

Annual Financial Report
of the
Town of East Haven, Connecticut
Year Ended June 30, 2014

TOWN OF EAST HAVEN, CONNECTICUT

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TOWN OF EAST HAVEN, CONNECTICUT

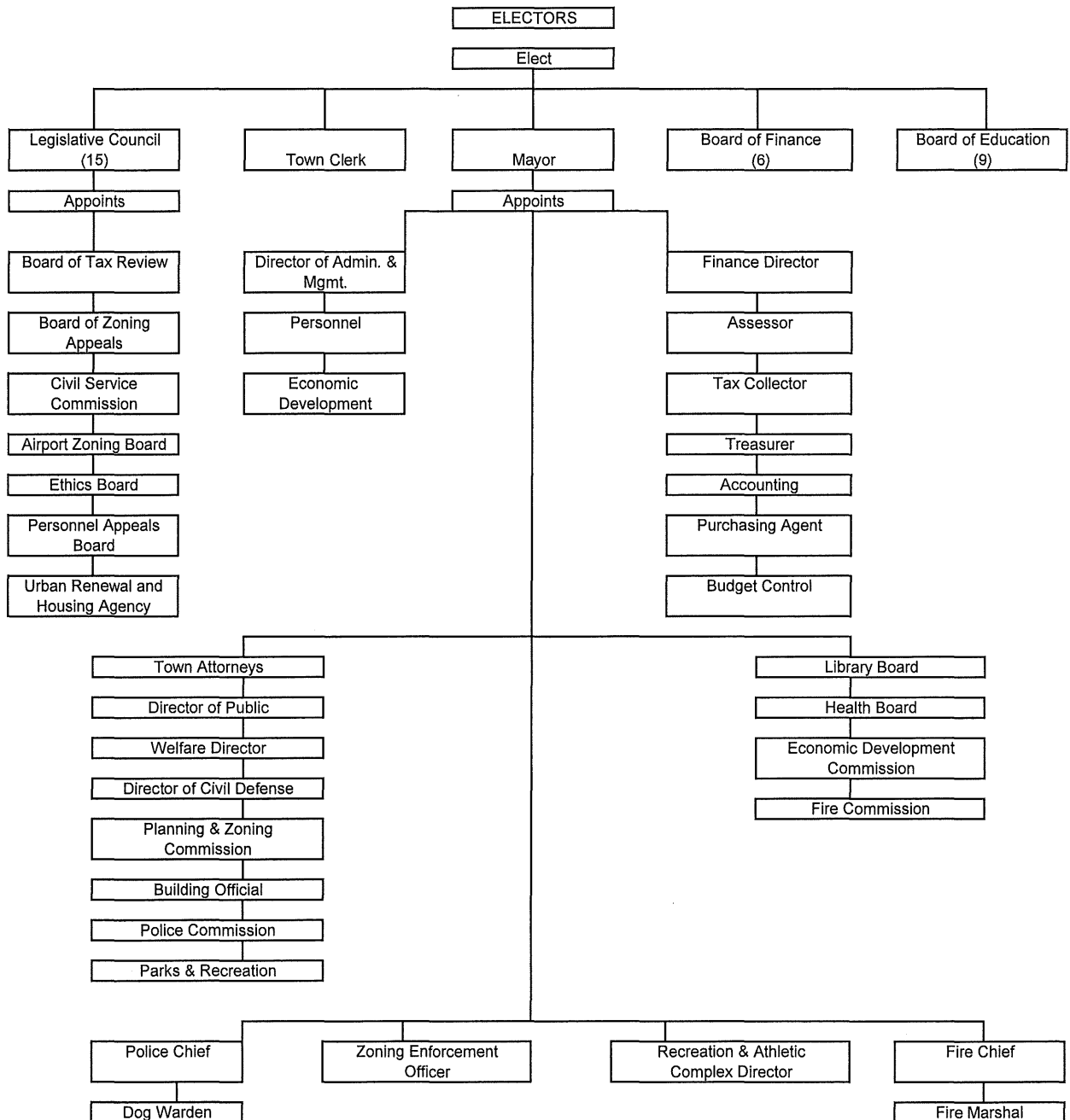
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Introductory Section

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, 2014, 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, 2014, 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 other post-employment benefit schedules on pages 5 to 12 and pages 52 to 54, 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 January 14, 2015, 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 "Cohn Reznick LLP". The signature is written in a cursive, flowing style.

Farmington, Connecticut
January 14, 2015



FINANCE DEPARTMENT

PAUL S. RIZZA

Director of Finance

Management's Discussion and Analysis Year Ended June 30, 2014

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, 2014.

Financial Highlights

- On a government-wide basis, the Town's net position decreased by \$2,089,394 for the fiscal year. Positive operations of the general fund and capital project funds were offset by increases in the other post-employment liability of \$3,023,065 and an increase of \$942,617 in legal claims.
- The Town's net position totaled \$30,274,946 at June 30, 2014. Of this amount, unrestricted net position was a deficit balance of \$(24,434,562). This deficit was increased during the year by increases in the other post employment benefit liability, and depreciation expense in excess of capital replacement.
- At year end, the unassigned fund balance for the general fund was \$2,551,976, an increase of \$951,526 from the prior year. This represents 3.0% of total budgetary expenditures and transfers out.
- The Town's total long-term debt decreased by \$3,960,000. The Town issued \$1,855,000 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 2 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 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. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's other post-employment benefit plans as required by GASB Statements No. 43 and 45. Required supplementary information can be found following the notes.

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 \$30,274,946 at the close of the fiscal year.

	<u>Summary Statement of Net Position</u>	
	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 27,442,855	\$ 27,011,079
Capital assets (net)	89,952,149	92,907,431
Total assets	117,395,004	119,918,510
Deferred outflows of resources	266,495	341,961
Current liabilities	21,023,130	21,341,532
Long-term liabilities	65,937,819	65,776,022
Total liabilities	86,960,949	87,117,554
Deferred inflows of resources	425,604	778,577
Net investment in capital assets	52,762,397	51,037,398
Restricted	1,947,111	2,002,669
Unrestricted	(24,434,562)	(20,675,727)
Total net position	\$ 30,274,946	\$ 32,364,340

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.

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 \$1,947,111. The remaining balance of unrestricted net position is a deficit balance in the amount of \$(24,434,562).

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 \$2,089,394 for the fiscal year. This was generated by positive operations of the general fund and capital project funds offset by increases in the other post-employment liability of \$3,023,065 and an increase of \$942,617 in legal claims and related expenses.

	Statement of Changes in Net Position	
	2014	2013
Revenues:		
Program revenues:		
Charges for services	\$ 4,501,763	\$ 4,031,605
Operating grants and contributions	30,942,764	28,911,829
Capital grants and contributions	639,485	789,422
General revenues:		
Property taxes	62,223,623	61,295,638
Grants and contributions not restricted to specific programs	990,995	1,180,008
Investment income (loss)	313,667	237,361
Miscellaneous	186,932	449,173
Total revenues	<u>99,799,229</u>	<u>96,895,036</u>
Expenses:		
General government	4,569,185	5,554,632
Public safety	20,060,343	21,286,890
Public works	8,836,442	9,403,321
Culture and recreation	2,419,910	2,480,332
Health and welfare	1,662,460	1,963,182
Education	62,587,934	57,965,388
Interest expense	1,752,349	1,812,284
Total expenses	<u>101,888,623</u>	<u>100,466,029</u>
Change in net position	(2,089,394)	(3,570,993)
Net Position - July 1	<u>32,364,340</u>	<u>35,935,333</u>
Net Postion - June 30	<u>\$ 30,274,946</u>	<u>\$ 32,364,340</u>

Governmental Activities - Revenues

The significant changes in revenues for governmental activities for the fiscal year ended June 30, 2014 were as follows:

- Operating grants and contributions increased by \$2,030,935 due to an increase in the LOCIP grant as well as large increases in education grants including the ECS Alliance grant.
- Charges for services increased by \$470,158 as a result of an increase in the number of towns participating in the regional day café program.

Governmental Activities - Expenses

The significant changes in expenses for governmental activities for the fiscal year ended June 30, 2014 were as follows:

- General government decreased by \$985,447 as a result of a reduction in general government-related legal claims, a reduction in contractual services incurred from the Department of Justice settlement and a reduction in workers' compensation claims.
- Public safety expense decreased by \$1,226,547 substantially due to a large decrease in workers compensation claims.
- Public works expense decreased \$566,879 substantially due to storm expenses incurred in the prior year.
- Education increased by \$4,622,546 due to an increase in ECS Alliance and other related education grant funding, an increase in the budget related to salaries and benefits, an increase in on-behalf payments and an increase in the liability and related expense for other post-employment benefits.

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, 2014 is \$5,791,170. This amount is comprised of the following components: (1) nonspendable reserve for endowments in the amount of \$100,000, (2) restricted amounts totaling \$1,847,111, (3) committed amounts of \$741,498, (4) assigned amounts totaling \$724,592 and (5) unassigned of \$2,377,969.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

General Fund

The general fund is the operating fund of the Town. The fund balance of the general fund increased by \$951,526 for the fiscal year. This increase is mainly due to the Town budgeting \$900,000 to increase fund balance.

Significant budget variances from actual were as follows:

- Intergovernmental revenues were less than budgeted due to the ECS Alliance grant being received directly by the Board of Education.
- General services was under spent by \$360,194 due to lower than anticipated costs related to the police extra services that were absorbed by other towns as a result of a lack of police personnel to perform the extra assignments.
- Employee benefits were underspent due to a lower medical expense due to better claims experience than budgeted. Additionally, there were no contract settlements which resulted in increases in benefits.

Capital Projects Fund

This fund's net change in fund balance was an increase of \$986,255 for the fiscal year, resulting in a fund balance at the end of the year of \$228,227. The increase was a result of the issuance of bonds of \$1,855,000 net spending for capital improvements and costs incurred as a result of improving police operations

Capital Assets and Debt Administration

At June 30, 2014, the Town of East Haven's investment in capital assets for its governmental activities was \$89,952,149 (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 significant capital asset activity during the year was replacement windows for the library, a chiller for the high school, and a construction in progress increase of \$544,933 mainly due to the Maple Street Bridge, public safety vehicles and equipment and town-wide building improvements.

These additions were offset by depreciation expense of \$3,883,410, resulting in the net decrease of \$2,955,282.

	Capital Assets - Net	
	2014	2013
Land	\$ 3,497,216	\$ 3,497,216
Construction in progress	5,520,871	4,975,938
Land improvements	2,719,889	2,889,723
Buildings	42,343,526	43,326,177
Building improvements	6,352,506	7,704,856
Machinery and equipment	1,678,952	1,731,719
Vehicles	1,775,344	2,207,408
Infrastructure	26,063,845	26,574,394
Total	<u>\$ 89,952,149</u>	<u>\$ 92,907,431</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, 2014, the Town's long-term debt decreased by \$3,960,000. The decrease is the net effect of the following items:

- Issuance of bonds of \$1,855,000.
- Scheduled principal payments of \$5,815,000.

