

**Annual Financial Report**  
**of the**  
**Town of East Haven, Connecticut**  
**For the Year Ended June 30, 2019**

**Town of East Haven, Connecticut**

**Annual Financial Report  
For the Year Ended June 30, 2019**

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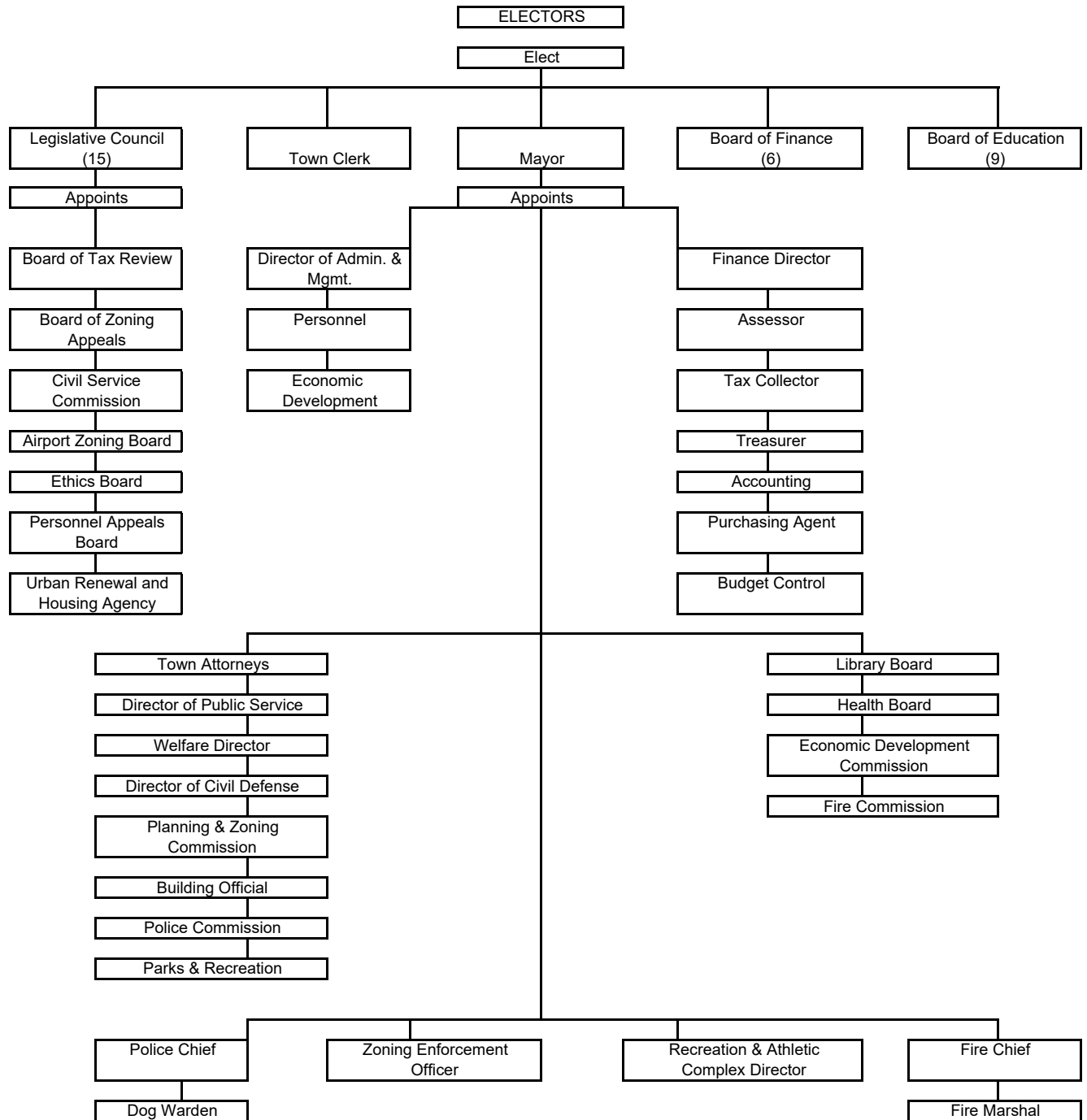
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# **Introductory Section**

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TOWN OF EAST HAVEN, CONNECTICUT

**ORGANIZATIONAL CHART**



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# Financial Section

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## **Independent Auditors' Report**

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of East Haven, Connecticut ("Town"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

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

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

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

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



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

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***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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

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

***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, supplemental schedules and trend 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.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2020, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
January 30, 2020



## Management’s Discussion and Analysis For the Year Ended June 30, 2019

As management of the Town of East Haven, Connecticut (“Town”) we offer readers of the Town’s financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019.

### **Financial Highlights**

- On a government-wide basis, the Town’s net position decreased by \$14,537,798 for the fiscal year. This decrease is mostly due to an increase in pension expense of \$17,745,452 and deficit operations in the general fund of \$1,153,385, offset by positive operations in the capital projects fund of \$1,366,219 and internal service funds of \$838,631.
- The Town’s net position totals \$(62,944,523) at year end, a decrease of \$14,537,798 from the prior year. Of this amount, unrestricted net position was a deficit balance of \$121,589,047.
- At year end, the unassigned fund balance for the general fund was \$4,663,184, a decrease of \$1,153,385 from the prior year. The unassigned fund balance represents 5.2% of total budgetary expenditures as compared to 6.7% in the prior year.
- The Town’s total long-term debt increased by \$1,405,000. The increase was due to the issuance of an improvement bond and refunding bonds of \$3,305,000 and \$4,325,000, respectively, offset by scheduled debt service payments of \$2,160,000 and refunded bonds of \$4,065,000.

### **Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of East Haven, Connecticut’s basic financial statements. The Town’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. 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’s finances, in a manner similar to a private-sector business.

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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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 the Town's near-term financing requirements.

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

For governmental funds, information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and capital projects fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is presented in Schedules 2 and 3 of this report.

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

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

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Other information.** The 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.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for the budgetary comparison for the general fund and for the Town's pension plans as required by GASB Statement 67 and 68 as well as the Town's other post-employment benefit plans as required by GASB Statement 74 and 75. Required supplementary information can be found following the notes.

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

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$(62,944,523) at the close of the fiscal year.

#### **Summary Statement of Net Position June 30**

	<u>2019</u>	<u>2018</u> (As restated)
Current and other assets	\$ 31,393,774	\$ 30,629,182
Capital assets (net)	<u>83,626,771</u>	<u>83,160,901</u>
Total assets	<u>115,020,545</u>	<u>113,790,083</u>
Deferred outflows of resources	<u>28,567,764</u>	<u>15,759,935</u>
Current liabilities	17,818,367	18,359,149
Long-term liabilities	<u>167,177,046</u>	<u>136,170,336</u>
Total liabilities	<u>184,995,413</u>	<u>154,529,485</u>
Deferred inflows of resources	<u>21,537,419</u>	<u>23,427,258</u>
Net investment in capital assets	56,188,341	56,763,497
Restricted	2,396,876	2,717,913
Unrestricted	<u>(121,529,740)</u>	<u>(107,888,135)</u>
Total net position	<u>\$ (62,944,523)</u>	<u>\$ (48,406,725)</u>

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 \$2,456,183. The remaining balance of unrestricted net position is a deficit balance in the amount of \$121,589,047.

As previously noted, the statement of activities' purpose is presenting information in how the Town's net position changed during the most recent fiscal year. The Town's net position decreased by \$14,537,798 for the fiscal year. This decrease is mostly due to an increase in pension expense of \$17,745,452 and deficit operations in the general fund of \$1,153,385, offset by positive operations in the capital projects fund of \$1,366,219 and internal service funds of \$838,631.

