340,694
2024			1,310,000	282,014
2025			1,310,000	222,576
2026			950,000	170,026
2027			915,000	125,026
2028			855,000	81,912
2029			705,000	43,069
2030			290,000	18,038
2031			225,000	5,484
TOTALS	\$6,410,876	\$642,362	\$ 38,865,000	\$ 8,991,196

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

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

CATEGORY	DEBT LIMIT	INDEBTEDNESS	NET BALANCE
General purpose.....	\$ 137,197,445	\$ 23,674,150	\$ 113,523,295
Schools.....	274,394,889	10,324,974	264,069,915
Sewers	228,662,408	1,080,000	227,582,408
Urban renewal	198,174,087		198,174,087
Pension deficit	182,929,926		182,929,926

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

III. DETAILED NOTES (CONTINUED)

G. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$426,836,494.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$6,410,876 for bond principal is reflected as deductions in the computation of net indebtedness.

2. Capital Lease

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

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

The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The following is a schedule of the minimum lease payments under the lease, and the present value of the future minimum lease payments at June 30, 2013.

YEAR ENDING <u>JUNE 30,</u>	
2014	\$ 262,000
2015	262,000
Less amount representing interest	<u>(27,640)</u>
Present value of minimum lease payments	<u>\$ 496,360</u>

3. Termination Benefits

The Town has provided early retirement incentive benefits to former employees. Benefits were paid annually based on the retirement agreement for each employee from the general fund budget. Benefits were payable annually through 2013.

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

During the fiscal year ended June 30, 2013, \$380,854 was paid for these benefits.

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

III. DETAILED NOTES (CONTINUED)

G. Changes in Long-Term Obligations (Continued)

4. Authorized/Unissued Bonds

At June 30, 2013, the Town had authorized and unissued bonds as follows:

	<u>AUTHORIZED/ UNISSUED BONDS</u>
General purpose.....	\$ 6,571,493
Schools.....	<u>4,131,000</u>
Total	<u>\$ 10,702,493</u>

5. Prior Years' Advanced Refunding

In prior years, the Town has defeased a bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Town's financial statements. As of June 30, 2013, the amount of defeased debt outstanding but removed from the Town's financial statements amounted to \$16,755,000.

H. Restricted Net Position

The amount of restricted net position, which was restricted by enabling legislation, totaled \$71,378 at June 30, 2013.

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

III. DETAILED NOTES (CONTINUED)

I. Fund Balance Classifications

As of June 30, 2013, fund balances are composed of the following:

<u>Fund Balance Component</u>	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Nonspendable:				
Permanent fund principal	\$	\$	\$ 100,000	\$ 100,000
Restricted:				
Grant programs			210,138	210,138
Donor purpose restrictions			1,567,686	1,567,686
Public safety programs			35,684	35,684
Historical document preservation			15,018	15,018
Education			74,143	74,143
Total restricted	-	-	1,902,669	1,902,669
Committed:				
Senior center			5,834	5,834
Health and welfare programs			35,534	35,534
Emergency medical service			91,398	91,398
Approved capital projects			145,158	145,158
Total committed	-	-	277,924	277,924
Assigned:				
Recreation			48,155	48,155
Public works			500	500
Economic development			1,380	1,380
Animal control			42,118	42,118
Teen center			5,653	5,653
Library operations			89,201	89,201
Education programs			23,968	23,968
Debt service			800,236	800,236
Total assigned	-	-	1,011,211	1,011,211
Unassigned	1,600,450	(758,028)	(127,547)	714,875
Total	\$ 1,600,450	\$ (758,028)	\$ 3,164,257	\$ 4,006,679

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

IV. OTHER INFORMATION

A. Risk Management

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

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

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

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

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

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

	Claims Payable July 1,	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,
Self-Insurance Fund:				
2012	\$ 2,140,000	\$ 1,794,845	\$ 184,845	\$ 3,750,000
2013	3,750,000	1,806,000	325,000	5,231,000
Workers' Compensation Fund:				
2012	11,163,794	2,659,664	2,073,146	11,750,312
2013	11,750,312	3,182,583	2,523,810	12,409,085
Medical Insurance Fund:				
2012	697,863	11,598,609	11,480,472	816,000
2013	816,000	11,780,601	11,678,601	918,000

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

IV. OTHER INFORMATION (CONTINUED)

B. Commitments and Litigation

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

In December 2013, there was a judgment against the Town for \$12.2 million for lawsuit brought from a personal injury case. The Town is appealing the judgment and plans to vigorously contest the case. The claim value may be impacted by both the pre and post judgment interest as well as any available insurance coverage.

C. Pension Plans

Municipal Employees' Retirement Fund

a. Plan Description

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

b. Plan Provisions

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

c. Funding Policy

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

The required and actual contributions for the years ended June 30, 2011, 2012 and 2013 were \$2,194,623, \$2,494,305 and \$2,409,656, respectively.

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

IV. OTHER INFORMATION (CONTINUED)

D. Other Post Employment Benefit Plans

1. Plan Description

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

2. Benefit Provisions

a. Benefit Provisions

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

b. Employer Contributions

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town and Board of Education's total plan contributions were \$1,659,647 and \$1,842,684, respectively.

c. Employee Contributions

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

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

IV. OTHER INFORMATION (CONTINUED)

D. Other Post Employment Benefit Plans (Continued)

3. Funded Status and Funding Progress

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

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

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

4. Actuarial Methods and Assumptions

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

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

IV. OTHER INFORMATION (CONTINUED)

D. Other Post Employment Benefit Plans (Continued)

4. Actuarial Methods and Assumptions (Continued)

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

Valuation date	June 30, 2011
Actuarial cost method	Projected Unit Credit
Amortization method	Payments Increasing at 4%
Remaining amortization period - Town	26 Years Open
Remaining amortization period - Board	15 Years Closed

ACTUARIAL ASSUMPTIONS:

Investment rate of return	4.5%
Healthcare inflation rate:	
Initial	9.5%
Ultimate	5.0%
Inflation rate	4.0%

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

The changes in the NOO were as follows:

	<u>TOWN</u>	<u>BOARD OF EDUCATION</u>
Annual required contribution (ARC)	\$ 3,794,130	\$ 1,926,328
Interest on net OPEB obligation	349,319	5,419
Adjustment to annual required contribution	<u>(283,319)</u>	<u>(9,069)</u>
Annual OPEB cost (AOC)	3,860,130	1,922,678
Contributions made	<u>1,659,647</u>	<u>1,842,684</u>
Change in net OPEB obligation	2,200,483	79,994
Net OPEB obligation - July 1, 2012	<u>7,762,647</u>	<u>120,412</u>
Net OPEB obligation - June 30, 2013	<u>\$ 9,963,130</u>	<u>\$ 200,406</u>

IV. OTHER INFORMATION (CONTINUED)

D. Other Post Employment Benefit Plans (Continued)

6. Three Year Trend Information

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
<u>TOWN</u>			
2011	\$ 3,499,293	57.2%	\$ 5,558,246
2012	3,678,814	40.1%	7,762,647
2013	3,860,130	43.5%	9,963,130
<u>BOARD OF EDUCATION</u>			
2011	1,658,972	99.8%	167,116
2012	1,739,574	102.4%	120,412
2013	1,922,678	95.8	200,406

E. On-Behalf Payments

The amount of the State Teachers' Retirement Plan contribution recognized in the General Fund intergovernmental revenues and education expenditures for contributions made by the State on-behalf of the Town's teachers was \$4,144,873.