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$37,485,000. Of this amount, \$4,879,093 will be funded from state grants, resulting in net outstanding debt in the amount of \$32,605,907, which is backed by the full faith and credit of the Town of East Haven.

OUTSTANDING LONG-TERM DEBT

	2014	2013
General purpose bonds	\$ 24,578,234	\$ 22,379,150
School bonds	12,186,766	15,405,850
Bond anticipation notes		2,580,000
Sewer	720,000	1,080,000
Total	<u>\$ 37,485,000</u>	<u>\$ 41,445,000</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 \$429,413,453, 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Next Year's Budgets and Rates

Town officials considered many factors when setting the fiscal year 2015 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 2015 general fund budget is \$89,635,874, an increase of 2.67% 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, CONNECTICUTSTATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2014

<u>ASSETS</u>	
Current assets:	
Cash.....	\$ 6,508,841
Investments.....	8,696,477
Receivables:	
Property taxes.....	1,632,944
Intergovernmental.....	2,354,579
Other.....	1,056,996
Other.....	172,678
Total current assets.....	20,422,515
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash.....	36,045
Investments.....	1,638,231
Permanently restricted:	
Investments.....	100,000
Total restricted assets.....	1,774,276
Receivables (net):	
Property taxes.....	1,580,645
Intergovernmental.....	3,665,419
Total receivables (net).....	5,246,064
Capital assets (net of accumulated depreciation):	
Land.....	3,497,216
Construction in progress.....	5,520,871
Land improvements.....	2,719,889
Buildings.....	42,343,526
Building improvements.....	6,352,506
Machinery and equipment.....	1,678,952
Vehicles.....	1,775,344
Infrastructure.....	26,063,845
Total capital assets (net of accumulated depreciation)...	89,952,149
Total noncurrent assets.....	96,972,489
TOTAL ASSETS.....	117,395,004
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding.....	266,495

(Continued)

TOWN OF EAST HAVEN, CONNECTICUTSTATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2014LIABILITIES

Current liabilities:

Accounts payable.....	\$ 3,279,680
Accrued payroll.....	4,505,295
Accrued interest payable.....	598,616
Unearned revenue.....	21,268
Other liabilities.....	258,976
Bonds and notes payable.....	5,780,000
Capital lease payable.....	245,575
Compensated absences.....	1,431,804
Claims and judgments.....	4,901,916

Total current liabilities.....	21,023,130
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Noncurrent liabilities:

Bonds and related liabilities.....	32,072,643
Capital lease payable.....	253,655
Compensated absences.....	5,727,218
Net OPEB obligations.....	13,186,601
Claims and judgments.....	14,697,702

Total noncurrent liabilities.....	65,937,819
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TOTAL LIABILITIES.....	86,960,949
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DEFERRED INFLOWS OF RESOURCES

Advance property tax collections.....	425,604
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NET POSITION

Net investment in capital assets.....	52,762,397
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Restricted for:

Endowments:

Nonexpendable.....	100,000
Expendable.....	1,674,276
Grant programs.....	69,256
Public safety.....	21,975
Education.....	81,604

Unrestricted.....	(24,434,562)
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TOTAL NET POSITION.....	\$ 30,274,946
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(Concluded)

TOWN OF EAST HAVEN, CONNECTICUTSTATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2014

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
General government.....	\$ 4,569,185	\$ 404,022	\$ 6,500	\$ 168,898	\$ (3,989,765)
Public safety.....	20,060,343	556,395	28,358		(19,475,590)
Public works.....	8,836,442	256,565	1,128,593	470,587	(6,980,697)
Culture and recreation.....	2,419,910	495,828	9,054		(1,915,028)
Health and welfare.....	1,662,460	323,616	110,734		(1,228,110)
Education.....	62,587,934	2,465,337	29,659,525		(30,463,072)
Interest expense.....	1,752,349				(1,752,349)
TOTAL.....	\$ 101,888,623	\$ 4,501,763	\$ 30,942,764	\$ 639,485	\$ (65,804,611)

GENERAL REVENUES:

Property taxes.....	\$ 62,223,623
Grants and contributions not restricted to specific programs.....	990,995
Investment income.....	313,667
Miscellaneous.....	186,932
TOTAL GENERAL REVENUES	63,715,217
CHANGE IN NET POSITION.....	(2,089,394)
NET POSITION, JULY 1, 2013.....	32,364,340
NET POSITION, JUNE 30, 2014.....	\$ 30,274,946

TOWN OF EAST HAVEN, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash.....	\$ 5,021,556	\$	\$ 1,014,036	\$ 6,035,592
Investments.....	7,390,353		2,243,035	9,633,388
Receivables:				
Property taxes.....	3,175,312			3,175,312
Intergovernmental		233,283	510,166	743,449
Other.....	922,072	1,834	12,100	936,006
Due from other funds.....	2,890,758	2,044,622	487,045	5,422,425
Other.....			16,463	16,463
TOTAL ASSETS.....	\$ 19,400,051	\$ 2,279,739	\$ 4,282,845	\$ 25,962,635
<u>LIABILITIES</u>				
Accounts payable.....	\$ 2,390,584	\$ 246,348	\$ 642,748	\$ 3,279,680
Accrued payroll.....	4,162,756		342,539	4,505,295
Due to other funds.....	6,943,562	1,805,164	265,323	9,014,049
Unearned revenue.....			21,268	21,268
Other liabilities.....	258,976			258,976
TOTAL LIABILITIES.....	13,755,878	2,051,512	1,271,878	17,079,268
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue - property taxes.....	2,666,593			2,666,593
Advance property tax collections.....	425,604			425,604
TOTAL DEFERRED INFLOWS OF RESOURCES...	3,092,197	-	-	3,092,197
<u>FUND BALANCES</u>				
Nonspendable.....			100,000	100,000
Restricted.....			1,847,111	1,847,111
Committed.....		228,227	513,271	741,498
Assigned.....			724,592	724,592
Unassigned.....	2,551,976		(174,007)	2,377,969
TOTAL FUND BALANCES.....	2,551,976	228,227	3,010,967	5,791,170
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 19,400,051	\$ 2,279,739	\$ 4,282,845	\$ 25,962,635

(Continued)

TOWN OF EAST HAVEN, CONNECTICUT

RECONCILIATION OF FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2014

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).....	\$ 5,791,170
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:	
Beginning net capital assets.....	92,907,431
Capital asset additions (net of construction in progress).....	928,128
Depreciation expense.....	(3,883,410)
OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES:	
School building grant receivable.....	5,276,549
Property tax interest and lien accrual.....	1,623,278
Allowance for doubtful accounts.....	(1,585,000)
OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE UNAVAILABLE IN THE FUNDS:	
Property tax receivable - accrual basis change.....	2,666,592
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.....	(14,354,233)
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.....	(37,485,000)
Bond premiums.....	(367,643)
Capital leases.....	(499,230)
Compensated absences.....	(7,159,022)
Net OPEB obligation.....	(13,186,601)
Claims and judgments.....	(65,942)
Deferred charge on refunding.....	266,495
Accrued interest payable.....	(598,616)
NET POSITION OF GOVERNMENTAL ACTIVITIES.....	<u>\$ 30,274,946</u>
	(Concluded)

TOWN OF EAST HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Property taxes.....	\$ 62,439,118	\$	\$	\$ 62,439,118
Charges for services.....	1,820,124		2,681,639	4,501,763
Intergovernmental.....	26,530,783	470,587	7,336,917	34,338,287
Investment income.....	23,742		27,422	51,164
Change in fair value of investments.....			261,239	261,239
Contributions.....			11,646	11,646
Other.....	796,263		20,760	817,023
TOTAL REVENUES.....	91,610,030	470,587	10,339,623	102,420,240
EXPENDITURES:				
Current:				
General government.....	2,534,763		47,805	2,582,568
Public safety.....	11,002,841	441,832	98,923	11,543,596
Public works.....	5,056,252		602,853	5,659,105
Culture and recreation.....	1,759,712		192,910	1,952,622
Health and welfare.....	948,859		105,153	1,054,012
Employee benefits and insurance.....	10,443,692			10,443,692
Education.....	50,428,317	264,870	8,319,127	59,012,314
General services.....	1,379,304			1,379,304
Debt service:				
Principal.....	5,455,000		360,000	5,815,000
Interest.....	1,648,860	67,663	40,635	1,757,158
Capital outlay.....		995,282	726,411	1,721,693
TOTAL EXPENDITURES.....	90,657,600	1,769,647	10,493,817	102,921,064
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	952,430	(1,299,060)	(154,194)	(500,824)
OTHER FINANCING SOURCES (USES):				
Issuance of bonds.....		1,855,000		1,855,000
Capital lease.....		264,870		264,870
Bond premium.....		165,445		165,445
Transfers in.....			50,937	50,937
Transfers out.....	(904)		(50,033)	(50,937)
NET OTHER FINANCING SOURCES (USES).....	(904)	2,285,315	904	2,285,315
NET CHANGE IN FUND BALANCES.....	951,526	986,255	(153,290)	1,784,491
FUND BALANCE, JULY 1, 2013.....	1,600,450	(758,028)	3,164,257	4,006,679
FUND BALANCE, JUNE 30, 2014.....	\$ 2,551,976	\$ 228,227	\$ 3,010,967	\$ 5,791,170

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, 2014

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ 1,784,491

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.....	928,128
Depreciation expense.....	(3,883,410)

Total	(2,955,282)
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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.....	(1,776,689)
Change in property tax receivable - accrual basis change.....	(227,910)
Change in property tax interest and lien revenue.....	12,415

Total	(1,992,184)
-------------	-------------

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 bonds.....	(1,855,000)
Premium.....	(165,445)
Capital lease.....	(264,870)
Deferred charges.....	(75,466)
Principal repayments:	
General obligation bonds.....	5,815,000
Premium.....	23,436
Capital lease.....	262,000
Claims and judgments.....	32,974

Total	3,772,629
-------------	-----------

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.....	213,794
Net OPEB obligation.....	(3,023,065)
Accrued interest payable.....	56,839

Total	(2,752,432)
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Internal Service Funds are used by management to charge costs of various self-insured risk premiums to individual departments.....	52,120
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The net revenue of the activities of the Internal Service Fund is reported with governmental activities.....	1,264
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CHANGE IN NET POSITION (EXHIBIT B)	\$ (2,089,394)
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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, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 62,315,558	\$ 62,315,558	\$ 62,439,118	\$ 123,560
Intergovernmental.....	22,330,607	22,330,607	21,540,125	(790,482)
Investment income.....	28,500	28,500	23,742	(4,758)
Charges for services.....	1,783,800	1,783,800	1,820,124	36,324
Other.....	846,816	846,816	796,263	(50,553)
TOTAL REVENUES.....	87,305,281	87,305,281	86,619,372	(685,909)
EXPENDITURES:				
Current:				
General government.....	3,423,200	3,573,000	2,534,763	1,038,237
Public safety.....	10,793,591	11,030,750	11,002,841	27,909
Highways and engineering.....	2,306,619	2,306,619	2,213,932	92,687
Sanitation and maintenance.....	2,804,377	2,884,377	2,842,320	42,057
Health and welfare.....	979,617	979,617	948,859	30,758
Culture and recreation.....	1,753,954	1,772,047	1,759,712	12,335
Employee benefits and insurance.....	10,793,250	10,704,250	10,443,692	260,558
Education.....	45,210,357	45,210,357	45,437,659	(227,302)
General services.....	2,136,000	1,739,498	1,379,304	360,194
Debt service.....	7,103,412	7,103,862	7,103,860	2
TOTAL EXPENDITURES.....	87,304,377	87,304,377	85,666,942	1,637,435
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	904	904	952,430	951,526
OTHER FINANCING SOURCES (USES):				
Transfers out.....	(904)	(904)	(904)	-
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	951,526	\$ 951,526
FUND BALANCE - JULY 1, 2013.....			1,600,450	
FUND BALANCE - JUNE 30, 2014.....			\$ 2,551,976	