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

	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 3,851,281	\$ 4,446,204
Operating grants and contributions	33,005,422	34,580,387
Capital grants and contributions	730,578	1,362,296
General revenues:		
Property taxes	64,667,790	63,012,604
Grants and contributions not restricted to specific programs	688,620	544,213
Income from investments	388,485	407,992
Gain on sale of capital assets	559,769	-
Other	165,595	358,507
	104,057,540	104,712,203
Total revenues		
Expenses:		
General government	4,778,224	5,902,565
Public safety	41,770,546	21,779,488
Public works	7,857,854	9,146,349
Health and welfare	1,626,953	1,516,168
Culture and recreation	2,450,819	2,486,665
Education	59,346,663	62,720,637
Interest	764,279	998,456
	118,595,338	104,550,328
Total expenses		
Change in net position	(14,537,798)	161,875
Net Position - July 1	(48,406,725)	(48,594,913)
Restated for reclassification of fund balances	-	26,313
Net Position - June 30	\$ (62,944,523)	\$ (48,406,725)

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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### **Revenues**

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

- Operating grants and contributions decreased by \$1,574,965 mostly due to a decrease in the municipal stabilization grant of \$187,419 and a decrease in the amount of on-behalf amounts recorded for Connecticut State Teachers' pension and OPEB of \$1,263,814.
- Capital grants and contributions decreased by \$631,718 mostly due to a decrease in the local transportation capital improvement program grant of \$655,000 and a decrease in the local capital improvement program grant of \$73,810.
- Property taxes increased by \$1,655,186 primarily due to the increase in the general fund budget.

### **Expenses**

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

- General government expense decreased by \$1,124,341 mostly due to a decrease in the following: MERS pension expense of approximately \$249,560; OPEB expense of approximately \$293,147; and claims expense of approximately \$686,743.
- Public safety expense increased by \$19,991,058 mostly due to an increase in the MERS pension expense of \$17,341,462 and claims expense of approximately \$3,126,625.
- Public works expense decreased by \$1,288,495 due to a decrease in the Small Cities fund of \$503,581, public works state aid of \$326,963, and local transportation capital program of \$188,636.
- Education expense decreased by \$3,373,974 substantially due to a decrease in the following: on-behalf expenses recorded for Connecticut State Teachers' pension and OPEB of \$1,263,814, in compensated absences of \$606,610, in OPEB expense of approximately \$358,338, in MERS pension expense of approximately \$419,893, and claims expense of \$735,541.

### **Financial Analysis of the Town's Funds**

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

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

The combined fund balance of governmental funds is \$4,873,136. This amount is comprised of the following components: (1) nonspendable reserve for endowments in the amount of \$100,000, (2) restricted amounts totaling \$2,296,876, (3) committed amounts of \$870,034, (4) assigned amounts totaling \$948,883 and (5) unassigned amounts of \$657,343.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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### General Fund

The general fund is the operating fund of the Town. The fund balance of the general fund decreased by \$1,153,385 during the fiscal year. This decrease is mainly due to the following factors:

- Intergovernmental revenues were \$2,274,530 less than budgeted due to decreases in the following grants: state aid school construction of \$790,636 and education cost sharing of \$1,297,061.
- General government expenditures were under budget by \$218,968 primarily due to savings in the personnel, administration and management and town clerk departments due to vacancies.
- Public safety expenditures were under budget by \$358,318 primarily due to savings in the police department salaries of \$98,443 and \$84,717 in the fire department due to vacancies.
- Employee benefits expenditures were underspent by \$590,541 due to lower medical rates than anticipated as well as lower annual amortization charges from the MERS pension plan for Police and Fire employees. Additionally, the budget had included funds to cover any additional retirements that may have resulted from the finalization of contracts. Retirements were less than what was budgeted.
- General services expenditures were under budget by \$587,983 primarily due to the unexpended contingency account of \$435,305 and public works street and traffic light expenditures underspent of \$54,485 due to cost containment and monies available in other funds.

### Capital Projects Fund

This fund's net change in fund balance was an increase of \$1,366,219 for the fiscal year, resulting in a deficit fund balance at the end of the year of \$3,697,938 due to the timing of the funding and spending of projects. The increase was a result of the issuance of debt offset by capital outlay of \$2,307,381 for various projects in the current year.

### Capital Assets and Debt Administration

#### Capital Assets

The Town's investment in capital assets was \$83,626,771 (net of accumulated depreciation). This investment in capital assets is as follows:

	Capital Assets - Net	
	2019	2018
Land	\$ 3,505,816	\$ 3,497,216
Construction in progress	3,431,671	2,690,612
Land improvements	1,948,992	2,108,508
Buildings	37,462,553	38,435,828
Building improvements	3,467,943	3,593,560
Machinery and equipment	3,711,697	2,743,628
Vehicles	2,378,422	2,158,960
Infrastructure	27,719,677	27,932,589
Total	<u>\$ 83,626,771</u>	<u>\$ 83,160,901</u>



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The significant capital asset additions consisted of the following:

- Construction in progress:
  - Paving and crack repairs of \$584,223
  - Raising Coe and Hemingway of \$149,787
- Machinery and equipment:
  - Computer leasing of \$253,107
  - Telephone system of \$455,904
  - Fire rescue self-contained breathing apparatus of \$278,000
- Vehicles
  - Paramedic light rescue truck of \$119,500
  - 9 police vehicles for \$219,584

The capital asset additions were offset by depreciation expense of \$2,561,113, resulting in the net increase in capital assets of \$465,870.

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

**Long-Term Debt**

The Town's total long-term debt increased by \$1,405,000. The increase was due to the issuance of an improvement bond and a refunding bond of \$3,305,000 and \$4,325,000, respectively, offset by scheduled debt service payments of \$2,160,000 and refunded bonds of \$4,065,000.

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$25,795,000.

	<u>Outstanding Long-Term Debt</u>	
	<u>2019</u>	<u>2018</u>
General purpose bonds	\$ 20,799,733	\$ 19,415,675
School bonds	4,995,267	4,974,325
Total	<u>\$ 25,795,000</u>	<u>\$ 24,390,000</u>

The Town maintains an "A+" rating from Standard and Poors 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 \$435,763,678, which is significantly in excess of the Town's outstanding general obligation debt.

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

**Economic Factors and Next Year's Budgets and Rates**

The unemployment rate for the State is currently 3.9%, which is a decrease from a rate of 4.4% a year ago. This is slightly higher than the national average of 3.7%. The Town's unemployment rate was 4.4%.

Town officials considered many factors when setting the fiscal year 2020 budget. The Town decided that it was important to adopt a budget designed to promote long-term fiscal stability. In order to meet the objectives of the budget, the Town recognized the need to continue its pattern of conservative budgeting while at the same time providing excellent services to its residents and taxpayers.

The 2020 general fund budget is \$92,032,599 an increase of 0.46% over the prior year. The Town continues to focus on managing the tax rate in an environment of changing levels of state funding.

**Requests for Information**

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

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# Basic Financial Statements

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**TOWN OF EAST HAVEN, CONNECTICUT**

**STATEMENT OF NET POSITION**  
**GOVERNMENTAL ACTIVITIES**  
**JUNE 30, 2019**

ASSETS

Current assets	
Cash.....	\$ 13,750,064
Investments.....	11,233,387
Receivables	
Property taxes.....	1,207,450
Intergovernmental.....	422,687
Other.....	593,265
Other.....	126,891
Total current assets.....	<u>27,333,744</u>
Noncurrent assets	
Restricted assets	
Temporarily restricted	
Cash.....	32,964
Investments.....	1,632,769
Permanently restricted	
Investments.....	100,000
Total restricted assets.....	<u>1,765,733</u>
Receivables (net)	
Property taxes.....	<u>2,294,297</u>
Capital assets (net of accumulated depreciation)	
Land.....	3,505,816
Construction in progress.....	3,431,671
Land improvements.....	1,948,992
Buildings.....	37,462,553
Building improvements.....	3,467,943
Machinery and equipment.....	3,711,697
Vehicles.....	2,378,422
Infrastructure.....	27,719,677
Total capital assets (net of accumulated depreciation).....	<u>83,626,771</u>
Total noncurrent assets.....	<u>87,686,801</u>
TOTAL ASSETS.....	<u>115,020,545</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related.....	21,805,585
OPEB related.....	6,762,179
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>28,567,764</u>