Required Supplementary Information

TOWN OF EAST HAVEN, CONNECTICUTREQUIRED SUPPLEMENTARY INFORMATION
EAST HAVEN OTHER POST EMPLOYMENT BENEFIT PLANS**SCHEDULES OF FUNDING PROGRESS****TOWN PLAN**

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

BOARD OF EDUCATION PLAN

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

N/A - No data available.

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

ACTUARIAL VALUATION DATE	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
<u>JUNE 30,</u>			
2009	\$ 3,251,952	\$ 1,502,812	46.2%
2010	3,402,672	1,098,009	32.3%
2011	3,455,700	1,995,205	57.7%
2012	3,625,994	1,474,413	40.7%
2013	3,794,130	1,659,647	43.7%

BOARD OF EDUCATION PLAN

ACTUARIAL VALUATION DATE	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
<u>JUNE 30,</u>			
2009	\$ 1,252,326	\$ 1,220,310	97.4%
2010	1,311,234	1,203,242	91.8%
2011	1,661,931	1,658,972	99.8%
2012	1,743,829	1,786,278	102.4%
2013	1,926,328	1,842,684	95.7%

Supplemental Schedules

General Fund

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

TOWN OF EAST HAVEN, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Real estate.....	\$ 52,889,701	\$ 52,889,701	\$ 52,696,198	\$ (193,503)
Motor vehicle and personal property.....	6,384,224	6,384,224	6,039,900	(344,324)
Supplemental motor vehicle.....	499,185	499,185	547,866	48,681
Delinquent taxes.....	575,500	575,500	853,400	277,900
Suspense collections.....	80,000	80,000	69,041	(10,959)
Interest, penalties and liens.....	411,610	411,610	624,556	212,946
PILOT water authority.....	717,192	717,192	717,192	-
PILOT GNHWPCA.....	63,000	63,000	63,000	-
Telecommunication property tax.....	75,000	75,000	53,807	(21,193)
TOTAL PROPERTY TAXES.....	61,695,412	61,695,412	61,664,960	(30,452)
INTERGOVERNMENTAL:				
State aid school construction.....	1,932,907	1,932,907	1,932,904	(3)
Health and welfare nonpublic school.....	20,000	20,000	28,295	8,295
Pupil transportation.....	250,442	250,442	275,988	25,546
Education block grant.....	19,253,992	18,764,125	18,778,306	14,181
PILOT state property.....	252,734	252,734	241,025	(11,709)
PILOT Pequot funds.....	173,318	173,318	171,955	(1,363)
Elderly circuit breaker.....	372,230	372,230	317,295	(54,935)
Tax relief elderly.....	8,000	8,000	8,000	-
Veterans' exemption.....	75,504	75,504	81,651	6,147
Disability reimbursement.....	7,000	7,000	5,721	(1,279)
Municipal revenue sharing.....			289,059	289,059
Off Track Betting (OTB).....	69,172	69,172	65,302	(3,870)
State of CT department of children.....	23,500	23,500	22,069	(1,431)
TOTAL INTERGOVERNMENTAL.....	22,438,799	21,948,932	22,217,570	268,638
INVESTMENT INCOME.....	28,500	28,500	23,074	(5,426)
CHARGES FOR SERVICES:				
Zoning board of appeals.....	3,000	3,000	2,736	(264)
Zoning fees.....	15,000	15,000	11,375	(3,625)
Police permits, tags, etc.....	14,000	14,000	21,946	7,946
Fire permits/fees.....	2,000	2,000	505	(1,495)
Town clerk fees.....	355,000	355,000	338,292	(16,708)
Town clerk state license fees			179	179
Building dept permits.....	145,000	145,000	216,101	71,101
Recreation fees.....	98,000	98,000	113,905	15,905
Pool fees.....	16,500	16,500	14,062	(2,438)
Athletic complex fees.....	280,000	280,000	251,890	(28,110)
C.A.M. fees.....	500	500	810	310
Human services fees.....	145,000	145,000	142,827	(2,173)
Landfill fees.....	15,000	15,000	13,065	(1,935)
Solid waste hauler fees.....	12,500	12,500		(12,500)
Inland/wetland prints.....	1,300	1,300		(1,300)
Flood and erosion.....	1,000	1,000	1,625	625
Police special assignments.....	630,000	630,000	515,074	(114,926)
TOTAL CHARGES FOR SERVICES.....	1,733,800	1,733,800	1,644,392	(89,408)

(Continued)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
OTHER:				
Employee benefit cost sharing.....	\$ 337,243	\$ 337,243	\$ 337,507	\$ 264
Workman comp. reimbursement.....	325,000	325,000	260,985	(64,015)
Farmers market.....			520	520
Memorial park benches.....			1,590	1,590
Miscellaneous.....	150,000	150,000	148,086	(1,914)
TOTAL OTHER	812,243	812,243	748,688	(63,555)
TOTAL REVENUES.....	\$ 86,708,754	\$ 86,218,887	\$ 86,298,684	\$ 79,797

(Concluded)

TOWN OF EAST HAVEN, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
Town Council.....	\$ 71,600	\$ 71,600	\$ 71,473	\$ 127
Board of Finance.....	6,800	6,800	5,667	1,133
Mayor.....	129,525	129,525	129,487	38
Finance.....	416,353	387,256	384,760	2,496
Purchasing.....	47,430	47,430	38,452	8,978
Tax collector.....	267,008	267,008	264,584	2,424
Assessor.....	241,714	240,714	238,900	1,814
Personnel, administration and management.....	299,105	442,892	424,622	18,270
Board of assessment appeals.....	1,600	1,800	1,600	200
Town clerk.....	244,999	239,149	234,917	4,232
Registrar of Voters.....	143,770	127,179	121,371	5,808
Planning and zoning.....	162,916	154,359	152,186	2,173
Zoning board of appeals.....	2,975	3,525	3,150	375
Legal.....	386,000	434,945	428,450	6,495
Probate.....	6,500	6,500	4,797	1,703
Civil service.....	46,223	46,223	43,162	3,061
Flood and erosion.....	1,300	1,300		1,300
Inland/wetland.....	1,900	1,900	499	1,401
Fund balance contribution.....	1,200,000	697,895		697,895
School building committee.....	2,600	2,600	1,122	1,478
TOTAL GENERAL GOVERNMENT.....	3,680,318	3,310,600	2,549,199	761,401
PUBLIC SAFETY:				
Board of police commissioners.....	2,025	2,025	1,604	421
Canine control.....	217,201	217,201	198,571	18,630
Police department.....	5,231,444	5,299,250	5,287,057	12,193
Board of fire commissioners.....	13,750	14,989	13,537	1,452
Fire department.....	5,480,939	5,705,047	5,701,146	3,901
TOTAL PUBLIC SAFETY.....	10,945,359	11,238,512	11,201,915	36,597
HIGHWAYS AND ENGINEERING:				
Engineering.....	139,129	139,129	120,301	18,828
Highways.....	2,098,800	2,174,310	2,168,758	5,552
TOTAL HIGHWAYS AND ENGINEERING.....	2,237,929	2,313,439	2,289,059	24,380
SANITATION AND MAINTENANCE:				
Building department.....	144,912	144,912	141,758	3,154
Sanitation.....	1,983,103	1,922,227	1,920,667	1,560
Building maintenance.....	680,186	725,377	721,724	3,653
TOTAL SANITATION AND MAINTENANCE.....	2,808,201	2,792,516	2,784,149	8,367