TOWN OF EAST HAVEN, CONNECTICUTSTATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014ASSETS

Cash.....	\$ 509,294
Investments.....	801,320
Accounts receivable.....	120,111
Due from other funds.....	4,426,216
Other asset.....	156,215
	<hr/>
TOTAL ASSETS.....	6,013,156

LIABILITIES

Current liabilities:	
Claims and judgments payable.....	4,868,944
Due to other funds.....	833,713
	<hr/>
Total current liabilities.....	5,702,657
Noncurrent liability:	
Claims and judgments payable.....	14,664,732
	<hr/>
TOTAL LIABILITIES.....	20,367,389

NET POSITION

Unrestricted.....	<u>\$ (14,354,233)</u>
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TOWN OF EAST HAVEN, CONNECTICUT**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014**

OPERATING REVENUES:	
Charges for services.....	<u>\$ 16,355,653</u>
OPERATING EXPENSES:	
Claims.....	14,660,718
Administration.....	<u>1,642,815</u>
TOTAL OPERATING EXPENSES.....	<u>16,303,533</u>
OPERATING INCOME (LOSS).....	52,120
NONOPERATING REVENUES:	
Investment income.....	<u>1,264</u>
CHANGE IN NET POSITION.....	53,384
TOTAL NET POSITION - JULY 1, 2013.....	<u>(14,407,617)</u>
TOTAL NET POSITION - JUNE 30, 2014.....	<u><u>\$ (14,354,233)</u></u>

TOWN OF EAST HAVEN, CONNECTICUTSTATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Premiums received.....	\$ 14,857,126
Payments to vendors.....	(1,642,815)
Payments for claims.....	<u>(13,685,127)</u>

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES..... (470,816)

CASH FLOWS FROM INVESTING ACTIVITIES:

Income (loss) on investments.....	<u>1,264</u>
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS..... (469,552)

CASH AND CASH EQUIVALENTS - JULY 1, 2013..... 1,780,166

CASH AND CASH EQUIVALENTS - JUNE 30, 2014..... \$ 1,310,614

RECONCILIATION TO STATEMENT OF NET POSITION CASH:

Cash and cash equivalents per above.....	\$ 1,310,614
Cash and cash equivalents reported as investments.....	<u>(801,320)</u>

STATEMENT OF NET POSITION CASH..... \$ 509,294

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

Operating income (loss).....	\$ 52,120
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Adjustments to reconcile operating income (loss) to net cash
provided by (used in) operating activities:

(Increase) decrease in:

Accounts receivable.....	(33,257)
Due from other funds.....	(1,451,690)
Other asset.....	(13,580)

Increase (decrease) in:

Claims and judgments payable.....	<u>975,591</u>
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NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES..... \$ (470,816)

TOWN OF EAST HAVEN, CONNECTICUTSTATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	PRIVATE- PURPOSE TRUST FUNDS	AGENCY FUNDS
<u>ASSETS</u>		
Cash.....	\$ 29,802	\$ 161,701
Investments.....	42,950	53,792
Accounts receivable.....		3,630
TOTAL ASSETS.....	72,752	219,123
<u>LIABILITIES</u>		
LIABILITIES:		
Accounts payable.....		218,244
Due to other funds.....		879
TOTAL LIABILITIES.....	-	219,123
<u>NET POSITION</u>		
Held in trust for individuals.....	72,752	
NET POSITION HELD IN TRUST.....	\$ 72,752	\$ -

TOWN OF EAST HAVEN, CONNECTICUTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2014

	PRIVATE- PURPOSE TRUST FUNDS
ADDITIONS:	
Investment income (loss):	
Interest and dividends.....	\$ 62
DEDUCTIONS:	
Scholarships awarded.....	<u>3,000</u>
CHANGE IN NET POSITION.....	(2,938)
TOTAL NET POSITION, JULY 1, 2013.....	<u>75,690</u>
TOTAL NET POSITION, JUNE 30, 2014.....	<u>\$ 72,752</u>

TOWN OF EAST HAVEN, CONNECTICUT**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

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. 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. For this purpose, the Town considers property taxes to be available if collected within 60 days of the current fiscal year end and reimbursement grants to be available if they are collected within one year of the end 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 Statements No. 10 and 30.

Private-Purpose Trust Funds are used to account for resources legally held in trust for the Shinder and Patsy Dilungo Scholarship Funds' 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. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. By contract, an independent appraisal is obtained once every year to determine the fair market value of the real estate assets.

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 18 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 item that qualifies for reporting in this category is advanced property tax collections.

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

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. Reclassifications

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

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

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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, 2014	\$ 86,619,372	\$ 85,666,942
State Teachers' Retirement on-behalf payment	<u>4,990,658</u>	<u>4,990,658</u>
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2014	<u>\$ 91,610,030</u>	<u>\$ 90,657,600</u>

C. Donor Restricted Endowments

The Town has received certain endowments for the Hagaman 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, 2014, the amount of appreciation (depreciation) included in restricted fund balance for the Hagaman Memorial Library was \$156,390.

D. Deficit Fund Balances/Net Position

The following funds had deficit fund balances/net position at June 30, 2014:

Daycare	\$ 4,442
School lunch	161,799
Land acquisition	7,766
Self-insurance reserve	7,062,845
Workers' compensation	10,351,975

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

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, 2014, \$11,840,576 of the Town's bank balance of \$12,893,155 including certificates of deposits and money market accounts, was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 10,605,924
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,234,652</u>
Total amount subject to custodial credit risk.....	<u>\$ 11,840,576</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, 2014, 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/Exchange traded funds:				
Money market	\$ 37,776	\$	\$ 37,776	\$
Equity	512,362	512,362		
International equity	235,298	235,298		
Bond.....	216,764			216,764
International bond	48,507			48,507
Real estate investment trust.....	81,501	81,501		
Hedge fund	149,681	149,681		
Commodities.....	37,823	37,823		
Certificates of deposit.....	592,559		55,650	536,909
Bank money market funds	4,045,664		4,045,664	
U.S. Treasury notes.....	8,987		8,987	
Pooled fixed income	4,564,528		4,564,528	
TOTAL	\$10,531,450	\$1,016,665	\$8,712,605	\$ 802,180

Of the \$4,564,528 of pooled fixed income, \$4,087,377 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	\$ 37,776	\$	\$ 3,228	\$ 4,564,528
AA.....		216,764	2,306	
A.....			3,878	
BBB			4,577	
BB.....			12,469	
B.....			15,001	
CCC.....			6,090	
Unrated.....			958	
TOTAL.....	<u>\$ 37,776</u>	<u>\$ 216,764</u>	<u>\$ 48,507</u>	<u>\$ 4,564,528</u>

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

The investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
U.S. Treasury notes	<u>\$ 8,987</u>	<u>\$ 8,987</u>	<u>\$ -</u>

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, 2014, including the applicable allowances for uncollectible accounts, are presented below:

	Taxes	Property Taxes Interest & Lien fees	Total
Current Portion.....	<u>\$ 1,218,050</u>	<u>\$ 414,895</u>	<u>\$ 1,632,944</u>
Long-term Portion	<u>\$ 1,957,262</u>	<u>\$ 1,208,383</u>	<u>\$ 3,165,645</u>
Less Allowance for Uncollectibles ...	<u>(585,000)</u>	<u>(1,000,000)</u>	<u>(1,585,000)</u>
Net Long-term Portion.....	<u>\$ 1,372,262</u>	<u>\$ 208,383</u>	<u>\$ 1,580,645</u>
Total Receivable.....	<u>\$ 2,590,312</u>	<u>\$ 623,278</u>	<u>\$ 3,213,589</u>

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, 2014 was as follows:

	BALANCE JULY 1, 2013	INCREASES	DECREASES	BALANCE JUNE 30, 2014
<u>Capital Assets, not Being Depreciated:</u>				
Land	\$ 3,497,216	\$	\$	\$ 3,497,216
Construction in progress	4,975,938	906,758	361,825	5,520,871
Total Capital Assets, not Being Depreciated	8,473,154	906,758	361,825	9,018,087
<u>Capital Assets, Being Depreciated:</u>				
Land improvements	4,602,624	21,370		4,623,994
Buildings	62,712,818			62,712,818
Building improvements	11,729,139	210,329		11,939,468
Machinery and equipment	5,225,244	151,496		5,376,740
Vehicles	4,505,838			4,505,838
Infrastructure	36,919,321			36,919,321
Total Capital Assets, Being Depreciated	125,694,984	383,195		126,078,179
Total Capital Assets	134,168,138	1,289,953	361,825	135,096,266
<u>Less Accumulated Depreciation for:</u>				
Land improvements	1,712,901	191,204		1,904,105
Buildings	19,386,641	982,651		20,369,292
Building improvements	4,024,283	1,562,679		5,586,962
Machinery and equipment	3,493,525	204,263		3,697,788
Vehicles	2,298,430	432,064		2,730,494
Infrastructure	10,344,927	510,549		10,855,476
Total Accumulated Depreciation	41,260,707	3,883,410	-	45,144,117
Total Capital Assets, Being Depreciated, net	84,434,277	(3,500,215)	-	80,934,062
Capital Assets, net	\$ 92,907,431	\$ (2,593,457)	\$ 361,825	\$ 89,952,149

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

Governmental Activities:

General government	\$ 85,838
Public safety	439,651
Public works	668,236
Culture and recreation	123,712
Health and welfare	2,829
Education	2,563,144
Total Depreciation Expense	\$ 3,883,410

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, 2014 is as follows:

	CORRESPONDING		
	FUND	DUE FROM	DUE TO
MAJOR FUNDS:			
GENERAL FUND:			
Capital projects.....	N/A	\$ 1,805,164	\$ 2,044,622
Public safety.....	N/A		11,234
Historical documents preservation	N/A		18,027
Economic development.....	N/A		1,380
Town pool repair.....	N/A		4,553
Open space.....	N/A		45,000
Workforce alliance.....	N/A	190	
Marine enforcement grants	N/A		8,802
Public works state aid.....	N/A		45,125
FEMA	N/A	32,003	
Permanent patch fund.....	N/A		500
East Haven kennel club.....	N/A		32,366
Dog licenses.....	N/A		20,848
Senior center special funding	N/A		12
Hagaman library operating account	N/A		9,414
Teen center	N/A		5,853
Health and welfare	N/A	37	105,065
Emergency management fund.....	N/A		7,300
Daycare	N/A	997	
Athletic department	N/A	33,125	
High school rental.....	N/A	176,884	
School lunch.....	N/A		2,725
Adult education.....	N/A		326
Education grants	N/A		26,163
Road bonding 2008	N/A		2,081
Land acquisition	N/A	7,766	
LOCIP Town clerk fees	N/A		48,645
LOCIP Town clerk fees	N/A		82,195
LOCIP	N/A		
Self-insurance	N/A	833,713	272,036
Workers' compensation.....	N/A		1,145,258
Medical insurance	N/A		3,004,032
Flexible spending	N/A	879	
TOTAL GENERAL FUND		2,890,758	6,943,562
CAPITAL PROJECTS	General Fund	2,044,622	1,805,164

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

III. **DETAILED NOTES (CONTINUED)**

D. **Interfund Accounts (Continued)**

	<u>CORRESPONDING FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
NONMAJOR GOVERNMENTAL FUNDS:			
SPECIAL REVENUE FUNDS:			
Public safety.....	General Fund	\$ 11,234	\$
Historical documents preservation.....	General Fund	18,027	
Economic development.....	General Fund	1,380	
Town pool repair.....	General Fund	4,553	
Open space	General Fund	45,000	
Workforce alliance.....	General Fund		190
Marine enforcement grants	General Fund	8,802	
Public works state aid.....	General Fund	45,125	
FEMA.....	General Fund		40,530
Permanent patch fund.....	General Fund	500	
East Haven kennel club.....	General Fund	32,366	
Dog licenses	General Fund	20,848	
Senior center special funding	General Fund	12	
Hagaman Memorial Library.....	General Fund	9,414	
Hagaman Memorial Library.....	Workers' Compensation		4,890
Teen center.....	General Fund	5,853	
Health and welfare.....	General Fund	105,065	37
Emergency management fund.....	General Fund	7,300	
Daycare.....	General Fund		997
Athletic department.....	General Fund		33,125
High school rental.....	General Fund		176,884
School lunch	General Fund	2,725	
School lunch	FEMA	8,527	
Adult education.....	General Fund	326	
Adult education.....	Education Grants	904	
Education grants fund	Adult Education		904
Education grants fund	General Fund	26,163	
DEBT SERVICE FUND:			
WPCA debt service fund	General Fund		
CAPITAL PROJECTS FUNDS:			
Road Bonding 2008.....	General Fund	2,081	
Land acquisition.....	General Fund		7,766
LOCIP	General Fund	48,645	
LOCIP Town clerk fees	General Fund	82,195	
TOTAL NONMAJOR GOVERNMENTAL FUNDS ..		487,045	265,323

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

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

	<u>CORRESPONDING FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
INTERNAL SERVICE FUNDS:			
Self-insurance.....	General Fund	\$ 272,036	\$ 833,713
Workers' compensation.....	General Fund	1,145,258	
Hagaman Memorial Library	General Fund	4,890	
Medical insurance.....	General Fund	3,004,032	
TOTAL INTERNAL SERVICE FUNDS		<u>4,426,216</u>	<u>833,713</u>
AGENCY FUNDS:			
Flexible spending	General Fund		<u>879</u>
GRAND TOTAL		<u>\$ 9,848,641</u>	<u>\$ 9,848,641</u>

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

E. Transfers In/Out

A summary of interfund transfers for the year ended June 30, 2014 is as follows:

	<u>CORRESPONDING FUND</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
<u>MAJOR FUNDS:</u>			
<u>GENERAL FUND:</u>			
Public safety	n/a	\$	\$ 904
<u>NONMAJOR FUNDS:</u>			
<u>SPECIAL REVENUE FUNDS:</u>			
Hagaman Memorial Library	Issac Hagaman Library Fund	50,033	
Public safety	General Fund	904	
TOTAL SPECIAL REVENUE FUNDS		<u>50,937</u>	
<u>PERMANENT FUNDS:</u>			
Issac Hagaman Library Fund.....	Hagaman Memorial Library		<u>50,033</u>
GRAND TOTAL.....		<u>\$ 50,937</u>	<u>\$ 50,937</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.

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

III. DETAILED NOTES (CONTINUED)

F. Short-Term Obligations - Bond Anticipation Notes

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

Short-term obligation activity for the year ended June 30, 2014 was as follows:

	BALANCE JULY 1, 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2014
BOND ANTICIPATION NOTES:				
School roofs and solar panels....	\$ 45,000	\$ -	\$ 45,000	\$ -

In August 2014, the Town issued \$1,500,000 of bond anticipation notes to finance the improvement required by the Department of Justice the Public Safety Communication System. The notes will mature in August 2015 and carry a coupon rate of 1.25% and a net interest cost of 0.52%.

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, 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2014	CURRENT PORTION
<u>BONDS/NOTES:</u>									
General Purpose:									
Refunding Bond ..	\$ 4,505,600	02/15/03	2016	3.28%	\$ 597,150	\$	\$ 290,300	\$ 306,850	\$ 153,850
Improvement Bond	6,031,000	08/15/05	2025	3.50-5.00%	4,126,000		315,000	3,811,000	340,000
Refunding Bond ..	3,609,000	08/15/05	2015	3.00-4.25%	755,000		380,000	375,000	375,000
Improvement Bond	3,000,000	08/24/07	2028	4.1-5.5%	2,250,000		150,000	2,100,000	150,000
Improvement Bond	6,941,000	07/22/09	2028	5.00-6.00%	6,521,000		420,000	6,101,000	420,000
Refunding Bond ..	3,880,000	07/28/10	2030	3.00%	3,200,000		370,000	2,830,000	365,000
Improvement Bond	3,655,000	07/28/10	2021	3.00%	3,655,000		205,616	3,449,384	205,616
Improvement Bond	1,275,000	07/26/11	2026	2.00%	1,275,000		105,000	1,170,000	105,000
Improvement Bond	4,435,000	07/17/13	2026	2.0-4.0%	2,580,000	1,855,000		4,435,000	210,000
Total General Purpose					24,959,150	1,855,000	2,235,916	24,578,234	2,324,466
Schools:									
Refunding Bond ..	25,294,000	02/15/03	2017	3.28%	6,437,850		1,899,700	4,538,150	1,771,150
School Bonds.....	149,000	08/15/05	2018	3.50-5.00%	49,000		10,000	39,000	10,000
Refunding Bond ..	13,991,000	08/15/05	2019	3.00-4.25%	6,535,000		1,155,000	5,380,000	1,160,000
School Bonds.....	654,000	07/22/09	2028	5.00-6.00%	614,000		40,000	574,000	40,000
School Bonds.....	1,500,000	07/28/10	2021	3.00%	1,500,000		84,384	1,415,616	84,384
School Bonds.....	270,000	07/26/11	2021	2.00%	270,000		30,000	240,000	30,000
Total Schools					15,405,850	-	3,219,084	12,186,766	3,095,534

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

III. DETAILED NOTES (CONTINUED)

G. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2014	CURRENT PORTION
Sewer:									
Sewer Bond	\$5,000,000	12/01/01	2016	4.2500%	\$ 1,080,000	\$	\$ 360,000	\$ 720,000	\$ 360,000
TOTAL BONDS/NOTES					41,445,000	1,855,000	5,815,000	37,485,000	5,780,000
PREMIUM					225,634	165,445	23,436	367,643	
TOTAL BONDS/NOTES AND RELATED LIABILITIES					41,670,634	2,020,445	5,838,436	37,852,643	5,780,000
CAPITAL LEASE					496,360	264,870	262,000	499,230	245,575
COMPENSATED ABSENCES					7,372,816	2,337,376	2,551,170	7,159,022	1,431,804
NET OPEB OBLIGATIONS					10,163,536	7,428,800	4,405,735	13,186,601	
CLAIMS AND JUDGMENTS					98,916		32,974	65,942	32,972
RISK MANAGEMENT (INTERNAL SERVICE FUNDS)					18,558,085	18,350,418	17,374,827	19,533,676	4,868,944
TOTAL LONG-TERM OBLIGATIONS					\$78,360,347	\$30,401,909	\$30,465,142	\$78,297,114	\$12,359,295

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
2015	\$1,429,567	\$181,563	\$ 5,780,000	\$ 1,482,500
2016	1,430,129	117,053	5,490,000	1,242,218
2017	1,050,384	63,363	4,235,000	1,043,251
2018	629,385	28,219	3,240,000	893,026
2019	339,628	7,258	2,680,000	769,625
2020			2,025,000	670,969
2021			2,020,000	584,863
2022			2,020,000	498,207
2023			1,610,000	420,475
2024			1,610,000	349,795
2025			1,610,000	278,358
2026			1,250,000	213,807
2027			1,215,000	156,807
2028			1,165,000	101,299
2029			1,020,000	49,566
2030			290,000	18,038
2031			225,000	5,484
TOTALS	\$4,879,093	\$397,456	\$ 37,485,000	\$ 8,778,288

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

III. DETAILED NOTES (CONTINUED)

G. Changes in Long-Term Obligations (Continued)

The general purpose bonds and school bond are liquidated by the general fund. The sewer bonds are liquidated by the debt service fund.

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.....	\$ 138,025,753	\$ 24,578,234	\$ 113,447,519
Schools.....	276,051,506	7,307,673	268,743,833
Sewers	230,042,921	720,000	229,322,921
Urban renewal	199,370,532		199,370,532
Pension deficit	184,034,337		184,034,337

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$429,413,453.

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 \$4,879,093 for bond principal is reflected as deductions in the computation of net indebtedness.

In August 2014, the Town issued \$6,890,000 of bonds to refund all or any portion of the general obligation refunding bonds issue of 2005 Series B and general obligation bonds, issue of 2005 Series A which were dated August 15, 2005. The bonds mature in 2025 and carry interest rates from 3.0% to 5.0%.

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

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

III. DETAILED NOTES (CONTINUED)

G. Changes in Long-Term Obligations (Continued)

2. Capital Lease (Continued)

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, 2014.

YEAR ENDING <u>JUNE 30,</u>	
2015	\$ 262,000
2016	262,000
Less amount representing interest	<u>(24,770)</u>
Present value of minimum lease payments	<u>\$ 499,230</u>

3. Authorized/Unissued Bonds

At June 30, 2014, the Town had authorized and unissued bonds as follows:

	<u>AUTHORIZED/ UNISSUED BONDS</u>
General purpose.....	\$ 4,397,993
Schools.....	<u>2,846,000</u>
Total	<u>\$ 7,243,993</u>

4. 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, 2014, the amount of defeased debt outstanding but removed from the Town's financial statements amounted to \$12,740,000.

H. Restricted Net Position

The amount of restricted net position, which was restricted by enabling legislation, totaled \$106,200 at June 30, 2014.