(Continued)

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

**TOWN OF EAST HAVEN, CONNECTICUT**

**STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
JUNE 30, 2019**

LIABILITIES

Current liabilities	
Accounts payable.....	\$ 3,595,752
Accrued payroll.....	5,265,687
Accrued interest payable.....	451,607
Unearned revenue.....	79,884
Other liabilities.....	254,311
Bonds and notes payable.....	1,645,000
Capital leases.....	258,736
Compensated absences.....	1,316,387
Claims payable.....	4,951,003
	<hr/>
Total current liabilities.....	17,818,367
Noncurrent liabilities	
Bonds, notes, and related liabilities.....	24,914,707
Capital leases.....	306,282
Compensated absences.....	5,265,546
Net pension liability.....	34,973,682
OPEB liability.....	94,133,287
Claims payable.....	7,583,542
	<hr/>
Total noncurrent liabilities.....	167,177,046
	<hr/>
TOTAL LIABILITIES.....	184,995,413

DEFERRED INFLOWS OF RESOURCES

Advance property tax collections.....	788,275
Deferred charge on refunding.....	313,705
Pension related.....	1,893,659
OPEB related.....	18,541,780
	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES.....	21,537,419

NET POSITION

Net investment in capital assets.....	56,188,341
Restricted for	
Endowments	
Nonexpendable.....	100,000
Expendable.....	1,665,733
Capital replacement.....	143,053
Health and welfare.....	6,364
Historical document preservation.....	31,919
Housing rehabilitation.....	136,096
Education.....	313,711
Unrestricted.....	(121,529,740)
	<hr/>
TOTAL NET POSITION.....	\$ (62,944,523)

(Concluded)

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

**TOWN OF EAST HAVEN, CONNECTICUT**

**STATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

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.....	\$ 4,778,224	\$ 570,555	\$ 6,500	\$ -	\$ (4,201,169)
Public safety.....	41,770,546	760,070	74,422	-	(40,936,054)
Public works.....	7,857,854	474,289	-	730,578	(6,652,987)
Health and welfare.....	1,626,953	482,616	31,153	-	(1,113,184)
Culture and recreation.....	2,450,819	453,855	70,022	-	(1,926,942)
Education.....	59,346,663	1,109,896	32,823,325	-	(25,413,442)
Interest.....	764,279	-	-	-	(764,279)
<b>TOTAL.....</b>	<b>\$ 118,595,338</b>	<b>\$ 3,851,281</b>	<b>\$ 33,005,422</b>	<b>\$ 730,578</b>	<b>(81,008,057)</b>
<b>GENERAL REVENUES</b>					
Property taxes.....					64,667,790
Grants and contributions not restricted to specific programs.....					688,620
Income from investments.....					388,485
Gain on sale of capital assets.....					559,769
Other.....					165,595
<b>TOTAL GENERAL REVENUES .....</b>					<b>66,470,259</b>
<b>CHANGE IN NET POSITION.....</b>					<b>(14,537,798)</b>
<b>NET POSITION, JULY 1, 2018 (AS RESTATED).....</b>					<b>(48,406,725)</b>
<b>NET POSITION, JUNE 30, 2019.....</b>					<b>\$ (62,944,523)</b>

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

**TOWN OF EAST HAVEN, CONNECTICUT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash.....	\$ 5,662,873	\$	\$ 2,087,505	\$ 7,750,378
Investments.....	10,215,048		1,733,242	11,948,290
Receivables (net)				
Property taxes.....	3,145,068			3,145,068
Intergovernmental .....	5,307		417,380	422,687
Other.....	353,209		19,521	372,730
Due from other funds.....	5,888,405		1,617,659	7,506,064
Other.....			36,285	36,285
<b>TOTAL ASSETS.....</b>	<b>\$ 25,269,910</b>	<b>\$ -</b>	<b>\$ 5,911,592</b>	<b>\$ 31,181,502</b>
<u>LIABILITIES</u>				
Accounts payable.....	\$ 2,053,468	\$ 192,086	\$ 1,350,198	\$ 3,595,752
Accrued payroll.....	4,804,594		461,093	5,265,687
Due to other funds.....	9,788,080	3,505,852	109,527	13,403,459
Unearned revenue.....			79,884	79,884
Other liabilities.....	251,311		3,000	254,311
<b>TOTAL LIABILITIES.....</b>	<b>16,897,453</b>	<b>3,697,938</b>	<b>2,003,702</b>	<b>22,599,093</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue - property taxes.....	2,920,998			2,920,998
Advance property tax collections.....	788,275			788,275
<b>TOTAL DEFERRED INFLOWS OF RESOURCES....</b>	<b>3,709,273</b>	<b>-</b>	<b>-</b>	<b>3,709,273</b>
<u>FUND BALANCES</u>				
Nonspendable.....			100,000	100,000
Restricted.....			2,296,876	2,296,876
Committed.....			870,034	870,034
Assigned.....			948,883	948,883
Unassigned.....	4,663,184	(3,697,938)	(307,903)	657,343
<b>TOTAL FUND BALANCES.....</b>	<b>4,663,184</b>	<b>(3,697,938)</b>	<b>3,907,890</b>	<b>4,873,136</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b>\$ 25,269,910</b>	<b>\$ -</b>	<b>\$ 5,911,592</b>	<b>\$ 31,181,502</b>

(Continued)

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

**TOWN OF EAST HAVEN, CONNECTICUT**

**RECONCILIATION OF FUND BALANCES TO NET POSITION**  
**JUNE 30, 2019**

AMOUNTS REPORTED IN THE STATEMENT OF NET POSITION (EXHIBIT A) ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET DUE TO:

TOTAL FUND BALANCES (EXHIBIT C, PAGE 1)..... \$ 4,873,136

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

Beginning net capital assets..... 83,160,901  
Capital asset additions (net of construction in progress)..... 3,026,983  
Depreciation expense..... (2,561,113)

OTHER LONG-TERM ASSETS AND DEFERRED OUTFLOWS OF RESOURCES ARE NOT AVAILABLE RESOURCES AND THEREFORE NOT REPORTED IN THE FUNDS:

Property tax interest and lien accrual..... 1,941,679  
Allowance for doubtful accounts..... (1,585,000)  
Deferred outflows related to pension..... 21,805,585  
Deferred outflows related to OPEB..... 6,762,179

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..... 2,920,998

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..... 724,507

SOME LIABILITIES AND DEFERRED INFLOWS OF RESOURCES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Bonds and notes payable..... (25,795,000)  
Premium..... (764,707)  
Capital leases..... (565,018)  
Compensated absences..... (6,581,933)  
Net pension liability..... (34,973,682)  
OPEB liability..... (94,133,287)  
Deferred charge on refunding..... (313,705)  
Deferred inflows related to pension..... (1,893,659)  
Deferred inflows related to OPEB..... (18,541,780)  
Accrued interest payable..... (451,607)

NET POSITION (EXHIBIT A)..... \$ (62,944,523)

(Concluded)