(Continued)

SCHEDULE 2
(2 of 2)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
HEALTH AND WELFARE:				
Public health.....	\$ 242,657	\$ 240,807	\$ 240,514	\$ 293
Social services.....	82,216	82,216	81,752	464
Counseling and community services.....	637,834	618,934	614,546	4,388
Housing authority.....	13,612	8,152	7,637	515
Urban renewal.....	47,640	47,640	45,510	2,130
TOTAL HEALTH AND WELFARE.....	1,023,959	997,749	989,959	7,790
CULTURE AND RECREATION:				
Recreation.....	441,598	438,425	433,372	5,053
Recreation - ice rink.....	269,033	258,938	257,719	1,219
Senior center.....	204,519	204,519	204,109	410
Library.....	733,040	733,040	733,040	-
Community services.....	76,150	76,150	70,107	6,043
TOTAL CULTURE AND RECREATION.....	1,724,340	1,711,072	1,698,347	12,725
EMPLOYEE BENEFITS AND INSURANCE:				
Employee benefits.....	7,657,299	8,013,382	8,013,070	312
Insurance.....	2,615,000	2,375,536	2,316,275	59,261
TOTAL EMPLOYEE BENEFITS AND INSURANCE..	10,272,299	10,388,918	10,329,345	59,573
EDUCATION.....	44,800,000	44,310,133	44,310,133	-
GENERAL SERVICES.....	2,116,000	2,054,326	1,882,355	171,971
DEBT SERVICE:				
Principal.....	5,280,000	5,280,000	5,280,000	-
Interest.....	1,820,349	1,820,349	1,820,343	6
TOTAL DEBT SERVICE.....	7,100,349	7,100,349	7,100,343	6
TOTAL EXPENDITURES.....	86,708,754	86,217,614	85,134,804	1,082,810
OTHER FINANCING USES:				
Transfers out.....		1,273	1,273	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 86,708,754	\$ 86,218,887	\$ 85,136,077	\$ 1,082,810

(Concluded)

TOWN OF EAST HAVEN, CONNECTICUT

SCHEDULE 3

REPORT OF TAX COLLECTOR
YEAR ENDED JUNE 30, 2013

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GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2012	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED AMOUNT COLLECTIBLE	TAXES COLLECTED	INTEREST & LIEN FEES	TOTAL	UNCOLLECTED TAXES JUNE 30, 2013
			ADDITIONS	DEDUCTIONS						
1996	\$ 62,091	\$	\$	\$	\$ 62,091	\$ -	\$	\$	\$ -	\$ -
1997	53,835				29,974	23,861			-	23,861
1998	49,853				25,809	24,044			-	24,044
1999	51,866				27,489	24,377			-	24,377
2000	61,447				30,215	31,232			-	31,232
2001	60,608		170		25,643	35,135	2	23	25	35,133
2002	73,458				42,408	31,050			-	31,050
2003	66,562					66,562			-	66,562
2004	77,044		730			77,774	730		730	77,044
2005	80,096					80,096			-	80,096
2006	101,504					101,504	2,359	1,742	4,101	99,145
2007	135,681			801		134,880	17,625	17,898	35,523	117,255
2008	265,708		91,150	826		356,032	158,978	41,159	200,137	197,054
2009	646,240		2,173	1,161		647,252	177,332	63,357	240,689	469,920
2010	1,628,574		4,902	22,738	157,171	1,453,567	804,796	175,781	980,577	648,771
TOTAL PRIOR YEARS	3,414,567	-	99,125	25,526	400,800	3,087,366	1,161,822	299,960	1,461,782	1,925,544
2011		60,956,889	121,183	443,156	3,085	60,631,831	59,178,695	259,124	59,437,819	1,453,136
TOTAL	\$ 3,414,567	\$ 60,956,889	\$ 220,308	\$ 468,682	\$ 403,885	\$ 63,719,197	60,340,517	559,084	60,899,601	\$ 3,378,680
Suspense collections							69,041		69,041	
Totals							\$ 60,409,558	\$ 559,084	\$ 60,968,642	

Nonmajor Governmental Funds

Special Revenue Funds

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

Public Safety

Historical Documents Preservation

Economic Development

Town Pool Repair

Open Space

Marine Enforcement Grants

Public Works State Aid

FEMA

Permanent Patch Fund

East Haven Kennel Club

Small Cities

Dog Licenses

Senior Center Special Funding

Senior Center

Teen Center

Hagaman Memorial Library

Health and Welfare

Emergency Management Fund

Day Care

Athletic Department

High School Rental

School Lunch

Adult Education

Education Grants

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Debt Service

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

Capital Projects Funds

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

Road Bonding 2008

Land Acquisition

LOCIP

LOCIP Town Clerk Fees

Permanent Funds

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

J. Woodward Thompson Education Fund

Library Fund

Library Building Project

Isaac Hagaman Library Fund

A. J. Berman Library Fund

TOWN OF EAST HAVEN, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	SPECIAL REVENUE FUNDS						
	PUBLIC SAFETY	HISTORICAL DOCUMENTS PRESERVATION	ECONOMIC DEVELOPMENT	TOWN POOL REPAIR	OPEN SPACE	WORKFORCE ALLIANCE	MARINE ENFORCEMENT GRANTS
ASSETS							
Cash.....	\$ 10,478	\$	\$	\$	\$	\$	\$
Investments.....							
Receivables:							
Intergovernmental.....						2,905	
Other.....							
Due from other funds.....	25,028	20,588	1,380	3,155	45,000		11,860
Other.....							
TOTAL ASSETS.....	\$ 35,506	\$ 20,588	\$ 1,380	\$ 3,155	\$ 45,000	\$ 2,905	\$ 11,860
LIABILITIES							
Accounts payable.....	\$ 4,800	\$ 5,570	\$	\$	\$	\$	\$
Accrued payroll.....							
Due to other funds.....	2,322					2,905	
Unearned revenue.....							
TOTAL LIABILITIES.....	7,122	5,570	-	-	-	2,905	-
FUND BALANCES							
Nonspendable.....							
Restricted.....	28,384	15,018					11,860
Committed.....							
Assigned.....			1,380	3,155	45,000		
Unassigned.....							
TOTAL FUND BALANCES.....	28,384	15,018	1,380	3,155	45,000	-	11,860
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 35,506	\$ 20,588	\$ 1,380	\$ 3,155	\$ 45,000	\$ 2,905	\$ 11,860