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

III. DETAILED NOTES (CONTINUED)

I. Fund Balance Classifications

As of June 30, 2014, 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			51,566	51,566
Donor purpose restrictions			1,674,276	1,674,276
Public safety programs			21,975	21,975
Historical document preservation			17,690	17,690
Education programs			81,604	81,604
Total restricted	-	-	1,847,111	1,847,111
Committed:				
Emergency management			50,055	50,055
Senior center			12,163	12,163
Health and welfare programs			8,858	8,858
Emergency medical service			52,705	52,705
Education programs			230,223	230,223
Approved capital projects		228,227	159,267	387,494
Total committed	-	228,227	513,271	741,498
Assigned:				
Recreation			49,553	49,553
Public works			500	500
Economic development			1,380	1,380
Animal control			53,667	53,667
Teen center			5,853	5,853
Library operations			101,084	101,084
Debt service			512,555	512,555
Total assigned	-	-	724,592	724,592
Unassigned	2,293,001	-	(174,007)	2,118,994
Total	\$ 2,293,001	\$ 228,227	\$ 3,010,967	\$ 5,532,195

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:				
2013	\$ 3,750,000	\$ 1,806,000	\$ 325,000	\$ 5,231,000
2014	5,231,000	1,594,338		6,825,338
Workers' Compensation Fund:				
2013	\$ 11,750,312	\$ 3,182,583	\$ 2,523,810	\$ 12,409,085
2014	12,409,085	1,304,631	2,055,378	11,658,338
Medical Insurance Fund:				
2013	\$ 816,000	\$11,780,601	\$ 11,678,601	\$ 918,000
2014	918,000	11,761,749	11,629,749	1,050,000

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

IV. OTHER INFORMATION (CONTINUED)

B. Commitments and Litigation

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

C. Pension Plans

Municipal Employees' Retirement Fund

a. Plan Description

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

b. Plan Provisions

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

c. Funding Policy

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

The required and actual contributions for the years ended June 30, 2012, 2013 and 2014 were \$2,494,305, \$2,409,656 and \$2,770,271, 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 \$1,722,989 and \$2,294,446, 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 July 1, 2013 the date of the last available actuarial valuation, was as follows:

	(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>TOWN</u>						
July 1, 2013	\$ -	\$ 61,801,009	\$ (61,801,009)	0.0%	N/A	N/A
<u>BOARD OF EDUCATION</u>						
July 1, 2013	\$ -	\$ 39,118,602	\$ (39,118,602)	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	July 1, 2013
Actuarial cost method	Projected Unit Credit
Amortization method	Payments Increasing at 4%
Remaining amortization period - Town	30 Years Open
Remaining amortization period - Board	13 Years Closed

ACTUARIAL ASSUMPTIONS:

Investment rate of return	4.5%
Healthcare inflation rate:	
Initial	8.0%
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)	\$ 3,514,757	\$ 3,456,684
Interest on net OPEB obligation	448,341	9,018
Adjustment to annual required contribution	<u>(371,723)</u>	<u>(16,577)</u>
Annual OPEB cost (AOC)	3,591,375	3,449,125
Contributions made	<u>1,722,989</u>	<u>2,294,446</u>
Change in net OPEB obligation	1,868,386	1,154,679
Net OPEB obligation - July 1, 2013	<u>9,963,130</u>	<u>200,406</u>
Net OPEB obligation - June 30, 2014	<u>\$ 11,831,516</u>	<u>\$ 1,355,085</u>

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

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>			
2012	\$ 3,678,814	40.1%	\$ 7,762,647
2013	3,860,130	43.0	9,963,130
2014	3,591,375	48.0	11,831,516
<u>BOARD OF EDUCATION</u>			
2012	\$ 1,739,574	102.4%	\$ 120,412
2013	1,922,678	95.8	200,406
2014	3,449,125	66.5	1,355,085

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 \$4,990,658.

**Required
Supplementary
Information**

TOWN OF EAST HAVEN, CONNECTICUTOTHER POST-EMPLOYMENT BENEFIT PLANS
REQUIRED SUPPLEMENTARY INFORMATIONSCHEDULES OF FUNDING PROGRESS

<u>TOWN PLAN</u>						
	<u>A</u>	<u>B</u>	<u>(A-B)</u>	<u>(A/B)</u>	<u>C</u>	<u>[(A-B)/C]</u>
ACTUARIAL VALUATION DATE JULY 1	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
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
2013	-	61,801,009	(61,801,009)	0.0%	N/A	N/A

<u>BOARD OF EDUCATION PLAN</u>						
	<u>A</u>	<u>B</u>	<u>(A-B)</u>	<u>(A/B)</u>	<u>C</u>	<u>[(A-B)/C]</u>
ACTUARIAL VALUATION DATE JULY 1	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
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
2013	-	39,118,602	(39,118,602)	0.0%	N/A	N/A

N/A - No data available.

TOWN OF EAST HAVEN, CONNECTICUTOTHER POST-EMPLOYMENT BENEFIT PLANS
REQUIRED SUPPLEMENTARY INFORMATION**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%
2014	3,514,757	1,722,989	49.0%

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%
2014	3,456,684	2,294,446	66.4%

TOWN OF EAST HAVEN, CONNECTICUT

OTHER POST-EMPLOYMENT BENEFIT PLANS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2014

Changes of benefit terms	<ul style="list-style-type: none"> • Fire participant eligibility was increased from 20 to 25 years of service. • The duration of retiree medical benefits was changed from life for all retirees to age 65 with 20-24 years of service, age 75 with 25-29 years of service, and life with 30 or more years of service. • The portion of the cost paid by retirees for medical coverage was changed from 7% for one group and 0% for all others to 15% for all groups.
Changes of assumptions	<ul style="list-style-type: none"> • Mortality tables were updated to the RP2000 combined healthy tables projected using Scale AA to 2013 with a further projection by 2 years. • The ultimate healthcare rate of inflation was reduced from 9.5% to 8%. • Fire participant eligibility was increased from 20 to 25 years of service. • Per capita health costs were decreased.
Method and assumptions used in calculations of the actuarial determined contribution	The actuarial determined contribution rates in the schedules of employer contributions are calculated as of July 1, 2013. The previous years were calculated using the valuation that was 2 years prior to the fiscal year end.

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Payments increasing at 4.0%
Remaining Amortization Period - Town	30 years (open)
Remaining Amortization Period - Board	13 years (closed)
Investment Rate of Return	4.5%
Healthcare Inflation rate - Initial	8.0%
Healthcare Inflation rate - Ultimate	5.0%

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, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Real estate.....	\$ 53,090,570	\$ 53,090,570	\$ 53,294,708	\$ 204,138
Motor vehicle and personal property.....	6,394,059	6,394,059	6,015,438	(378,621)
Supplemental motor vehicle.....	600,554	600,554	557,192	(43,362)
Delinquent taxes.....	750,000	750,000	995,603	245,603
Suspense collections.....	80,000	80,000	95,092	15,092
Interest, penalties and liens.....	544,912	544,912	650,503	105,591
PILOT water authority.....	717,463	717,463	717,463	-
PILOT GNHWPCA.....	63,000	63,000	63,000	-
Telecommunication property tax.....	75,000	75,000	50,119	(24,881)
TOTAL PROPERTY TAXES.....	62,315,558	62,315,558	62,439,118	123,560
INTERGOVERNMENTAL:				
State aid school construction.....	1,776,689	1,776,689	1,776,689	-
Health and welfare nonpublic school.....	43,063	43,063	34,044	(9,019)
Pupil transportation.....	250,442	250,442	268,357	17,915
Education block grant.....	19,514,051	19,514,051	18,447,831	(1,066,220)
PILOT state property.....	241,025	241,025	351,907	110,882
PILOT Pequot funds.....			165,781	165,781
Elderly circuit breaker.....	317,295	317,295	312,685	(4,610)
Tax relief elderly.....	8,000	8,000	8,000	-
Veterans' exemption.....	81,650	81,650	82,755	1,105
Disability reimbursement.....	5,720	5,720	5,127	(593)
Off Track Betting (OTB).....	69,172	69,172	64,740	(4,432)
State of CT department of children.....	23,500	23,500	22,209	(1,291)
TOTAL INTERGOVERNMENTAL.....	22,330,607	22,330,607	21,540,125	(790,482)
INVESTMENT INCOME.....	28,500	28,500	23,742	(4,758)
CHARGES FOR SERVICES:				
Zoning board of appeals.....	3,000	3,000	3,164	164
Zoning fees.....	15,000	15,000	16,302	1,302
Police permits, tags, etc.....	17,000	17,000	17,061	61
Fire permits/fees.....	2,000	2,000	991	(1,009)
Town clerk fees.....	355,000	355,000	346,342	(8,658)
Town clerk state license fees	-	-	8,211	8,211
Building dept permits.....	175,000	175,000	233,571	58,571
Recreation fees.....	98,000	98,000	89,064	(8,936)
Pool fees.....	16,500	16,500	12,020	(4,480)
Athletic complex fees.....	295,000	295,000	319,906	24,906
C.A.M. fees.....	500	500	1,760	1,260
Human services fees.....	160,000	160,000	247,643	87,643
Landfill fees.....	16,500	16,500	13,260	(3,240)
Solid waste hauler fees.....	12,500	12,500		(12,500)
Inland/wetland prints.....	1,300	1,300		(1,300)
Flood and erosion.....	1,500	1,500	2,610	1,110
Police special assignments.....	615,000	615,000	508,219	(106,781)
TOTAL CHARGES FOR SERVICES.....	1,783,800	1,783,800	1,820,124	36,324

(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.....	\$ 370,000	\$ 370,000	\$ 364,891	\$ (5,109)
Workman comp. reimbursement.....	283,360	283,360	265,200	(18,160)
Farmers market.....			160	160
Miscellaneous.....	193,456	193,456	166,012	(27,444)
TOTAL OTHER	846,816	846,816	796,263	(50,553)
TOTAL REVENUES.....	\$ 87,305,281	\$ 87,305,281	\$ 86,619,372	(\$ 685,909)

(Concluded)

TOWN OF EAST HAVEN, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
Town Council.....	\$ 72,600	\$ 72,600	\$ 59,988	\$ 12,612
Board of Finance.....	6,800	6,800	6,166	634
Mayor.....	137,589	137,589	137,456	133
Finance.....	426,819	426,819	400,063	26,756
Purchasing.....	47,730	47,730	37,917	9,813
Tax collector.....	270,762	275,062	271,997	3,065
Assessor.....	243,786	243,786	241,953	1,833
Personnel, administration and management.....	314,105	323,105	297,403	25,702
Board of assessment appeals.....	1,600	1,600	1,500	100
Town clerk.....	249,296	249,296	229,770	19,526
Registrar of Voters.....	143,770	143,770	136,269	7,501
Planning and zoning.....	157,945	157,945	156,880	1,065
Zoning board of appeals.....	2,975	2,975	2,441	534
Legal.....	386,000	522,500	511,910	10,590
Probate.....	10,100	10,100	5,431	4,669
Civil service.....	46,223	46,223	35,669	10,554
Flood and erosion.....	600	600		600
Inland/wetland.....	1,900	1,900	750	1,150
Fund balance contribution.....	900,000	900,000		900,000
School building committee.....	2,600	2,600	1,200	1,400
TOTAL GENERAL GOVERNMENT.....	3,423,200	3,573,000	2,534,763	1,038,237
PUBLIC SAFETY:				
Board of police commissioners.....	3,025	3,025	1,701	1,324
Canine control.....	211,735	211,735	203,540	8,195
Police department.....	5,089,590	5,315,259	5,308,514	6,745
Board of fire commissioners.....	13,750	13,750	8,763	4,987
Fire department.....	5,475,491	5,486,981	5,480,323	6,658
TOTAL PUBLIC SAFETY.....	10,793,591	11,030,750	11,002,841	27,909
HIGHWAYS AND ENGINEERING:				
Engineering.....	139,669	139,669	119,961	19,708
Highways.....	2,166,950	2,166,950	2,093,971	72,979
TOTAL HIGHWAYS AND ENGINEERING.....	2,306,619	2,306,619	2,213,932	92,687
SANITATION AND MAINTENANCE:				
Building department.....	144,912	144,912	137,865	7,047
Sanitation.....	1,983,103	1,981,593	1,948,086	33,507
Building maintenance.....	676,362	757,872	756,369	1,503
TOTAL SANITATION AND MAINTENANCE.....	2,804,377	2,884,377	2,842,320	42,057