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



## TOWN OF EAST HAVEN, CONNECTICUT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Property taxes.....	\$ 64,605,676	\$	\$	\$ 64,605,676
Intergovernmental.....	25,505,352	198,432	8,652,218	34,356,002
Charges for services.....	2,372,660		1,478,621	3,851,281
Income from investments.....	333,234		32,815	366,049
Change in fair value of investments.....			14,318	14,318
Contributions.....			68,618	68,618
Other.....	1,175,125			1,175,125
<b>TOTAL REVENUES.....</b>	<b>93,992,047</b>	<b>198,432</b>	<b>10,246,590</b>	<b>104,437,069</b>
<b>EXPENDITURES</b>				
Current:				
General government.....	2,966,702		47,095	3,013,797
Public safety.....	13,076,582		337,173	13,413,755
Public works.....	5,256,209		475,639	5,731,848
Health and welfare.....	1,141,332		88,889	1,230,221
Culture and recreation.....	1,847,051		203,712	2,050,763
Employee benefits and insurance.....	12,663,658			12,663,658
Education.....	54,357,820	328,985	8,998,178	63,684,983
General services.....	1,369,822			1,369,822
Debt service.....	3,051,025	108,158		3,159,183
Capital outlay.....		2,307,381	-	2,307,381
<b>TOTAL EXPENDITURES.....</b>	<b>95,730,201</b>	<b>2,744,524</b>	<b>10,150,686</b>	<b>108,625,411</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(1,738,154)</b>	<b>(2,546,092)</b>	<b>95,904</b>	<b>(4,188,342)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt.....		3,305,000		3,305,000
Issuance of refunding bonds.....		4,325,000		4,325,000
Payments to bond escrow agents.....		(4,222,223)		(4,222,223)
Premium (including refunding bonds).....		175,549		175,549
Sale of Town owned property.....	559,769			559,769
Capital lease.....		328,985		328,985
Transfers in.....	25,000		1,500	26,500
Transfers out.....			(26,500)	(26,500)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>584,769</b>	<b>3,912,311</b>	<b>(25,000)</b>	<b>4,472,080</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(1,153,385)</b>	<b>1,366,219</b>	<b>70,904</b>	<b>283,738</b>
<b>FUND BALANCES, JULY 1, 2018 (AS RESTATED).....</b>	<b>5,816,569</b>	<b>(5,064,157)</b>	<b>3,836,986</b>	<b>4,589,398</b>
<b>FUND BALANCES, JUNE 30, 2019.....</b>	<b>\$ 4,663,184</b>	<b>\$ (3,697,938)</b>	<b>\$ 3,907,890</b>	<b>\$ 4,873,136</b>

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

**TOWN OF EAST HAVEN, CONNECTICUT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ 283,738

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay.....	3,026,983
Depreciation expense.....	<u>(2,561,113)</u>
Total .....	<u>465,870</u>

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

Change in property tax receivable - accrual basis change.....	(28,570)
Change in property tax interest and lien revenue.....	<u>90,684</u>
Total .....	<u>62,114</u>

The issuance of long-term debt (e.g., bonds, notes, 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 refunding bonds.....	(4,325,000)
Issuance of bonds.....	(3,305,000)
Premium.....	(175,549)
Capital leases.....	(328,985)
Deferred charge on refunding.....	151,842
Principal repayments:	
General obligation bonds (including refunding bonds).....	6,225,000
Capital leases.....	<u>520,068</u>
Total .....	<u>(1,237,624)</u>

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

Amortization of deferred charge on refunding.....	69,690
Amortization of premium.....	126,908
Change in:	
Compensated absences.....	548,434
Pension expense.....	(31,647,255)
OPEB expense.....	2,403,008
Accrued interest payable.....	43,687
Amortization of deferred outflows of resources.....	12,807,829
Amortization of deferred inflows of resources.....	<u>697,172</u>
Total .....	<u>(14,950,527)</u>

Internal Service Funds are used by management to charge costs of various self-insured risk premiums to individual departments (change in net position).....	<u>838,631</u>
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CHANGE IN NET POSITION (EXHIBIT B) ..... \$ (14,537,798)

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

**TOWN OF EAST HAVEN, CONNECTICUT**

**STATEMENT OF FUND NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2019**

**ASSETS**

Current assets	
Cash.....	\$ 6,032,650
Investments.....	1,017,866
Accounts receivable.....	220,535
Due from other funds.....	8,170,421
Other asset.....	<u>90,606</u>
 TOTAL ASSETS.....	 <u>15,532,078</u>

**LIABILITIES**

Current liabilities	
Claims payable.....	4,951,003
Due to other funds.....	<u>2,273,026</u>
 Total current liabilities.....	 7,224,029
 Noncurrent liabilities	
Claims payable.....	<u>7,583,542</u>
 TOTAL LIABILITIES.....	 <u>14,807,571</u>

**NET POSITION**

Unrestricted.....	<u>\$ 724,507</u>
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The notes to financial statements are an integral part of this statement.

**TOWN OF EAST HAVEN, CONNECTICUT**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

OPERATING REVENUES	
Charges for services.....	<u>\$ 18,787,679</u>
OPERATING EXPENSES	
Claims.....	15,730,102
Administration.....	<u>2,227,064</u>
TOTAL OPERATING EXPENSES.....	<u>17,957,166</u>
OPERATING INCOME (LOSS).....	830,513
NONOPERATING REVENUES	
Income from investments.....	<u>8,118</u>
CHANGE IN NET POSITION.....	838,631
TOTAL NET POSITION - JULY 1, 2018.....	<u>(114,124)</u>
TOTAL NET POSITION - JUNE 30, 2019.....	<u><u>\$ 724,507</u></u>

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

**TOWN OF EAST HAVEN, CONNECTICUT**

**STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Premiums received.....	\$ 22,665,959
Payments to vendors.....	(2,227,064)
Payments for claims.....	<u>(15,311,067)</u>
NET CASH FROM OPERATING ACTIVITIES.....	5,127,828
CASH FLOWS FROM INVESTING ACTIVITIES:	
Income from investments.....	<u>8,118</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	5,135,946
CASH AND CASH EQUIVALENTS - JULY 1, 2018.....	<u>1,914,570</u>
CASH AND CASH EQUIVALENTS - JUNE 30, 2019.....	<u><u>\$ 7,050,516</u></u>
RECONCILIATION TO STATEMENT OF FUND NET POSITION CASH:	
Cash and cash equivalents per above.....	\$ 7,050,516
Cash and cash equivalents reported as investments.....	<u>(1,017,866)</u>
STATEMENT OF FUND NET POSITION CASH.....	<u><u>\$ 6,032,650</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:	
Operating income (loss).....	\$ 830,513
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
(Increase) decrease in:	
Accounts receivable.....	291,325
Due from other funds.....	2,722,739
Other asset.....	17,013
Increase (decrease) in:	
Due to other funds.....	1,153,313
Claims payable.....	<u>112,925</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u><u>\$ 5,127,828</u></u>

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

**TOWN OF EAST HAVEN, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2019**

	<u>CUSTODIAL FUNDS</u>
<u>ASSETS</u>	
Cash	\$ 185,761
Investments	60,211
Receivables	
Other	<u>513</u>
Total Assets	<u>246,485</u>
<u>NET POSITION</u>	
Restricted for individuals and organizations	<u>\$ 246,485</u>

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

**TOWN OF EAST HAVEN, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>CUSTODIAL FUNDS</u>
ADDITIONS	
Activity fees	\$ 427,681
Investment income (loss)	
Income from investments	<u>78</u>
TOTAL ADDITIONS	427,759
DEDUCTIONS	
Activities and scholarships awarded	<u>385,306</u>
CHANGE IN NET POSITION	42,453
TOTAL NET POSITION, JULY 1, 2018 (AS RESTATED)	<u>204,032</u>
TOTAL NET POSITION, JUNE 30, 2019	<u><u>\$ 246,485</u></u>

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

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**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.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town does not report any component units.

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

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

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

Separate financial statements are provided for governmental funds, 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 proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.



## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. In addition, the Town considers reimbursement grants to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Property taxes, reimbursement type grants, certain intergovernmental revenues, charges, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items 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:

*Special Revenue Funds* are used to account for and report the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt.

The *Capital Projects Funds* are used to account for and report resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.

The *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 Town's programs.

The *Internal Service Funds* account for risk financing activities for medical insurance benefits, general liability, and workers' compensation as allowed by GASB Statement No. 10.

The *Custodial Funds* account for monies held on behalf of students.

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

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

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

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

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

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

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

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

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****b. Investments**

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

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 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

**c. Method used to value investments**

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

**Fair value of investments**

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

*Level 1:* Quoted prices for identical investments in active markets;

*Level 2:* Quoted prices for identical investments in markets that are not active; and

*Level 3:* Unobservable inputs.