(Continued)

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

	SPECIAL REVENUE FUNDS					
	PUBLIC WORKS STATE AID	FEMA	PERMANENT PATCH FUND	EAST HAVEN KENNEL CLUB	SMALL CITIES	DOG LICENSES
<u>ASSETS</u>						
Cash.....	\$	\$	\$	\$	\$ 123,362	\$
Investments.....						
Receivables:						
Intergovernmental.....		563,718				
Other.....						
Due from other funds.....	89,037	23,016	500	29,823		14,139
Other.....						
TOTAL ASSETS.....	\$ 89,037	\$ 586,734	\$ 500	\$ 29,823	\$ 123,362	\$ 14,139
<u>LIABILITIES</u>						
Accounts payable.....	\$ 12,664	\$ 43,898	\$	\$ 899	\$ 27,448	\$ 945
Accrued payroll.....						
Due to other funds.....		484,254				
Unearned revenue.....	76,373	58,582				
TOTAL LIABILITIES.....	89,037	586,734	-	899	27,448	945
<u>FUND BALANCES</u>						
Nonspendable.....						
Restricted.....					95,914	
Committed.....						
Assigned.....			500	28,924		13,194
Unassigned.....						
TOTAL FUND BALANCES.....	-	-	500	28,924	95,914	13,194
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 89,037	\$ 586,734	\$ 500	\$ 29,823	\$ 123,362	\$ 14,139

(Continued)

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

	SPECIAL REVENUE FUNDS					
	SENIOR CENTER SPECIAL FUNDING	SENIOR CENTER	TEEN CENTER	HAGAMAN MEMORIAL LIBRARY	HEALTH AND WELFARE	EMERGENCY MANAGEMENT FUND
<u>ASSETS</u>						
Cash.....	\$	\$ 5,822	\$	\$ 89,201	\$ 3	\$
Investments.....						
Receivables:						
Intergovernmental.....					20,215	
Other.....						
Due from other funds.....	12		5,653		115,028	7,300
Other.....						
TOTAL ASSETS.....	\$ 12	\$ 5,822	\$ 5,653	\$ 89,201	\$ 135,246	\$ 7,300
<u>LIABILITIES</u>						
Accounts payable.....	\$	\$	\$	\$	\$ 8,277	\$
Accrued payroll.....						
Due to other funds.....					37	
Unearned revenue.....						
TOTAL LIABILITIES.....	-	-	-	-	8,314	-
<u>FUND BALANCES</u>						
Nonspendable.....						
Restricted.....						7,300
Committed.....	12	5,822			126,932	
Assigned.....			5,653	89,201		
Unassigned.....						
TOTAL FUND BALANCES.....	12	5,822	5,653	89,201	126,932	7,300
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 12	\$ 5,822	\$ 5,653	\$ 89,201	\$ 135,246	\$ 7,300

(Continued)

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

	SPECIAL REVENUE FUNDS						TOTAL SPECIAL REVENUE FUNDS
	DAYCARE	ATHLETIC DEPARTMENT	HIGH SCHOOL RENTAL	SCHOOL LUNCH	ADULT EDUCATION	EDUCATION GRANTS	
ASSETS							
Cash.....	\$ 21,317	\$ 23,968	\$ 209,078	\$ 16,601	\$ 5,225	\$ 913,986	\$ 1,419,041
Investments.....							-
Receivables:							
Intergovernmental.....				150,784		5,016	739,733
Other.....				14,479			17,384
Due from other funds.....				2,483	475		394,477
Other.....				16,463			16,463
TOTAL ASSETS.....	\$ 21,317	\$ 23,968	\$ 209,078	\$ 200,810	\$ 5,700	\$ 919,002	\$ 2,587,098
LIABILITIES							
Accounts payable.....	\$ 4,782	\$	\$ 10,816	\$ 299,051	\$ 2,935	\$ 112,059	\$ 534,144
Accrued payroll.....	21,877					289,791	311,668
Due to other funds.....	16,198		126,884			295,678	928,278
Unearned revenue.....						119,110	254,065
TOTAL LIABILITIES.....	42,857	-	137,700	299,051	2,935	816,638	2,028,155
FUND BALANCES							
Nonspendable.....							-
Restricted.....			71,378		2,765	102,364	334,983
Committed.....							132,766
Assigned.....		23,968					210,975
Unassigned.....	(21,540)			(98,241)			(119,781)
TOTAL FUND BALANCES.....	(21,540)	23,968	71,378	(98,241)	2,765	102,364	558,943
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 21,317	\$ 23,968	\$ 209,078	\$ 200,810	\$ 5,700	\$ 919,002	\$ 2,587,098

(Continued)

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

	DEBT SERVICE	CAPITAL PROJECTS FUNDS				
	DEBT SERVICE	ROAD BONDING 2008	LAND ACQUISITION	LOCIP	LOCIP TOWN CLERK FEES	TOTAL CAPITAL PROJECTS FUNDS
ASSETS						
Cash.....	\$ 27,049	\$	\$	\$	\$	\$ -
Investments.....	793,227					-
Receivables:						
Intergovernmental.....				26,722		26,722
Other.....						-
Due from other funds.....		2,081		48,164	68,191	118,436
Other.....						-
TOTAL ASSETS.....	\$ 820,276	\$ 2,081	\$ -	\$ 74,886	\$ 68,191	\$ 145,158
LIABILITIES						
Accounts payable.....	\$	\$	\$	\$	\$	\$ -
Accrued payroll.....						-
Due to other funds.....	20,040		7,766			7,766
Unearned revenue.....						-
TOTAL LIABILITIES.....	20,040	-	7,766	-	-	7,766
FUND BALANCES						
Nonspendable.....						-
Restricted.....						-
Committed.....		2,081		74,886	68,191	145,158
Assigned.....	800,236					-
Unassigned.....			(7,766)			(7,766)
TOTAL FUND BALANCES.....	800,236	2,081	(7,766)	74,886	68,191	137,392
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 820,276	\$ 2,081	\$ -	\$ 74,886	\$ 68,191	\$ 145,158

(Continued)

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

	PERMANENT FUNDS						
	J. WOODWARD THOMPSON EDUCATION FUND	LIBRARY FUND	LIBRARY BUILDING PROJECT	ISAAC HAGAMAN LIBRARY FUND	A. J. BERMAN LIBRARY FUND	TOTAL PERMANENT FUNDS	TOTAL
<u>ASSETS</u>							
Cash.....	\$	\$	\$	\$	\$	\$	\$
Investments.....	417,935	17,156	18,195	1,197,182	17,218	35,351	1,481,441
Receivables:						1,632,335	2,425,562
Intergovernmental.....						-	766,455
Other.....						-	17,384
Due from other funds.....						-	512,913
Other.....						-	16,463
TOTAL ASSETS.....	\$ 417,935	\$ 17,156	\$ 18,195	\$ 1,197,182	\$ 17,218	\$ 1,667,686	\$ 5,220,218
<u>LIABILITIES</u>							
Accounts payable.....	\$	\$	\$	\$	\$	\$	\$
Accrued payroll.....						-	534,144
Due to other funds.....						-	311,668
Unearned revenue.....						-	956,084
TOTAL LIABILITIES.....	-	-	-	-	-	-	254,065
							2,055,961
<u>FUND BALANCES</u>							
Nonspendable.....				100,000		100,000	100,000
Restricted.....	417,935	17,156	18,195	1,097,182	17,218	1,567,686	1,902,669
Committed.....						-	277,924
Assigned.....						-	1,011,211
Unassigned.....						-	(127,547)
TOTAL FUND BALANCES.....	417,935	17,156	18,195	1,197,182	17,218	1,667,686	3,164,257
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 417,935	\$ 17,156	\$ 18,195	\$ 1,197,182	\$ 17,218	\$ 1,667,686	\$ 5,220,218