(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.....	\$ 248,109	\$ 248,109	\$ 245,022	\$ 3,087
Social services.....	82,925	82,925	69,986	12,939
Counseling and community services.....	587,180	587,180	581,974	5,206
Housing authority.....	13,762	13,762	12,348	1,414
Urban renewal.....	47,641	47,641	39,529	8,112
TOTAL HEALTH AND WELFARE.....	979,617	979,617	948,859	30,758
CULTURE AND RECREATION:				
Recreation.....	448,757	447,597	447,563	34
Recreation - ice rink.....	275,007	284,846	282,883	1,963
Senior center.....	204,519	204,519	200,770	3,749
Library.....	734,521	743,935	743,935	-
Community services.....	91,150	91,150	84,561	6,589
TOTAL CULTURE AND RECREATION.....	1,753,954	1,772,047	1,759,712	12,335
EMPLOYEE BENEFITS AND INSURANCE:				
Employee benefits.....	8,339,750	8,339,750	8,088,948	250,802
Insurance.....	2,453,500	2,364,500	2,354,744	9,756
TOTAL EMPLOYEE BENEFITS AND INSURANCE..	10,793,250	10,704,250	10,443,692	260,558
EDUCATION.....	45,210,357	45,210,357	45,437,659	(227,302)
GENERAL SERVICES.....	2,136,000	1,739,498	1,379,304	360,194
DEBT SERVICE:				
Principal.....	5,455,000	5,455,000	5,455,000	-
Interest.....	1,648,412	1,648,862	1,648,860	2
TOTAL DEBT SERVICE.....	7,103,412	7,103,862	7,103,860	2
TOTAL EXPENDITURES.....	87,304,377	87,304,377	85,666,942	1,637,435
OTHER FINANCING USES:				
Transfers out.....	904	904	904	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 87,305,281	\$ 87,305,281	\$ 85,667,846	\$ 1,637,435

(Concluded)

TOWN OF EAST HAVEN, CONNECTICUT

REPORT OF TAX COLLECTOR
YEAR ENDED JUNE 30, 2014

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2013	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED AMOUNT COLLECTIBLE	TAXES COLLECTED	INTEREST & LIEN FEES	TOTAL	UNCOLLECTED TAXES JUNE 30, 2014
			ADDITIONS	DEDUCTIONS						
1997	\$ 23,861	\$	\$	\$	\$ 23,861	\$ -	\$	\$	\$ -	\$ -
1998	24,044			1,529		22,515	2,160	5,662	7,822	20,355
1999	24,377			1,529		22,848	2,160	5,273	7,433	20,688
2000	31,232			1,590		29,642	1,958	4,430	6,388	27,684
2001	35,133			1,590		33,543	2,128	4,444	6,572	31,415
2002	31,050			1,590		29,460	1,976	3,784	5,760	27,484
2003	66,562			1,590		64,972	1,779	3,614	5,393	63,193
2004	77,044			1,771		75,273	162	264	426	75,111
2005	80,096		227	1,771		78,552	247	52	299	78,305
2006	99,145		137	3,282		96,000	2,076	2,174	4,250	93,924
2007	117,255		411	3,282		114,384	12,753	8,315	21,068	101,631
2008	197,054		495	3,616		193,933	63,795	34,726	98,521	130,138
2009	469,920		63,662	4,290		529,292	195,880	76,711	272,591	333,412
2010	648,771		1,431	7,609		642,593	232,798	79,878	312,676	409,795
2011	1,453,136		10,781	96,826	214,099	1,152,992	774,826	177,303	952,129	378,166
TOTAL PRIOR YEARS	3,378,680	-	77,144	131,865	237,960	3,085,999	1,294,698	406,630	1,701,328	1,791,301
2012		60,897,971	82,951	281,746	3,445	60,695,731	59,311,720	228,639	59,540,359	1,384,011
TOTAL	\$ 3,378,680	\$ 60,897,971	\$ 160,095	\$ 413,611	\$ 241,405	\$ 63,781,730	60,606,418	635,269	61,241,687	\$ 3,175,312
Suspense collections							95,092		95,092	
Totals							\$ 60,701,510	\$ 635,269	\$ 61,336,779	

Nonmajor Governmental Funds

Special Revenue Funds

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

Public Safety

Historical Documents Preservation

Economic Development

Town Pool Repair

Open Space

Workforce Alliance

Marine Enforcement Grants

Public Works State Aid

FEMA

Permanent Patch Fund

East Haven Kennel Club

Small Cities

Dog Licenses

Senior Center Special Funding

Senior Center

Teen Center

Hagaman Memorial Library

Health and Welfare

Emergency Management Fund

Daycare

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, 2014

	SPECIAL REVENUE FUNDS						
	PUBLIC SAFETY	HISTORICAL DOCUMENTS PRESERVATION	ECONOMIC DEVELOPMENT	TOWN POOL REPAIR	OPEN SPACE	WORKFORCE ALLIANCE	MARINE ENFORCEMENT GRANTS
<u>ASSETS</u>							
Cash.....	\$ 7,179	\$	\$	\$	\$	\$	\$
Investments.....							
Receivables:							
Intergovernmental.....							
Other.....		140				190	
Due from other funds.....	11,234	18,027	1,380	4,553	45,000		8,802
Other.....							
TOTAL ASSETS.....	\$ 18,413	\$ 18,167	\$ 1,380	\$ 4,553	\$ 45,000	\$ 190	\$ 8,802
<u>LIABILITIES</u>							
Accounts payable.....	\$ 1,232	\$ 477	\$	\$	\$	\$	\$ 1,000
Accrued payroll.....							
Due to other funds.....						190	
Unearned revenue.....	2,506						
TOTAL LIABILITIES.....	3,738	477	-	-	-	190	1,000
<u>FUND BALANCES</u>							
Nonspendable.....							
Restricted.....	14,675	17,690					7,802
Committed.....							
Assigned.....			1,380	4,553	45,000		
Unassigned.....							
TOTAL FUND BALANCES.....	14,675	17,690	1,380	4,553	45,000	-	7,802
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 18,413	\$ 18,167	\$ 1,380	\$ 4,553	\$ 45,000	\$ 190	\$ 8,802

(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
ASSETS						
Cash.....	\$	\$	\$	\$	\$ 6,835	\$
Investments.....						
Receivables:						
Intergovernmental.....		90,585				
Other.....						805
Due from other funds.....	45,125		500	32,366		20,848
Other.....						
TOTAL ASSETS.....	\$ 45,125	\$ 90,585	\$ 500	\$ 32,366	\$ 6,835	\$ 21,653
LIABILITIES						
Accounts payable.....	\$ 8,196	\$	\$	\$ 152	\$	\$ 200
Accrued payroll.....						
Due to other funds.....		40,530				
Unearned revenue.....						
TOTAL LIABILITIES.....	8,196	40,530	-	152	-	200
FUND BALANCES						
Nonspendable.....						
Restricted.....	36,929				6,835	
Committed.....		50,055				
Assigned.....			500	32,214		21,453
Unassigned.....						
TOTAL FUND BALANCES.....	36,929	50,055	500	32,214	6,835	21,453
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 45,125	\$ 90,585	\$ 500	\$ 32,366	\$ 6,835	\$ 21,653

(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.....	\$	\$ 12,151	\$	\$ 96,560	\$ 3	\$
Investments.....						
Receivables:						
Intergovernmental.....						
Other.....						
Due from other funds.....	12		5,853	9,414	105,065	7,300
Other.....						
TOTAL ASSETS.....	\$ 12	\$ 12,151	\$ 5,853	\$ 105,974	\$ 105,068	\$ 7,300
<u>LIABILITIES</u>						
Accounts payable.....	\$	\$	\$	\$	\$ 43,468	\$
Accrued payroll.....						
Due to other funds.....				4,890	37	
Unearned revenue.....						
TOTAL LIABILITIES.....	-	-	-	4,890	43,505	-
<u>FUND BALANCES</u>						
Nonspendable.....						
Restricted.....						7,300
Committed.....	12	12,151			61,563	
Assigned.....			5,853	101,084		
Unassigned.....						
TOTAL FUND BALANCES.....	12	12,151	5,853	101,084	61,563	7,300
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 12	\$ 12,151	\$ 5,853	\$ 105,974	\$ 105,068	\$ 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.....	\$ 25,939	\$ 33,125	\$ 228,672	\$ 99,362	\$ 40,485	\$ 419,929	\$ 970,240
Investments.....							-
Receivables:							
Intergovernmental.....				134,096		259,244	483,925
Other.....				10,860			11,995
Due from other funds.....				11,252	1,230	26,163	354,124
Other.....				16,463			16,463
TOTAL ASSETS.....	\$ 25,939	\$ 33,125	\$ 228,672	\$ 272,033	\$ 41,715	\$ 705,336	\$ 1,836,747
LIABILITIES							
Accounts payable.....	\$ 13,907	\$	\$ 8,383	\$ 433,832	\$ 1,563	\$ 130,338	\$ 642,748
Accrued payroll.....	15,477		1,953			325,109	342,539
Due to other funds.....	997	33,125	176,884			904	257,557
Unearned revenue.....						18,762	21,268
TOTAL LIABILITIES.....	30,381	33,125	187,220	433,832	1,563	475,113	1,264,112
FUND BALANCES							
Nonspendable.....							-
Restricted.....			41,452		40,152		172,835
Committed.....						230,223	354,004
Assigned.....							212,037
Unassigned.....	(4,442)			(161,799)			(166,241)
TOTAL FUND BALANCES.....	(4,442)	-	41,452	(161,799)	40,152	230,223	572,635
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 25,939	\$ 33,125	\$ 228,672	\$ 272,033	\$ 41,715	\$ 705,336	\$ 1,836,747