**d. Risk policies**

**Interest rate risk** – Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit risk** – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

**Concentration of credit risk** – Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

Custodial credit risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town does not have a formal policy with respect to custodial credit risk.

Foreign currency risk – Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to the foreign currency risk.

**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 19% to 52% 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 inflows 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.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****4. Capital assets**

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$7,150 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, 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.

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

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

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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

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

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

**6. Compensated absences**

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

**7. Long-term 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.

**8. Fund equity and net position**

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

Net Investment in Capital Assets

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

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**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.

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

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

## Town of East Haven, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**

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

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.

**9. Use of estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

**10. Reclassifications**

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

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

Only the General Fund has a legally adopted annual budget.

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

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

**B. Donor-restricted endowments**

The Town has received certain endowments for the 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. The amount of appreciation (depreciation) included in restricted fund balance for the Hagaman Memorial Library was \$194,748.

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



## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

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

At year end, the Town's bank balance including certificates of deposit classified as investments, was \$21,630,299 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 15,202,222
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>5,317,409</u>
Total amount subject to custodial credit risk	<u>\$ 20,519,631</u>

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

**2. Investments**

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

Type of Investment	Investment Maturities (in Years)			
	Fair Value	N/A	Less Than 1	1-5
Mutual funds:				
Money market	\$ 34,896	\$ -	\$ 34,896	\$ -
Domestic equity	745,791	745,791	-	-
International equity	232,170	232,170	-	-
Domestic bond	191,870	-	-	191,870
International bond	73,725	-	-	73,725
Certificates of deposit	489,476	-	489,476	-
Bank money market accounts	5,976,428	-	5,976,428	-
Pooled fixed income	5,281,538	-	5,281,538	-
Common stock	473	473	-	-
Total	<u>\$13,026,367</u>	<u>\$ 978,434</u>	<u>\$ 11,782,338</u>	<u>\$ 265,595</u>

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019

## A. Cash and investments (continued)

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

Investments at Fair Value Level	Amount	Quoted Market Prices in Active Markets Level 1
Mutual funds		
Money market	\$ 34,896	\$ 34,896
Domestic equity	745,791	745,791
International equity	232,170	232,170
Domestic bonds	191,870	191,870
International bonds	73,725	73,725
Common stock	473	473
Total investments by fair value level	1,278,925	\$ 1,278,925
<u>Other Investments not Subject to Fair Value Measurement</u>		
Certificates of deposit	489,476	
Bank money market accounts	5,976,428	
Pooled fixed income	5,281,538	
Total other investments	11,747,442	
Total investments	\$ 13,026,367	

Level 1: Quoted prices for identical investments in active markets

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

Type of Investment	Ratings						Totals
	AAA	AA	BBB	BB	B	CCC	
Mutual funds:							
Money market	\$ 34,896	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,896
Domestic bonds	-	191,870	-	-	-	-	191,870
International bonds	-	3,686	5,898	35,388	23,592	5,161	73,725
Pooled fixed income	5,281,538	-	-	-	-	-	5,281,538
Total	\$ 5,316,434	\$ 195,556	\$ 5,898	\$35,388	\$23,592	\$ 5,161	\$ 5,582,029

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**B. Receivables**

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

	Property Taxes		
	Taxes	Interest and Lien Fees	Total
Current portion	\$ 941,319	\$ 266,131	\$ 1,207,450
Long-term portion	\$ 2,203,749	\$ 1,675,548	\$ 3,879,297
Less allowance for uncollectible	(585,000)	(1,000,000)	(1,585,000)
Net long-term portion	\$ 1,618,749	\$ 675,548	\$ 2,294,297

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

A summary of interfund balances is as follows:

Major Funds:	Corresponding Fund	Due From	Due To
	General Fund:		
Capital projects	N/A	\$ 3,505,852	\$ -
Public safety	N/A	-	69,914
Historical documents preservation	N/A	-	31,817
Town pool repair	N/A	-	2,414
Open space	N/A	-	45,000
Workforce alliance	N/A	1,801	-
Marine enforcement grants	N/A	-	6,364
Public works state aid	N/A	-	428,216
East Haven kennel club	N/A	-	37,930
Dog licenses	N/A	-	12,265
Teen center	N/A	-	5,853
Health and welfare	N/A	-	325,369
Emergency management fund	N/A	-	195
Daycare	N/A	7,649	-
Athletic department	N/A	11,255	-
High school rental	N/A	810	-
Education grants	N/A	-	509,341
LOCIP	N/A	88,012	-
LOCIP town clerk fees	N/A	-	142,981
Self-insurance	N/A	1,119,713	-
Workers' compensation	N/A	-	4,502,410
Town medical insurance	N/A	-	3,668,011
Education medical insurance	N/A	1,153,313	-
Total General Fund		5,888,405	9,788,080

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019

## C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
Capital Projects	General Fund	\$ -	\$ 3,505,852
Other Governmental Funds:			
Special Revenue Funds:			
Public safety	General fund	69,914	-
Historical documents preservation	General fund	31,817	-
Town pool repair	General fund	2,414	-
Open space	General fund	45,000	-
Workforce alliance	General fund	-	1,801
Marine enforcement grants	General fund	6,364	-
Public works state aid	General fund	428,216	-
East Haven kennel club	General fund	37,930	-
Dog licenses	General fund	12,265	-
Teen center	General fund	5,853	-
Health and welfare	General fund	325,369	-
Emergency management fund	General fund	195	-
Daycare	General fund	-	7,649
Athletic department	General fund	-	11,255
High school rental	General fund	-	810
Education grants	General fund	509,341	-
Capital Projects Fund:			
LOCIP	General fund	-	88,012
LOCIP town clerk fees	General fund	142,981	-
Total Other Governmental Funds		<u>1,617,659</u>	<u>109,527</u>
Internal Service Funds:			
Self-insurance	General fund	-	1,119,713
Workers' compensation	General fund	4,502,410	-
Town medical insurance	General fund	3,668,011	-
Education medical insurance	General fund	-	1,153,313
Total Internal Service Funds		<u>8,170,421</u>	<u>2,273,026</u>
Grand Total		<u>\$ 15,676,485</u>	<u>\$ 15,676,485</u>

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

Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019

C. Interfund accounts (continued)

2. Interfund transfers

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

	Corresponding Fund	Transfers In	Transfers Out
Major Funds:			
General Fund:			
Health and welfare	N/A	\$ 25,000	\$ -
Other Governmental Funds:			
Special Revenue Funds:			
East Haven kennel club	Dog licenses	1,500	-
Dog licenses	East Haven kennel club	-	1,500
Health and welfare	General Fund	-	25,000
Total Other Governmental Funds		1,500	26,500
Grand Total		\$ 26,500	\$ 26,500

Transfers are used to move budgeted appropriations from the general fund for funding of the capital projects fund and various programs and activities in other funds and transfers for debt service activity.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Capital assets**