(Concluded)

TOWN OF EAST HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE FUNDS					
	PUBLIC SAFETY	HISTORICAL DOCUMENTS PRESERVATION	ECONOMIC DEVELOPMENT	TOWN POOL REPAIR	OPEN SPACE	MARINE ENFORCEMENT GRANTS
REVENUES:						
Charges for services.....	\$ 23,923	\$ 11,432	\$	\$ 1,187	\$	\$
Intergovernmental.....	22,532	6,500				
Investment income.....	3					
Changes in fair value of investments.....						
Contributions.....						
Other.....	800					
TOTAL REVENUES.....	47,258	17,932	-	1,187	-	-
EXPENDITURES:						
Current:						
General government.....		19,142				
Public safety.....	29,497					4,800
Public works.....						
Culture and recreation.....				499		
Health and welfare.....						
Public works.....						
Education.....						
Debt service:						
Principal.....						
Interest.....						
Capital outlay.....						
TOTAL EXPENDITURES.....	29,497	19,142	-	499	-	4,800
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	17,761	(1,210)	-	688	-	(4,800)
OTHER FINANCING SOURCES (USES):						
Transfers in.....						
Transfers out.....						
NET OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	17,761	(1,210)	-	688	-	(4,800)
FUND BALANCES, JULY 1, 2012.....	10,623	16,228	1,380	2,467	45,000	16,660
FUND BALANCES, JUNE 30, 2013.....	\$ 28,384	\$ 15,018	\$ 1,380	\$ 3,155	\$ 45,000	\$ 11,860

(Continued)

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

	SPECIAL REVENUE FUNDS					
	PUBLIC WORKS STATE AID	FEMA	PERMANENT PATCH FUND	EAST HAVEN KENNEL CLUB	SMALL CITIES	DOG LICENSES
REVENUES:						
Charges for services.....	\$	\$	\$	\$ 21,002	\$ 22,950	\$ 14,813
Intergovernmental.....	216,942	562,468			148,000	
Investment income.....						
Change in fair value of investments.....						
Contributions.....						
Other.....					16,822	
TOTAL REVENUES.....	216,942	562,468	-	21,002	187,772	14,813
EXPENDITURES:						
Current:						
General government.....				11,678	138,442	14,821
Public safety.....						
Public works.....	213,264	562,468			15,525	
Culture and recreation.....						
Health and welfare.....						
Education.....						
Debt service:						
Principal.....						
Interest.....						
Capital outlay.....						
TOTAL EXPENDITURES.....	213,264	562,468	-	11,678	153,967	14,821
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	3,678	-	-	9,324	33,805	(8)
OTHER FINANCING SOURCES (USES):						
Transfers in.....						
Transfers out.....						
NET OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	3,678	-	-	9,324	33,805	(8)
FUND BALANCE, JULY 1, 2012.....	(3,678)	-	500	19,600	62,109	13,202
FUND BALANCE, JUNE 30, 2013.....	\$ -	\$ -	\$ 500	\$ 28,924	\$ 95,914	\$ 13,194

(Continued)

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

	SPECIAL REVENUE FUNDS					
	SENIOR CENTER SPECIAL FUNDING	SENIOR CENTER	TEEN CENTER	HAGAMAN MEMORIAL LIBRARY	HEALTH AND WELFARE	EMERGENCY MANAGEMENT FUND
REVENUES:						
Charges for services.....	\$	\$ 38,328	\$	\$ 20,419	\$ 79,503	\$
Intergovernmental.....				19,694	84,883	755
Investment income.....						
Change in fair value of investments.....						
Contributions.....				7,373		
Other.....				3,002		2,212
TOTAL REVENUES.....	-	38,328	-	50,488	164,386	2,967
EXPENDITURES:						
Current:						
General government.....						
Public safety.....					77,527	8,600
Public works.....						
Culture and recreation.....		33,403		68,908		
Health and welfare.....		7,238	170		89,146	
Education.....						
Debt service:						
Principal.....						
Interest.....						
Capital outlay.....						
TOTAL EXPENDITURES.....	-	40,641	170	68,908	166,673	8,600
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	-	(2,313)	(170)	(18,420)	(2,287)	(5,633)
OTHER FINANCING SOURCES (USES):						
Transfers in.....				51,372	1,273	
Transfers out.....						
NET OTHER FINANCING SOURCES (USES).....	-	-	-	51,372	1,273	-
NET CHANGE IN FUND BALANCES.....	-	(2,313)	(170)	32,952	(1,014)	(5,633)
FUND BALANCE, JULY 1, 2012.....	12	8,135	5,823	56,249	127,946	12,933
FUND BALANCE, JUNE 30, 2013.....	\$ 12	\$ 5,822	\$ 5,653	\$ 89,201	\$ 126,932	\$ 7,300

(Continued)

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

	SPECIAL REVENUE FUNDS						TOTAL SPECIAL REVENUE FUNDS
	DAYCARE	ATHLETIC DEPARTMENT	HIGH SCHOOL RENTAL	SCHOOL LUNCH	ADULT EDUCATION	EDUCATION GRANTS	
REVENUES:							
Charges for services.....	\$ 436,839	\$ 68,351	\$ 1,025,894	\$ 500,914	\$ 24,297	\$ 80,210	\$ 2,370,062
Intergovernmental.....				808,923		4,143,315	6,014,012
Investment income.....							3
Change in fair value of investments.....							-
Contributions.....							7,373
Other.....							22,836
TOTAL REVENUES.....	436,839	68,351	1,025,894	1,309,837	24,297	4,223,525	8,414,286
EXPENDITURES:							
Current:							
General government.....							184,083
Public safety.....							120,424
Public works.....							791,257
Culture and recreation.....							102,810
Health and welfare.....							96,554
Education.....	458,948	61,177	997,207	1,342,804	23,899	4,218,371	7,102,406
Debt service:							-
Principal.....							-
Interest.....							-
Capital outlay.....							-
TOTAL EXPENDITURES.....	458,948	61,177	997,207	1,342,804	23,899	4,218,371	8,397,534
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(22,109)	7,174	28,687	(32,967)	398	5,154	16,752
OTHER FINANCING SOURCES (USES):							
Transfers in.....							52,645
Transfers out.....							-
NET OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	-	52,645
NET CHANGE IN FUND BALANCES.....	(22,109)	7,174	28,687	(32,967)	398	5,154	69,397
FUND BALANCE, JULY 1, 2012.....	569	16,794	42,691	(65,274)	2,367	97,210	489,546
FUND BALANCE, JUNE 30, 2013.....	\$ (21,540)	\$ 23,968	\$ 71,378	\$ (98,241)	\$ 2,765	\$ 102,364	\$ 558,943