(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.....	\$ 7,751	\$	\$	\$	\$	\$ -
Investments.....	504,804					-
Receivables:						
Intergovernmental.....				26,241		26,241
Other.....					105	105
Due from other funds.....		2,081		48,645	82,195	132,921
Other.....						-
TOTAL ASSETS.....	\$ 512,555	\$ 2,081	\$ -	\$ 74,886	\$ 82,300	\$ 159,267
LIABILITIES						
Accounts payable.....	\$	\$	\$	\$	\$	\$ -
Accrued payroll.....						-
Due to other funds.....			7,766			7,766
Unearned revenue.....						-
TOTAL LIABILITIES.....	-	-	7,766	-	-	7,766
FUND BALANCES						
Nonspendable.....						-
Restricted.....						-
Committed.....		2,081		74,886	82,300	159,267
Assigned.....	512,555					-
Unassigned.....			(7,766)			(7,766)
TOTAL FUND BALANCES.....	512,555	2,081	(7,766)	74,886	82,300	151,501
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 512,555	\$ 2,081	\$ -	\$ 74,886	\$ 82,300	\$ 159,267

(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
ASSETS							
Cash.....	\$	\$	\$	\$	\$	\$	\$
Investments.....	418,519	17,594	18,451	1,298,357	21,355	36,045	1,014,036
Receivables:							
Intergovernmental.....						-	510,166
Other.....						-	12,100
Due from other funds.....						-	487,045
Other.....						-	16,463
TOTAL ASSETS.....	\$ 418,519	\$ 17,594	\$ 18,451	\$ 1,298,357	\$ 21,355	\$ 1,774,276	\$ 4,282,845
LIABILITIES							
Accounts payable.....	\$	\$	\$	\$	\$	\$	\$
Accrued payroll.....						-	642,748
Due to other funds.....						-	342,539
Unearned revenue.....						-	265,323
TOTAL LIABILITIES.....	-	-	-	-	-	-	1,271,878
FUND BALANCES							
Nonspendable.....				100,000		100,000	100,000
Restricted.....	418,519	17,594	18,451	1,198,357	21,355	1,674,276	1,847,111
Committed.....						-	513,271
Assigned.....						-	724,592
Unassigned.....						-	(174,007)
TOTAL FUND BALANCES.....	418,519	17,594	18,451	1,298,357	21,355	1,774,276	3,010,967
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 418,519	\$ 17,594	\$ 18,451	\$ 1,298,357	\$ 21,355	\$ 1,774,276	\$ 4,282,845

(Concluded)

TOWN OF EAST HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE FUNDS						
	PUBLIC SAFETY	HISTORICAL DOCUMENTS PRESERVATION	ECONOMIC DEVELOPMENT	TOWN POOL REPAIR	OPEN SPACE	WORKFORCE ALLIANCE	MARINE ENFORCEMENT GRANTS
REVENUES:							
Charges for services.....	\$	\$	\$	\$	\$		\$
Intergovernmental.....	22,584	13,284		1,398		22,141	
Investment income.....		6,500					
Changes in fair value of investments.....							
Contributions.....	5,774						
Other.....	6,046						
TOTAL REVENUES.....	34,404	19,784	-	1,398	-	22,141	-
EXPENDITURES:							
Current:							
General government.....		17,112					
Public safety.....	15,557						4,058
Public works.....	33,460						
Culture and recreation.....							
Health and welfare.....						22,141	
Public works.....							
Education.....							
Debt service:							
Principal.....							
Interest.....							
Capital outlay.....							
TOTAL EXPENDITURES.....	49,017	17,112	-	-	-	22,141	4,058
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(14,613)	2,672	-	1,398	-	-	(4,058)
OTHER FINANCING SOURCES (USES):							
Transfers in.....	904						
Transfers out.....							
NET OTHER FINANCING SOURCES (USES).....	904	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	(13,709)	2,672	-	1,398	-	-	(4,058)
FUND BALANCES, JULY 1, 2013.....	28,384	15,018	1,380	3,155	45,000		11,860
FUND BALANCES, JUNE 30, 2014.....	\$ 14,675	\$ 17,690	\$ 1,380	\$ 4,553	\$ 45,000	\$ -	\$ 7,802

(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.....	\$	\$	\$	\$ 12,847	\$ 8,336	\$ 17,277
Intergovernmental.....	521,025	50,055				
Investment income.....						
Change in fair value of investments.....						
Contributions.....						
Other.....						
TOTAL REVENUES.....	521,025	50,055	-	12,847	8,336	17,277
EXPENDITURES:						
Current:						
General government.....				9,557	12,118	9,018
Public safety.....						
Public works.....	484,096				85,297	
Culture and recreation.....						
Health and welfare.....						
Education.....						
Debt service:						
Principal.....						
Interest.....						
Capital outlay.....						
TOTAL EXPENDITURES.....	484,096	-	-	9,557	97,415	9,018
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	36,929	50,055	-	3,290	(89,079)	8,259
OTHER FINANCING SOURCES (USES):						
Transfers in.....						
Transfers out.....						
NET OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	36,929	50,055	-	3,290	(89,079)	8,259
FUND BALANCE, JULY 1, 2013.....	-	-	500	28,924	95,914	13,194
FUND BALANCE, JUNE 30, 2014.....	\$ 36,929	\$ 50,055	\$ 500	\$ 32,214	\$ 6,835	\$ 21,453

(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.....	\$	\$ 51,183	\$	\$ 21,895	\$ 75,973	\$
Intergovernmental.....				3,182	66,384	
Investment income.....						
Change in fair value of investments.....						
Contributions.....			200	2,174		
Other.....				14,714		
TOTAL REVENUES.....	-	51,183	200	41,965	142,357	-
EXPENDITURES:						
Current:						
General government.....						
Public safety.....					79,308	
Public works.....						
Culture and recreation.....		44,854		80,115	45,406	
Health and welfare.....					83,012	
Education.....						
Debt service:						
Principal.....						
Interest.....						
Capital outlay.....						
TOTAL EXPENDITURES.....	-	44,854	-	80,115	207,726	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	-	6,329	200	(38,150)	(65,369)	-
OTHER FINANCING SOURCES (USES):						
Transfers in.....				50,033		
Transfers out.....						
NET OTHER FINANCING SOURCES (USES).....	-	-	-	50,033	-	-
NET CHANGE IN FUND BALANCES.....	-	6,329	200	11,883	(65,369)	-
FUND BALANCE, JULY 1, 2013.....	12	5,822	5,653	89,201	126,932	7,300
FUND BALANCE, JUNE 30, 2014.....	\$ 12	\$ 12,151	\$ 5,853	\$ 101,084	\$ 61,563	\$ 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.....	\$ 468,273	\$ 69,034	\$ 1,303,682	\$ 410,697	\$ 96,903	\$ 116,748	\$ 2,667,530
Intergovernmental.....				866,171		5,052,464	6,610,506
Investment income.....							-
Change in fair value of investments.....							-
Contributions.....							8,148
Other.....							20,760
TOTAL REVENUES.....	468,273	69,034	1,303,682	1,276,868	96,903	5,169,212	9,306,944
EXPENDITURES:							
Current:							
General government.....							47,805
Public safety.....							98,923
Public works.....							602,853
Culture and recreation.....							170,375
Health and welfare.....							105,153
Education.....	451,175	93,002	1,333,608	1,340,426	59,516	5,041,353	8,319,080
Debt service:							-
Principal.....							-
Interest.....							-
Capital outlay.....							-
TOTAL EXPENDITURES.....	451,175	93,002	1,333,608	1,340,426	59,516	5,041,353	9,344,189
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	17,098	(23,968)	(29,926)	(63,558)	37,387	127,859	(37,245)
OTHER FINANCING SOURCES (USES):							
Transfers in.....							50,937
Transfers out.....							-
NET OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	-	50,937
NET CHANGE IN FUND BALANCES.....	17,098	(23,968)	(29,926)	(63,558)	37,387	127,859	13,692
FUND BALANCE, JULY 1, 2013.....	(21,540)	23,968	71,378	(98,241)	2,765	102,364	558,943
FUND BALANCE, JUNE 30, 2014.....	\$ (4,442)	\$ -	\$ 41,452	\$ (161,799)	\$ 40,152	\$ 230,223	\$ 572,635

(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.....	\$	\$	\$	\$	\$ 14,109	\$ 14,109
Intergovernmental.....			168,898	557,513		726,411
Investment income.....	46					-
Change in fair value of investments.....	112,908					-
Contributions.....						-
Other.....						-
TOTAL REVENUES.....	112,954	-	168,898	557,513	14,109	740,520
EXPENDITURES:						
Current:						
General government.....						-
Public safety.....						-
Public works.....						-
Culture and recreation.....						-
Health and welfare.....						-
Education.....						-
Debt service:						
Principal.....	360,000					-
Interest.....	40,635					-
Capital outlay.....			168,898	557,513		726,411
TOTAL EXPENDITURES.....	400,635	-	168,898	557,513	-	726,411
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(287,681)	-	-	-	14,109	14,109
OTHER FINANCING SOURCES (USES):						
Transfers in.....						-
Transfers out.....						-
NET OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	(287,681)	-	-	-	14,109	14,109
FUND BALANCE, JULY 1, 2013.....	800,236	2,081	(7,766)	74,886	68,191	137,392
FUND BALANCE, JUNE 30, 2014.....	\$ 512,555	\$ 2,081	\$ (7,766)	\$ 74,886	\$ 82,300	\$ 151,501

(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.....	\$	\$	\$	\$	\$	\$ -	\$ 2,681,639
Intergovernmental.....						-	7,336,917
Investment income.....	631	8		26,681	56	27,376	27,422
Change in fair value of investments.....				144,250	4,081	148,331	261,239
Contributions.....		430	300	2,768		3,498	11,646
Other.....						-	20,760
TOTAL REVENUES.....	631	438	300	173,699	4,137	179,205	10,339,623
EXPENDITURES:							
Current:							
General government.....						-	47,805
Public safety.....						-	98,923
Public works.....						-	602,853
Culture and recreation.....			44	22,491		22,535	192,910
Health and welfare.....						-	105,153
Education.....	47					47	8,319,127
Debt service:							
Principal.....						-	360,000
Interest.....						-	40,635
Capital outlay.....						-	726,411
TOTAL EXPENDITURES.....	47	-	44	22,491	-	22,582	10,493,817
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	584	438	256	151,208	4,137	156,623	(154,194)
OTHER FINANCING SOURCES (USES):							
Transfers in.....						-	50,937
Transfers out.....				(50,033)		(50,033)	(50,033)
NET OTHER FINANCING SOURCES (USES).....	-	-	-	(50,033)	-	(50,033)	904
NET CHANGE IN FUND BALANCES.....	584	438	256	101,175	4,137	106,590	(153,290)
FUND BALANCE, JULY 1, 2013.....	417,935	17,156	18,195	1,197,182	17,218	1,667,686	3,164,257
FUND BALANCE, JUNE 30, 2014.....	\$ 418,519	\$ 17,594	\$ 18,451	\$ 1,298,357	\$ 21,355	\$ 1,774,276	\$ 3,010,967

(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.