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
<u>Capital assets, not being depreciated:</u>				
Land	\$ 3,497,216	\$ 8,600	\$ -	\$ 3,505,816
Construction in progress	2,690,612	781,623	40,564	3,431,671
<b>Total capital assets, not being depreciated</b>	<b>6,187,828</b>	<b>790,223</b>	<b>40,564</b>	<b>6,937,487</b>
<u>Capital assets, being depreciated:</u>				
Land improvements	4,808,668	-	-	4,808,668
Buildings	62,712,818	-	-	62,712,818
Building improvements	13,357,266	40,539	-	13,397,805
Machinery and equipment	7,650,990	1,391,262	-	9,042,252
Vehicles	6,374,562	512,690	-	6,887,252
Infrastructure	40,927,183	332,833	-	41,260,016
<b>Total capital assets, being depreciated</b>	<b>135,831,487</b>	<b>2,277,324</b>	<b>-</b>	<b>138,108,811</b>
<b>Total capital assets</b>	<b>142,019,315</b>	<b>3,067,547</b>	<b>40,564</b>	<b>145,046,298</b>
<u>Less accumulated depreciation for:</u>				
Land improvements	2,700,160	159,516	-	2,859,676
Buildings	24,276,990	973,275	-	25,250,265
Building improvements	9,763,706	166,156	-	9,929,862
Machinery and equipment	4,907,362	423,193	-	5,330,555
Vehicles	4,215,602	293,228	-	4,508,830
Infrastructure	12,994,594	545,745	-	13,540,339
<b>Total accumulated depreciation</b>	<b>58,858,414</b>	<b>2,561,113</b>	<b>-</b>	<b>61,419,527</b>
<b>Total capital assets, being depreciated, net</b>	<b>76,973,073</b>	<b>(283,789)</b>	<b>-</b>	<b>76,689,284</b>
<b>Capital assets, net</b>	<b>\$83,160,901</b>	<b>\$ 506,434</b>	<b>\$ 40,564</b>	<b>\$ 83,626,771</b>

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

General government	\$ 54,039
Public safety	348,055
Public works	544,749
Culture and recreation	77,346
Health and welfare	15,623
Education	1,521,301
<b>Total depreciation expense</b>	<b>\$ 2,561,113</b>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**E. Changes in long-term obligations****1. Summary of Changes**

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2018	Additions	Deductions/Refunded *	Balance June 30, 2019	Current Portion	Long-term Portion
<b>Bonds/Notes:</b>										
<b>General purpose:</b>										
Improvement	\$ 6,941,000	7/22/2009	2028	5.00-6.00%	\$ 1,646,951	\$ -	\$ 1,646,951	\$ -	\$ -	\$ -
Refunding	3,880,000	7/28/2010	2030	3.00%	1,395,000	-	950,000	445,000	135,000	310,000
Improvement	3,655,000	7/28/2010	2021	3.00%	2,215,688	-	1,439,311	776,377	-	776,377
Improvement	1,275,000	7/26/2011	2026	2.00%	750,000	-	278,000	472,000	105,000	367,000
Improvement	3,150,000	7/17/2013	2026	2.00-4.00%	2,361,630	-	333,840	2,027,790	213,080	1,814,710
Refunding	3,421,340	8/5/2014	2025	5.00%	2,554,830	-	312,840	2,241,990	327,730	1,914,260
Refunding	5,230,000	11/17/2016	2030	3.00-4.00%	4,991,576	-	-	4,991,576	104,985	4,886,591
Improvement	3,500,000	11/17/2016	2037	3.00-4.00%	3,500,000	-	-	3,500,000	200,000	3,300,000
Improvement	2,885,000	12/27/2018	2039	4.25-6.00%	-	2,885,000	-	2,885,000	90,000	2,795,000
Refunding (taxable)	3,460,000	12/13/2018	2039	4.25-6.00%	-	3,460,000	-	3,460,000	-	3,460,000
<b>Total general purpose</b>					<b>19,415,675</b>	<b>6,345,000</b>	<b>4,960,942</b>	<b>20,799,733</b>	<b>1,175,795</b>	<b>19,623,938</b>
<b>Schools:</b>										
School	654,000	7/22/2009	2028	5.00-6.00%	153,049	-	153,049	-	-	-
School	1,500,000	7/28/2010	2021	3.00%	909,312	-	590,689	318,623	-	318,623
School	270,000	7/26/2011	2021	2.00%	120,000	-	67,000	53,000	30,000	23,000
Improvement	1,285,000	7/17/2013	2026	2.00-4.00%	963,370	-	136,160	827,210	86,920	740,290
Refunding	3,468,660	8/5/2014	2025	5.00%	2,590,170	-	317,160	2,273,010	332,270	1,940,740
Refunding	5,230,000	11/17/2016	2030	3.00-4.00%	238,424	-	-	238,424	5,015	233,409
Improvement	420,000	12/27/2018	2039	4.25-6.00%	-	420,000	-	420,000	15,000	405,000
Refunding (taxable)	865,000	12/13/2018	2039	4.25-6.00%	-	865,000	-	865,000	-	865,000
<b>Total schools</b>					<b>4,974,325</b>	<b>1,285,000</b>	<b>1,264,058</b>	<b>4,995,267</b>	<b>469,205</b>	<b>4,526,062</b>
<b>Total bonds/notes</b>					<b>24,390,000</b>	<b>7,630,000</b>	<b>6,225,000</b>	<b>25,795,000</b>	<b>1,645,000</b>	<b>24,150,000</b>
<b>Premium</b>					<b>716,066</b>	<b>175,549</b>	<b>126,908</b>	<b>764,707</b>	<b>-</b>	<b>764,707</b>
<b>Total bonds/notes and related liabilities</b>					<b>25,106,066</b>	<b>7,805,549</b>	<b>6,351,908</b>	<b>26,559,707</b>	<b>1,645,000</b>	<b>24,914,707</b>
<b>Capital leases</b>					<b>756,101</b>	<b>328,985</b>	<b>520,068</b>	<b>565,018</b>	<b>258,736</b>	<b>306,282</b>
<b>Compensated absences</b>					<b>7,130,367</b>	<b>2,293,347</b>	<b>2,841,781</b>	<b>6,581,933</b>	<b>1,316,387</b>	<b>5,265,546</b>
<b>Net pension liability</b>					<b>3,326,427</b>	<b>33,736,770</b>	<b>2,089,515</b>	<b>34,973,682</b>	<b>-</b>	<b>34,973,682</b>
<b>OPEB liability</b>					<b>96,536,295</b>	<b>5,297,862</b>	<b>7,700,870</b>	<b>94,133,287</b>	<b>-</b>	<b>94,133,287</b>
<b>Claims payable (internal service funds)</b>					<b>12,421,620</b>	<b>15,730,102</b>	<b>15,617,177</b>	<b>12,534,545</b>	<b>4,951,003</b>	<b>7,583,542</b>
<b>Total long-term obligations</b>					<b>\$ 145,276,876</b>	<b>\$ 65,192,615</b>	<b>\$ 35,121,319</b>	<b>\$ 175,348,172</b>	<b>\$ 8,171,126</b>	<b>\$ 167,177,046</b>

\* Deductions/Refunded included \$4,065,000 of refunded bonds.

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**E. Changes in long-term obligations (continued)**

The following is a summary of bond maturities:

Fiscal Year Ended June 30,	Bonds	
	Principal	Interest
2020	\$ 1,645,000	\$ 1,061,478
2021	1,780,000	962,598
2022	1,855,000	886,994
2023	1,940,000	805,539
2024	2,020,000	720,288
2025	2,105,000	631,373
2026	2,015,000	544,296
2027	1,890,000	463,046
2028	1,835,000	388,840
2029	1,585,000	326,068
2030	1,210,000	274,444
2031	835,000	233,102
2032	615,000	202,625
2033	630,000	177,023
2034	650,000	150,560
2035	665,000	122,913
2036	685,000	94,116
2037	710,000	64,325
2038	550,000	37,141
2039	575,000	12,563
Total	<u>\$ 25,795,000</u>	<u>\$ 8,159,328</u>

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

In August 2019, the Town entered into a financing agreement for \$7,200,000 with an interest rate of 2.82% maturing in 2034.



## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**E. Changes in long-term obligations (continued)****2. Statutory debt limitations**

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 140,066,897	\$ 20,799,733	\$ 119,267,164
Schools	280,133,793	4,995,267	275,138,526
Sewers	233,444,828	-	233,444,828
Urban renewal	202,318,851	-	202,318,851
Pension deficit	186,755,862	-	186,755,862

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$435,763,678.

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.