(Continued)

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

	DEBT SERVICE	CAPITAL PROJECTS FUNDS				
	DEBT SERVICE	ROAD BONDING 2008	LAND ACQUISITION	LOCIP	LOCIP TOWN CLERK FEES	TOTAL CAPITAL PROJECTS FUNDS
REVENUES:						
Charges for services.....	\$	\$	\$	\$	\$	\$
Intergovernmental.....			306,927	5,161	17,151	17,151
Investment income.....	103,775					312,088
Change in fair value of investments.....						-
Contributions.....						-
Other.....						-
TOTAL REVENUES.....	103,775	-	306,927	5,161	17,151	329,239
EXPENDITURES:						
Current:						
General government.....						-
Public safety.....						-
Public works.....						-
Culture and recreation.....						-
Health and welfare.....						-
Education.....						-
Debt service:						-
Principal.....	360,000					-
Interest.....	56,156					-
Capital outlay.....			306,927	5,160		312,087
TOTAL EXPENDITURES.....	416,156	-	306,927	5,160	-	312,087
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(312,381)	-	-	1	17,151	17,152
OTHER FINANCING SOURCES (USES):						
Transfers in.....						-
Transfers out.....						-
NET OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	(312,381)	-	-	1	17,151	17,152
FUND BALANCE, JULY 1, 2012.....	1,112,617	2,081	(7,766)	74,885	51,040	120,240
FUND BALANCE, JUNE 30, 2013.....	\$ 800,236	\$ 2,081	\$ (7,766)	\$ 74,886	\$ 68,191	\$ 137,392

(Continued)

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

	PERMANENT FUNDS						
	J. WOODWARD THOMPSON EDUCATION FUND	LIBRARY FUND	LIBRARY BUILDING PROJECT	ISAAC HAGAMAN LIBRARY FUND	A. J. BERMAN LIBRARY FUND	TOTAL PERMANENT FUNDS	TOTAL
REVENUES:							
Charges for services.....	\$	\$	\$	\$	\$	\$ -	\$ 2,387,213
Intergovernmental.....						-	6,326,100
Investment income.....	651	10		29,445	224	30,330	134,108
Change in fair value of investments.....				76,277	3,007	79,284	79,284
Contributions.....		1,775	3,476	604		5,855	13,228
Other.....						-	22,836
TOTAL REVENUES.....	651	1,785	3,476	106,326	3,231	115,469	8,962,769
EXPENDITURES:							
Current:							
General government.....						-	184,083
Public safety.....						-	120,424
Public works.....						-	791,257
Culture and recreation.....		7,853	140,509	17,076		165,438	268,248
Health and welfare.....						-	96,554
Education.....	46					46	7,102,452
Debt service:							
Principal.....						-	360,000
Interest.....						-	56,156
Capital outlay.....						-	312,087
TOTAL EXPENDITURES.....	46	7,853	140,509	17,076	-	165,484	9,291,261
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	605	(6,068)	(137,033)	89,250	3,231	(50,015)	(328,492)
OTHER FINANCING SOURCES (USES):							
Transfers in.....						-	52,645
Transfers out.....		(2,193)	(1,514)	(47,665)		(51,372)	(51,372)
NET OTHER FINANCING SOURCES (USES).....	-	(2,193)	(1,514)	(47,665)	-	(51,372)	1,273
NET CHANGE IN FUND BALANCES.....	605	(8,261)	(138,547)	41,585	3,231	(101,387)	(327,219)
FUND BALANCE, JULY 1, 2012.....	417,330	25,417	156,742	1,155,597	13,987	1,769,073	3,491,476
FUND BALANCE, JUNE 30, 2013.....	\$ 417,935	\$ 17,156	\$ 18,195	\$ 1,197,182	\$ 17,218	\$ 1,667,686	\$ 3,164,257

(Concluded)

Internal Service Funds

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

Self-Insurance Reserve

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

Workers' Compensation Fund

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

Medical Insurance Fund

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

TOWN OF EAST HAVEN, CONNECTICUTINTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2013

	SELF- INSURANCE	WORKERS' COMPENSATION	MEDICAL INSURANCE	TOTAL
<u>ASSETS</u>				
Cash.....	\$	\$	\$ 979,337	\$ 979,337
Investments.....	323,717		477,112	800,829
Accounts receivable.....		4,890	81,964	86,854
Due from other funds.....	217,663	697,614	2,059,249	2,974,526
Other asset.....		142,635		142,635
TOTAL ASSETS.....	541,380	845,139	3,597,662	4,984,181
<u>LIABILITIES</u>				
Current liabilities:				
Claims and judgments payable.....	1,000,000	3,100,106	918,000	5,018,106
Due to other funds.....	833,713			833,713
Total current liabilities.....	1,833,713	3,100,106	918,000	5,851,819
Noncurrent liability:				
Claims and judgments payable.....	4,231,000	9,308,979		13,539,979
TOTAL LIABILITIES.....	6,064,713	12,409,085	918,000	19,391,798
<u>NET POSITION</u>				
Unrestricted.....	\$ (5,523,333)	\$ (11,563,946)	\$ 2,679,662	\$ (14,407,617)

TOWN OF EAST HAVEN, CONNECTICUT

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2013

	SELF- INSURANCE	WORKERS' COMPENSATION	MEDICAL INSURANCE	TOTAL
OPERATING REVENUES:				
Charges for services.....	\$ 169,378	\$ 2,534,030	\$ 13,885,564	\$ 16,588,972
OPERATING EXPENSES:				
Claims.....	1,806,000	3,182,583	11,780,601	16,769,184
Administration.....			1,631,734	1,631,734
TOTAL OPERATING EXPENSES.....	1,806,000	3,182,583	13,412,335	18,400,918
OPERATING INCOME (LOSS).....	(1,636,622)	(648,553)	473,229	(1,811,946)
NONOPERATING REVENUES:				
Investment income.....			895	895
CHANGE IN NET POSITION.....	(1,636,622)	(648,553)	474,124	(1,811,051)
TOTAL NET POSITION - JULY 1, 2012.....	(3,886,711)	(10,915,393)	2,205,538	(12,596,566)
TOTAL NET POSITION - JUNE 30, 2013.....	\$ (5,523,333)	\$ (11,563,946)	\$ 2,679,662	\$ (14,407,617)

TOWN OF EAST HAVEN, CONNECTICUTINTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2013