SCHEDULE 6**TOWN OF EAST HAVEN, CONNECTICUT**

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2014

	SELF- INSURANCE	WORKERS' COMPENSATION	MEDICAL INSURANCE	TOTAL
<u>ASSETS</u>				
Cash.....	\$	\$	\$ 509,294	\$ 509,294
Investments.....	324,170		477,150	801,320
Accounts receivable.....			120,111	120,111
Due from other funds.....	272,036	1,150,148	3,004,032	4,426,216
Other asset.....		156,215		156,215
TOTAL ASSETS.....	596,206	1,306,363	4,110,587	6,013,156
<u>LIABILITIES</u>				
Current liabilities:				
Claims and judgments payable.....	1,000,000	2,818,944	1,050,000	4,868,944
Due to other funds.....	833,713			833,713
Total current liabilities.....	1,833,713	2,818,944	1,050,000	5,702,657
Noncurrent liability:				
Claims and judgments payable.....	5,825,338	8,839,394		14,664,732
TOTAL LIABILITIES.....	7,659,051	11,658,338	1,050,000	20,367,389
<u>NET POSITION</u>				
Unrestricted.....	\$ (7,062,845)	\$ (10,351,975)	\$ 3,060,587	\$ (14,354,233)

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, 2014

	SELF- INSURANCE	WORKERS' COMPENSATION	MEDICAL INSURANCE	TOTAL
OPERATING REVENUES:				
Charges for services.....	\$ 54,373	\$ 2,516,602	\$ 13,784,678	\$ 16,355,653
OPERATING EXPENSES:				
Claims.....	1,594,338	1,304,631	11,761,749	14,660,718
Administration.....			1,642,815	1,642,815
TOTAL OPERATING EXPENSES.....	1,594,338	1,304,631	13,404,564	16,303,533
OPERATING INCOME (LOSS).....	(1,539,965)	1,211,971	380,114	52,120
NONOPERATING REVENUES:				
Investment income.....	453		811	1,264
CHANGE IN NET POSITION.....	(1,539,512)	1,211,971	380,925	53,384
TOTAL NET POSITION - JULY 1, 2013.....	(5,523,333)	(11,563,946)	2,679,662	(14,407,617)
TOTAL NET POSITION - JUNE 30, 2014.....	\$ (7,062,845)	\$ (10,351,975)	\$ 3,060,587	\$ (14,354,233)

TOWN OF EAST HAVEN, CONNECTICUT

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2014

	SELF- INSURANCE	WORKERS' COMPENSATION	MEDICAL INSURANCE	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Premiums received.....	\$	\$ 2,055,378	\$ 12,801,748	\$ 14,857,126
Payments to vendors.....			(1,642,815)	(1,642,815)
Payments for claims.....		(2,055,378)	(11,629,749)	(13,685,127)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	-	-	(470,816)	(470,816)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Income from investments.....	453		811	1,264
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	453	-	(470,005)	(469,552)
CASH AND CASH EQUIVALENTS - JULY 1, 2013.....	323,717		1,456,449	1,780,166
CASH AND CASH EQUIVALENTS - JUNE 30, 2014.....	\$ 324,170	\$ -	\$ 986,444	\$ 1,310,614
RECONCILIATION TO STATEMENT OF NET POSITION CASH:				
Cash and cash equivalents per above.....	\$ 324,170	\$	\$ 986,444	\$ 1,310,614
Cash and cash equivalents reported as investments.....	(324,170)		(477,150)	(801,320)
STATEMENT OF NET POSITION CASH.....	\$ -	\$ -	\$ 509,294	\$ 509,294
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (1,539,965)	\$ 1,211,971	\$ 380,114	\$ 52,120
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable.....		4,890	(38,147)	(33,257)
Due from other funds.....	(54,373)	(452,534)	(944,783)	(1,451,690)
Other asset.....		(13,580)		(13,580)
Increase (decrease) in:				
Claims and judgments payable.....	1,594,338	(750,747)	132,000	975,591
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ -	\$ -	\$ (470,816)	\$ (470,816)

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, 2014

	<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.....	\$	\$ 29,802	\$ 29,802
Investments.....	42,950		42,950
TOTAL ASSETS.....	<u>\$ 42,950</u>	<u>\$ 29,802</u>	<u>\$ 72,752</u>
<u>NET POSTION</u>			
Held in trust for individuals.....	<u>\$ 42,950</u>	<u>\$ 29,802</u>	<u>\$ 72,752</u>

TOWN OF EAST HAVEN, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2014

	PRIVATE-PURPOSE TRUST FUNDS		
	SHINDER SCHOLARSHIP FUND	PATSY DILUNGO SCHOLARSHIP FUND	TOTAL PRIVATE- PURPOSE TRUST FUNDS
ADDITIONS:			
Investment income (loss):			
Interest and dividends.....	\$ 59	\$ 3	\$ 62
DEDUCTIONS:			
Scholarships awarded.....	2,000	1,000	3,000
CHANGE IN NET POSITION.....	(1,941)	(997)	(2,938)
TOTAL NET POSITION, JULY 1, 2013.....	44,891	30,799	75,690
TOTAL NET POSITION, JUNE 30, 2014.....	\$ 42,950	\$ 29,802	\$ 72,752

TOWN OF EAST HAVEN, CONNECTICUT

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED JUNE 30, 2014

	BALANCE JULY 1, 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2014
<u>ASSETS</u>				
CASH:				
East Haven High School Activity Fund.....	\$ 112,086	\$ 140,480	\$ 156,060	\$ 96,506
Joseph Melillo Middle School Activity Fund.....	14,021	49,822	50,172	13,671
Deer Run Student Activity Fund.....	2,975	2,909	2,898	2,986
Ferrara Student Activity Fund.....	5,391	8,531	11,282	2,640
General Activity Fund.....	4,196	1		4,197
EH School Fund.....	1,784			1,784
EH Highland School.....	9,010			9,010
BOE Medicare Account.....	18,306		18,306	-
Flex Spending.....	20,208	24,886	33,586	11,508
Performance bonds.....	958	18,441		19,399
TOTAL CASH.....	188,935	245,070	272,304	161,701
INVESTMENTS:				
East Haven High School Activity Fund.....	53,747	9,262	9,217	53,792
ACCOUNTS RECEIVABLE:				
Flex Spending.....	5,293		1,663	3,630
TOTAL ASSETS.....	\$ 247,975	\$ 254,332	\$ 283,184	\$ 219,123
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
East Haven High School Activity Fund.....	\$ 165,833	\$ 149,742	\$ 165,277	\$ 150,298
Joseph Melillo Middle School Activity Fund.....	14,021	49,822	50,172	13,671
Deer Run Student Activity Fund.....	2,975	2,909	2,898	2,986
Ferrara Student Activity Fund.....	5,391	8,531	11,282	2,640
General Activity Fund.....	4,196	1		4,197
EH School Fund.....	1,784			1,784
EH Highland School.....	9,010			9,010
BOE Medicare Account.....	18,306		18,306	-
Flex Spending.....	25,501	24,007	35,249	14,259
Performance bonds.....	958	18,441		19,399
TOTAL ACCOUNTS PAYABLE.....	247,975	253,453	283,184	218,244
ACCOUNTS PAYABLE:				
Flex Spending.....		879		879
TOTAL LIABILITIES.....	\$ 247,975	\$ 254,332	\$ 283,184	\$ 219,123

Trend Data

TABLE 1

TOWN OF EAST HAVEN, CONNECTICUT

NET POSITION BY COMPONENT
LAST NINE YEARS
(UNAUDITED)

	FISCAL YEAR								
	2014	2013	2012	2011	(1) 2010	2009	2008	2007	2006
Net Investment in capital assets.....	\$ 52,762,397	\$ 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	100,000
Expendable.....	1,674,276	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.....	69,256	210,138							
Public safety.....	21,975	50,702	40,216	61,789	82,460				
Public works.....			62,109	110,505	87,883				
Education.....	81,604	74,143	142,268	99,547	59,809				
Unrestricted.....	(24,434,562)	(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.....	\$ 30,274,946	\$ 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 NINE YEARS
(UNAUDITED)

	FISCAL YEAR								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
EXPENSES:									
Governmental activities:									
General government.....	\$ 4,569,185	\$ 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.....	20,060,343	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.....	8,836,442	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.....	2,419,910	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.....	1,662,460	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.....	62,587,934	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.....	1,752,349	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.....	101,888,623	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.....	101,888,623	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.....	404,022	819,450	799,212	981,806	994,031	1,005,818	1,145,877	1,800,808	1,154,455
Public safety.....	556,395	597,263	715,801	651,684	864,981	717,495	784,725	762,533	876,316
Public works.....	256,565	253,482	211,734	164,944	174,740	177,137	266,067	339,911	41,885
Culture and recreation.....	495,828	439,414	443,601	599,630	563,289	554,137	500,184	527,920	403,708
Health and welfare.....	323,616	222,330	223,679	292,526	327,637	239,590	214,861	217,931	171,728
Education.....	2,465,337	1,699,666	1,661,315	1,677,875	1,817,360	709,799	848,760	858,575	687,627
Operating grants and contributions.....	30,942,764	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.....	639,485	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	36,084,012	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.....	36,084,012	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								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
NET REVENUE (EXPENSES):									
Governmental activities.....	\$ (65,804,611)	\$ (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.....	(65,804,611)	(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.....	62,223,623	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.....	990,995	1,180,008	1,262,527	924,343	956,185	1,671,362	1,203,035	1,442,446	2,540,442
Investment income.....	313,667	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.....	186,932	449,173	256,200	293,075	595,559	1,022,800	68,023	48,256	
Transfers.....									1,851,825
Total Governmental activities revenues.....	63,715,217	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.....	63,715,217	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.....	(2,089,394)	(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.....	\$ (2,089,394)	\$ (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, CONNECTICUTSCHEDULE OF DEBT LIMITATION
JUNE 30, 2014
(UNAUDITED)

Total tax collections (including interest and lien fees) for current year.....	\$ 61,336,779
Reimbursement for revenue loss on:	
Tax relief for elderly freeze.....	8,000
BASE FOR DEBT LIMITATION COMPUTATION.....	<u>\$ 61,344,779</u>

	GENERAL PURPOSES	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
DEBT LIMITATION:					
2 1/4 times base.....	\$ 138,025,753	\$	\$	\$	\$
4 1/2 times base.....		276,051,506			
3 3/4 times base.....			230,042,921		
3 1/4 times base.....				199,370,532	
3 times base.....					184,034,337
TOTAL DEBT LIMITATION.....	<u>138,025,753</u>	<u>276,051,506</u>	<u>230,042,921</u>	<u>199,370,532</u>	<u>184,034,337</u>
INDEBTEDNESS:					
Bonds payable.....	24,578,234	12,186,766	720,000		
Less: School building grants.....		(4,879,093)			
NET INDEBTEDNESS (1).....	<u>24,578,234</u>	<u>7,307,673</u>	<u>720,000</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT	<u>\$ 113,447,519</u>	<u>\$ 268,743,833</u>	<u>\$ 229,322,921</u>	<u>\$ 199,370,532</u>	<u>\$ 184,034,337</u>

(1) The total of the above net indebtedness amounts to: \$ 32,605,907

In no event shall total indebtedness exceed seven times the base for debt limitation computation. \$ 429,413,453

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