**3. Authorized/Unissued Bonds**

The Town had authorized and unissued bonds as follows:

General purpose	\$ 4,122,993
Schools	<u>2,846,000</u>
Total	<u>\$ 6,968,993</u>

**4. Current year advance refunding**

In December 2018, the Town issued \$4,325,000 of general obligations bonds with an interest rate of 4.25% to 6.00%. These refunding bonds were issued to defease bonds issued in July 2009, July 2010, July 2011, and July 2013. The refunding resulted in an economic loss of \$165,190 and an increase in debt service payments of \$2,199,206.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**E. Changes in long-term obligations (continued)****5. Prior years' advanced refunding**

In prior years, the Town has defeased a bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Town's financial statements. At fiscal year-end, the amount of defeased debt outstanding but removed from the Town's financial statements amounted to \$8,370,000.

**6. Capital Lease**

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

The Board of Education is committed under capital leases for computers and vehicles totaling \$328,985, less \$48,964 of accumulated depreciation. This year, \$48,964 was included in depreciation expense. In the prior year the Town did not capitalize group purchases (computers).

The lease agreements qualify as capital leases for accounting purposes and, therefore, have 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 these capital leases, and the present value of the future minimum lease payments:

Year ending June 30,	
2020	\$ 282,171
2021	282,171
2022	20,172
2023	17,751
2024	<u>3,767</u>
Total	606,032
Less amount representing interest	<u>(41,014)</u>
Present value of minimum lease payments	<u>\$ 565,018</u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

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

Fund balances are composed of the following:

Fund Balance Component	General Fund	Capital Projects Fund	Other Governmental Funds	Total
Nonspendable:				
Permanent fund principal	\$ -	\$ -	\$ 100,000	\$ 100,000
Restricted:				
Capital replacement	-	-	143,053	143,053
Donor purpose restrictions	-	-	1,665,733	1,665,733
Health and welfare programs	-	-	6,364	6,364
Historical document preservation	-	-	31,919	31,919
Housing rehabilitation	-	-	136,096	136,096
Education programs	-	-	313,711	313,711
Total restricted	-	-	2,296,876	2,296,876
Committed:				
Daycare	-	-	59,112	59,112
Senior center	-	-	6,294	6,294
Public safety	-	-	195	195
Education programs	-	-	804,433	804,433
Total committed	-	-	870,034	870,034
Assigned:				
Road maintenance	-	-	384,605	384,605
Recreation	-	-	90,578	90,578
Health and welfare programs	-	-	98,794	98,794
Emergency medical service	-	-	224,810	224,810
Animal control	-	-	50,446	50,446
Teen center	-	-	5,853	5,853
Library operations	-	-	93,797	93,797
Total assigned	-	-	948,883	948,883
Unassigned	4,663,184	(3,697,938)	(307,903)	657,343
Total	<u>\$4,663,184</u>	<u>\$ (3,697,938)</u>	<u>\$3,907,890</u>	<u>\$4,873,136</u>

The amount of restricted net position, which was restricted by enabling legislation, totaled \$429,048.

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**G. Deficit fund balances**

The following funds had deficit fund balances/net position:

Public Safety	\$ 218,090
Workforce Alliance	1,801
LOCIP	88,012
Self Insurance	2,321,886
Worker's Compensation	4,517,575

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

**IV. Other Information****A. Risk Management**

The Town is exposed to various risks of loss related to public official liability, police liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town purchases commercial insurance for the following 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.

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**A. Risk Management (continued)**

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

Fiscal Year End/Fund	Claims Payable July 1,	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,	Current Portion	Long-Term Portion
<u>Self-Insurance Fund</u>						
2017-2018	\$ 2,465,601	\$ (181,058)	\$ -	\$ 2,284,543	\$ 300,000	\$ 1,984,543
2018-2019	2,284,543	221,496	286,000	2,220,039	300,000	1,920,039
<u>Workers' Compensation Fund</u>						
2017-2018	10,387,401	(155,118)	1,287,206	8,945,077	3,525,950	5,419,127
2018-2019	8,945,077	2,414,635	2,244,231	9,115,481	3,451,978	5,663,503
<u>Subtotal</u>						
2017-2018	12,853,002	(336,176)	1,287,206	11,229,620	3,825,950	7,403,670
2018-2019	11,229,620	2,636,131	2,530,231	11,335,520	3,751,978	7,583,542
<u>Town Medical Insurance Fund</u>						
2017-2018	1,062,000	11,945,610	11,815,610	1,192,000	1,192,000	-
2018-2019	1,192,000	13,093,971	13,086,946	1,199,025	1,199,025	-
<u>Totals</u>						
2017-2018	13,915,002	11,609,434	13,102,816	12,421,620	5,017,950	7,403,670
2018-2019	\$ 12,421,620	\$ 15,730,102	\$ 15,617,177	\$ 12,534,545	\$ 4,951,003	\$ 7,583,542

**B. Commitments and litigation**

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

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. In the opinion of the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019

## V. Pensions and other post-employment benefit plans

## A. Connecticut Municipal Employees' Retirement System

## 1. Plan description

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

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

The plan has 4 sub plans as follows:

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

## 2. Benefit provisions

The plan provides retirement, disability and death benefits.

General Employees

Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service.

Policemen and Firemen

Compulsory retirement age for police and fire members is age 65.

Normal Retirement: For members not covered by social security, the benefit is 2% of average final compensation times years of service.

For members covered by social security, the benefit is 1 ½% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service.

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**A. Connecticut Municipal Employees' Retirement System (continued)**

The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.

If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.

**Early Retirement:** Employees are eligible after 5 years of continuous service or 15 years of active aggregate service. The benefit is calculated on the basis of average final compensation and service to date of termination. Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

**Disability Retirement:** Employees are eligible for service-related disability benefits from being permanently or totally disabled from engaging in the service of the municipality provided such disability has arisen out of and in the course of employment with the municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty. Disability benefits are calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.

Employees are eligible for nonservice-related disability benefits with 10 years of service and being permanently or totally disabled from engaging in gainful employment in the service of the municipality. Disability benefits are calculated based on compensation and service to the date of the disability.

**Pre-Retirement Death Benefit:** The plan also offers a lump-sum return of contributions with interest of if vested and married, the surviving spouse will receive a lifetime benefit.

**3. Contributions**Employer

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

Employees

For employees not covered by social security, each person is required to contribute 5% of compensation.

For employees covered by social security, each person is required to contribute 2¼% of compensation up to the social security taxable wage base plus 5% of compensation, if any, in excess of such base.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Connecticut Municipal Employees' Retirement System (continued)****4. Pensions liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

The Town reported \$34,973,682 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The Town's proportionate share of the net pension liability was based upon the Town's 2018 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. The Town's proportional share was 7.049960% for the general employees without social security sub plan and 6.792200% for the police and fire without social security sub plan.

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

For the fiscal year, the Town recognized pension expense of \$20,868,624. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of outflows/inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,246,575	\$(1,175,601)
Changes in assumptions	13,478,931	-
Changes in proportional share of employer	690,418	(718,058)
Net difference between projected and actual earnings on pension plan investments	2,397,992	-
Town contributions subsequent to measurement date	<u>2,991,669</u>	<u>-</u>
<b>Total</b>	<b><u>\$21,805,585</u></b>	<b><u>\$(1,893,659)</u></b>
Net amount of deferred inflows and outflows excluding Town contributions subsequent to measurement date	<u>\$16,920,257</u>	

The \$2,991,669 amount reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.



## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Connecticut Municipal Employees' Retirement System (continued)**

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

Year Ending June 30,	
2019	\$ 5,719,529
2020	4,714,877
2021	2,880,897
2022	<u>3,604,954</u>
Total	<u>\$ 16,920,257</u>

**5. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.50-10.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected 2022 with Scale BB for Police and Fire. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%, the maximum is 6%.