	SELF- INSURANCE	WORKERS' COMPENSATION	MEDICAL INSURANCE	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Premiums received.....	\$ 25,504	\$ 2,579,578	\$ 13,195,073	\$ 15,800,155
Payments to vendors.....			(1,631,734)	(1,631,734)
Payments for claims.....	(25,000)	(2,579,578)	(11,678,601)	(14,283,179)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	504	-	(115,262)	(114,758)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Income from investments.....			895	895
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	504	-	(114,367)	(113,863)
CASH AND CASH EQUIVALENTS - JULY 1, 2012.....	323,213		1,570,816	1,894,029
CASH AND CASH EQUIVALENTS - JUNE 30, 2013.....	\$ 323,717	\$ -	\$ 1,456,449	\$ 1,780,166
RECONCILIATION TO STATEMENT OF NET POSITION CASH:				
Cash and cash equivalents per above.....	\$ 323,717	\$	\$ 1,456,449	\$ 1,780,166
Cash and cash equivalents reported as investments.....	(323,717)		(477,112)	(800,829)
STATEMENT OF NET POSITION CASH.....	\$ -	\$ -	\$ 979,337	\$ 979,337
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (1,636,622)	\$ (648,553)	\$ 473,229	\$ (1,811,946)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable.....		46,699	(26,626)	20,073
Due from other funds.....	(143,874)	(1,151)	(663,865)	(808,890)
Other asset.....		(55,768)		(55,768)
Increase (decrease) in:				
Claims and judgments payable.....	1,481,000	658,773	102,000	2,241,773
Due to other funds.....	300,000			300,000
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ 504	\$ -	\$ (115,262)	\$ (114,758)

Fiduciary Funds

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

PRIVATE-PURPOSE TRUST FUNDS

Shinder Scholarship Fund

To account for the named scholarship fund activity.

Patsy Dilungo Scholarship Fund

To account for the scholarship fund activity.

AGENCY FUNDS

Performance Bonds

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

Student Activities

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

Flex Spending

To account for the Town employees flex spending plan activity.

TOWN OF EAST HAVEN, CONNECTICUT**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013**

	<u>PRIVATE-PURPOSE TRUST FUNDS</u>		
	<u>SHINDER SCHOLARSHIP FUND</u>	<u>PATSY DILUNGO SCHOLARSHIP FUND</u>	<u>TOTAL PRIVATE- PURPOSE TRUST FUNDS</u>
<u>ASSETS</u>			
Cash.....	\$	\$ 30,799	\$ 30,799
Investments.....	44,891		44,891
TOTAL ASSETS.....	<u>\$ 44,891</u>	<u>\$ 30,799</u>	<u>\$ 75,690</u>
<u>NET POSTION</u>			
Held in trust for:			
Individuals.....	<u>\$ 44,891</u>	<u>\$ 30,799</u>	<u>\$ 75,690</u>

TOWN OF EAST HAVEN, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2013

	PRIVATE-PURPOSE TRUST FUNDS		
	SHINDER SCHOLARSHIP FUND	PATSY DILUNGO SCHOLARSHIP FUND	TOTAL PRIVATE- PURPOSE TRUST FUNDS
ADDITIONS:			
Investment income (loss):			
Interest and dividends.....	\$ 64	\$ 12	\$ 76
DEDUCTIONS:			
Scholarships awarded.....	1,000	3,000	4,000
CHANGE IN NET POSITION.....	(936)	(2,988)	(3,924)
TOTAL NET POSITION, JULY 1, 2012.....	45,827	33,787	79,614
TOTAL NET POSITION, JUNE 30, 2013.....	\$ 44,891	\$ 30,799	\$ 75,690

TOWN OF EAST HAVEN, CONNECTICUT

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2013

	BALANCE JULY 1, 2012	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2013
<u>ASSETS</u>				
CASH:				
East Haven High School Activity Fund.....	\$ 129,477	\$ 155,005	\$ 172,396	\$ 112,086
Joseph Melillo Middle School Activity Fund.....	14,349	31,300	31,628	14,021
Deer Run Student Activity Fund.....	2,549	2,578	2,152	2,975
Ferrara Student Activity Fund.....	6,460	9,057	10,126	5,391
General Activity Fund.....	4,195	1		4,196
EH School Fund.....	1,784			1,784
EH Highland School.....	9,008	2		9,010
BOE Medicare Account.....	8,107	102,922	92,723	18,306
R.W. Carbone School.....	5,350		5,350	-
Flex Spending.....	14,333	33,132	27,257	20,208
Performance bonds.....	958			958
TOTAL CASH.....	196,570	333,997	341,632	188,935
INVESTMENTS:				
East Haven High School Activity Fund.....	44,218	9,604	75	53,747
ACCOUNTS RECEIVABLE:				
Flex Spending.....		5,293		5,293
TOTAL ASSETS.....	\$ 240,788	\$ 348,894	\$ 341,707	\$ 247,975
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
East Haven High School Activity Fund.....	\$ 173,695	\$ 164,609	\$ 172,471	\$ 165,833
Joseph Melillo Middle School Activity Fund.....	14,349	31,300	31,628	14,021
Deer Run Student Activity Fund.....	2,549	2,578	2,152	2,975
Ferrara Student Activity Fund.....	6,460	9,057	10,126	5,391
General Activity Fund.....	4,195	1		4,196
EH School Fund.....	1,784			1,784
EH Highland School.....	9,008	2		9,010
BOE Medicare Account.....	8,107	102,922	92,723	18,306
R.W. Carbone School.....	5,350		5,350	-
Flex Spending.....	14,333	38,425	27,257	25,501
Performance bonds.....	958			958
TOTAL LIABILITIES.....	\$ 240,788	\$ 348,894	\$ 341,707	\$ 247,975

Trend
Data

TABLE 1

TOWN OF EAST HAVEN, CONNECTICUTNET POSITION BY COMPONENT
LAST EIGHT YEARS
(UNAUDITED)

	FISCAL YEAR							
	2013	2012	2011	(1) 2010	2009	2008	2007	2006
Net Investment in capital assets.....	\$ 51,037,398	\$ 48,709,002	\$ 44,377,039	\$ 35,996,442	\$ 36,790,597	\$ 37,516,717	\$ 32,585,690	\$ 10,602,768
Restricted for:								
Endowments:								
Nonexpendable.....	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Expendable.....	1,567,686	1,669,073	1,877,310	1,701,821	1,729,333	1,963,496	2,193,639	1,667,578
General government.....		16,228	22,348	51,918				
Grant programs.....	210,138							
Public safety.....	35,684	40,216	61,789	82,460				
Public works.....		62,109	110,505	87,883				
Historical document preservation..	15,018							
Education.....	74,143	142,268	99,547	59,809				
Unrestricted.....	(20,675,727)	(14,803,563)	(8,086,441)	(7,633,521)	(30,438)	15,914,574	26,928,603	5,239,393
TOTAL NET POSITION.....	\$ 32,364,340	\$ 35,935,333	\$ 38,562,097	\$ 30,446,812	\$ 38,589,492	\$ 55,494,787	\$ 61,807,932	\$ 17,609,739

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

TABLE 2
(1 of 2)

TOWN OF EAST HAVEN, CONNECTICUT

**CHANGES IN NET POSITION
LAST EIGHT YEARS
(UNAUDITED)**

	FISCAL YEAR							
	2013	2012	2011	2010	2009	2008	2007	2006
EXPENSES:								
Governmental activities:								
General government.....	\$ 5,554,632	\$ 5,239,574	\$ 5,646,738	\$ 5,905,126	\$ 7,585,922	\$ 5,517,911	\$ 5,501,604	\$ 8,106,306
Public safety.....	21,286,890	19,531,501	14,694,490	13,668,386	13,860,530	14,949,291	12,710,019	12,618,534
Public works.....	9,403,321	9,957,576	9,312,188	10,402,985	9,799,512	8,709,675	8,281,435	7,535,709
Culture and recreation.....	2,480,332	2,538,126	2,707,752	2,670,130	2,969,521	2,506,521	2,389,974	2,316,075
Health and welfare.....	1,963,182	1,988,889	2,736,590	2,433,413	2,510,330	1,487,119	1,553,644	1,462,279
Education.....	57,965,388	58,978,842	55,340,891	57,924,242	57,168,425	59,780,686	48,310,573	48,719,633
Interest expense.....	1,812,284	2,124,579	2,201,822	2,450,938	2,163,201	2,451,064	2,459,162	2,560,775
Total Governmental activities expenses.....	100,466,029	100,359,087	92,640,471	95,455,220	96,057,441	95,402,267	81,206,411	83,319,311
Business-type activities:								
WPCA.....								948,162
TOTAL EXPENSES.....	100,466,029	100,359,087	92,640,471	95,455,220	96,057,441	95,402,267	81,206,411	84,267,473
PROGRAM REVENUES:								
Governmental activities:								
Charges for services:								
General government.....	819,450	799,212	981,806	994,031	1,005,818	1,145,877	1,800,808	1,154,455
Public safety.....	597,263	715,801	651,684	864,981	717,495	784,725	762,533	876,316
Public works.....	253,482	211,734	164,944	174,740	177,137	266,067	339,911	41,885
Culture and recreation.....	439,414	443,601	599,630	563,289	554,137	500,184	527,920	403,708
Health and welfare.....	222,330	223,679	292,526	327,637	239,590	214,861	217,931	171,728
Education.....	1,699,666	1,661,315	1,677,875	1,817,360	709,799	848,760	858,575	687,627
Operating grants and contributions.....	28,911,829	29,707,082	26,793,155	27,083,953	27,325,227	33,285,847	23,416,379	27,894,969
Capital grants and contributions.....	789,422	1,178,046	4,791,019	1,924,549	508,202	462,595	560,949	1,795,969
Total Governmental activities program revenues.....	33,732,856	34,940,470	35,952,639	33,750,540	31,237,405	37,508,916	28,485,006	33,026,657
Business-type activities:								
WPCA.....								506,057
TOTAL PROGRAM REVENUES.....	33,732,856	34,940,470	35,952,639	33,750,540	31,237,405	37,508,916	28,485,006	33,532,714

(Continued)

TABLE 2
(2 of 2)

TOWN OF EAST HAVEN, CONNECTICUT

CHANGES IN NET POSITION
LAST EIGHT YEARS
(UNAUDITED)

	FISCAL YEAR							
	2013	2012	2011	2010	2009	2008	2007	2006
NET REVENUE (EXPENSES):								
Governmental activities.....	\$ (66,733,173)	\$ (65,418,617)	\$ (56,687,832)	\$ (61,704,680)	\$ (64,820,036)	\$ (57,893,351)	\$ (52,721,405)	\$ (50,292,654)
Business-type activities.....								(442,105)
TOTAL NET EXPENSES.....	(66,733,173)	(65,418,617)	(56,687,832)	(61,704,680)	(64,820,036)	(57,893,351)	(52,721,405)	(50,734,759)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:								
Governmental activities:								
Property taxes.....	61,295,638	61,176,525	61,534,772	51,739,961	50,750,056	49,901,476	47,962,038	47,714,546
Grants and contributions not restricted to specific programs.....	1,180,008	1,262,527	924,343	956,185	1,671,362	1,203,035	1,442,446	2,540,442
Investment income.....	237,361	96,601	378,759	270,295	(316,533)	407,672	1,217,950	799,589
Gain on sale of assets.....			1,672,168					6,403
Miscellaneous.....	449,173	256,200	293,075	595,559	1,022,800	68,023	48,256	
Transfers.....								1,851,825
Total Governmental activities revenues.....	63,162,180	62,791,853	64,803,117	53,562,000	53,127,685	51,580,206	50,670,690	52,912,805
Business-type activities:								
Investment income.....								10,318
Transfers.....								(1,851,825)
Extraordinary item.....								7,321,731
Total Business-type activities revenues.....	-	-	-	-	-	-	-	5,480,224.00
TOTAL GENERAL REVENUES AND OTHER CHANGES IN NET POSITION.....	63,162,180		64,803,117	53,562,000	53,127,685	51,580,206	50,670,690	58,393,029
CHANGE IN NET POSITION:								
Governmental activities.....	(3,570,993)	(2,626,764)	8,115,285	(8,142,680)	(11,692,351)	(6,313,145)	(2,050,715)	2,620,151
Business-type activities.....								5,038,119
TOTAL CHANGE IN NET POSITION.....	\$ (3,570,993)	\$ (2,626,764)	\$ 8,115,285	\$ (8,142,680)	\$ (11,692,351)	\$ (6,313,145)	\$ (2,050,715)	\$ 7,658,270

(Concluded)

TABLE 3

TOWN OF EAST HAVEN, CONNECTICUT

SCHEDULE OF DEBT LIMITATION
JUNE 30, 2013
(UNAUDITED)

Total tax collections (including interest and lien fees) for current year.....					\$ 60,968,642
Reimbursement for revenue loss on:					
Tax relief for elderly freeze.....					8,000
BASE FOR DEBT LIMITATION COMPUTATION.....					<u>\$ 60,976,642</u>
	GENERAL PURPOSES	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
DEBT LIMITATION:					
2 1/4 times base.....	\$ 137,197,445	\$	\$	\$	\$
4 1/2 times base.....		274,394,889			
3 3/4 times base.....			228,662,408		
3 1/4 times base.....				198,174,087	
3 times base.....					182,929,926
TOTAL DEBT LIMITATION.....	<u>137,197,445</u>	<u>274,394,889</u>	<u>228,662,408</u>	<u>198,174,087</u>	<u>182,929,926</u>
INDEBTEDNESS:					
Bonds payable.....	22,379,150	15,405,850	1,080,000		
Bond anticipation notes -permanently financed..	1,295,000	1,285,000			
Bond anticipation notes.....		45,000			
Less: School building grants.....		(6,410,876)			
NET INDEBTEDNESS (1).....	<u>23,674,150</u>	<u>10,324,974</u>	<u>1,080,000</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT	<u>\$ 113,523,295</u>	<u>\$ 264,069,915</u>	<u>\$ 227,582,408</u>	<u>\$ 198,174,087</u>	<u>\$ 182,929,926</u>
(1) The total of the above net indebtedness amounts to:					<u>\$ 35,079,124</u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation.					<u>\$ 426,836,494</u>
(2) There is no overlapping debt for the Town of East Haven.					