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Connecticut Municipal Employees' Retirement System (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap U.S. equities	20.0%	5.3%
Developed non-U.S. equities	11.0%	5.1%
Emerging markets (non-U.S.)	9.0%	7.4%
Core fixed income	16.0%	1.6%
Inflation linked bond fund	5.0%	1.3%
Emerging market bond	5.0%	2.9%
High yield bonds	6.0%	3.4%
Real estate	10.0%	4.7%
Private equity	10.0%	7.3%
Alternative investments	7.0%	3.2%
Liquidity fund	1.0%	0.9%
Total	<u>100.0%</u>	

**6. Discount rate**

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

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

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount (7.00%)</u>	<u>1% Increase (8.00%)</u>
Town's proportional share of the net pension liability	<u>\$ 54,125,993</u>	<u>\$ 34,973,682</u>	<u>\$ 21,011,752</u>

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**A. Connecticut Municipal Employees' Retirement System (continued)****8. Plan fiduciary net position**

Detailed information about the MERS plan's fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2018.

**B. Connecticut State Teachers' Retirement System****1. Plan description**

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

**2. Benefit provisions**

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

**Normal Retirement:** Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

**Early Retirement:** Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

**Disability Retirement:** Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary.

**Pre-Retirement Death Benefit:** The Plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**B. Connecticut State Teachers' Retirement System (continued)****3. Contributions****State of Connecticut**

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

**Employer (School Districts)**

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

**Employees**

Effective January 1, 2018, each teacher is required to contribute 7% of their salary for the pension benefit.

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

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>64,568,622</u>
Total	<u>\$ 64,568,622</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net pension liability.

During the year the Town recognized pension expense and revenue of \$6,240,414 for on-behalf amounts for contributions to the plan by the State.

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**B. Connecticut State Teachers' Retirement System (continued)****5. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**B. Connecticut State Teachers' Retirement System (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap U.S. equities	20.0%	5.3%
Developed non-U.S. equities	11.0%	5.1%
Emerging markets (non-U.S.)	9.0%	7.4%
Core fixed income	16.0%	1.6%
Inflation linked bond fund	5.0%	1.3%
Emerging market bond	5.0%	2.9%
High yield bonds	6.0%	3.4%
Real estate	10.0%	4.7%
Private equity	10.0%	7.3%
Alternative investments	7.0%	3.2%
Liquidity fund	1.0%	0.9%
Total	<u>100.0%</u>	

**6. Discount rate**

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2018.

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**C. Other Post-Employment Benefit Plan****1. Plan description****a. Plan administration**

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

**b. Plan membership**

As of July 1, 2017, the following employees are covered by the benefit terms:

	<u>Employees'</u>	<u>Board of Education</u>
Inactive plan members or beneficiaries currently receiving benefit payments	236	234
Active plan members	<u>169</u>	<u>296</u>
Total	<u><u>405</u></u>	<u><u>530</u></u>

**2. Benefit provisions**

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

**3. Contributions****Employer Contributions**

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

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Other Post-Employment Benefit Plan (continued)****Employee Contributions**

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

**4. Actuarial methods and significant assumptions**

The total OPEB liability was determined based upon an actuarial valuation of July 1, 2017 for the Town and Board of Education using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2017
Actuarial cost method	Entry age normal
Discount rate	3.87%
Salary increases	4.00%
Healthcare cost trend rates:	
Medical	7.00%
Prescription drug	6.00%
Dental, administrative costs	3.00%
Mortality rates	Based on the RP-2014 mortality table adjusted to 2006 with generational mortality improvement to current year under Projection Scale MP-2018.

The Town's and Board of Education's OPEB liability of \$63,595,728 and \$30,537,559, respectively, were measured as of July 1, 2018, and were determined by an actuarial valuation as of July 1, 2017.

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

The valuation results provided in this report reflect a best estimate of the potential impact of the Patient Protection and Affordable Care Act (PPACA). Consideration has been made for provisions of the law that are effective as of the valuation date as well as those provisions that will take effect in the future.



## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Other Post-Employment Benefit Plan (continued)****5. Changes from prior year****a. Changes in assumptions**

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

- The discount rate increased from 3.58% to 3.87%.

**b. Changes in benefit terms**

There were no changes in benefit terms.

**6. Changes in the OPEB Liability**

	<u>Employees'</u>	<u>Board of Education</u>
Balance at July 1, 2018	\$64,486,230	\$32,050,065
Service cost	1,652,879	198,053
Interest	2,326,716	1,120,214
Differences between expected and actual experience		
Changes in assumptions	(2,576,018)	(916,308)
Benefit payments	<u>(2,294,079)</u>	<u>(1,914,465)</u>
Net change	<u>(890,502)</u>	<u>(1,512,506)</u>
Balance at June 30, 2019	<u>\$63,595,728</u>	<u>\$30,537,559</u>

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

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

<u>OPEB Liability</u>	<u>1% Decrease 2.87%</u>	<u>Discount Rate 3.87%</u>	<u>1% Increase 4.87%</u>
Employees'	<u>\$ 73,231,889</u>	<u>\$ 63,595,728</u>	<u>\$ 55,845,415</u>
Board of Education	<u>\$ 33,894,029</u>	<u>\$ 30,537,559</u>	<u>\$ 27,689,230</u>

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Other Post-Employment Benefit Plan (continued)****8. Sensitivity of the OPEB liability to changes in the healthcare cost trend rate**

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

<u>OPEB Liability</u>	<u>1% Decrease in Health Care Cost Trend Rates</u>	<u>Current Health Care Cost Trend Rates</u>	<u>1% Increase in Health Care Cost Trend Rates</u>
Employees'	<u>\$ 54,290,751</u>	<u>\$ 63,595,728</u>	<u>\$ 75,308,936</u>
Board of Education	<u>\$ 27,425,920</u>	<u>\$ 30,537,559</u>	<u>\$ 34,187,930</u>

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

For the fiscal year, the Town and Board of Education recognized OPEB expense of \$(3,768,259) and \$(1,565,920), respectively. The Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

<u>Employees' OPEB Plan Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,762,179	\$ -
Changes in assumptions	<u>-</u>	<u>(7,880,873)</u>
Total	<u>\$ 6,762,179</u>	<u>\$ (7,880,873)</u>
Net amount of deferred inflows and outflows		<u>\$ (1,118,694)</u>

The Board of Education reported deferred inflows of resources related to OPEB from the following sources:

<u>Board of Education's OPEB Plan Description of Outflows/Inflows</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ (4,712,770)
Changes in assumptions	<u>(5,948,137)</u>
Total	<u>\$ (10,660,907)</u>

Experience losses (gain) and changes in assumptions are amortized over the average remaining service period of actives and inactive, which were 4.7 years for the Employees' plan and 5.64 years for the Board of Education plan.

## Town of East Haven, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Other Post-Employment Benefit Plan (continued)**

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

Year ending June 30,	Employees' OPEB Plan	Board of Education OPEB Plan
2020	\$ (211,336)	\$ (2,884,187)
2021	(211,336)	(2,884,187)
2022	(312,361)	(2,884,187)
2023	(383,661)	(1,904,368)
2024	-	(103,978)
Total	<u>\$ (1,118,694)</u>	<u>\$ (10,660,907)</u>

**D. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)****1. Plan description**

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

**2. Benefit provisions**

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

- **Normal Retirement:** Eligibility - Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.
- **Early Retirement:** Eligibility - 25 years of Credited Service including 20 years of Connecticut service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service.
- **Proratable Retirement:** Eligibility - Age 60 with 10 years of Credited Service.
- **Disability Retirement:** Eligibility - 5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.
- **Termination of Employment:** Eligibility - 10 or more years of Credited Service.

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**D. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)****Retiree health care coverage**

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

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

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

**Survivor health care coverage**

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

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

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**D. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)****Employer (School Districts)**

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

**Employees**

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

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

The Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution.

The amounts recognized by the Town as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>12,907,700</u>
Total	<u>\$ 12,907,700</u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net OPEB liability.

During the year the Town recognized OPEB expense and revenue of \$173,135 for on-behalf amounts for contributions to the plan by the State.

**5. Actuarial assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care cost trend rate	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.87%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**D. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)****Changes in assumptions and inputs**

As a result of the experience study for the five-year period ending June 30, 2015:

- The payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase.
- The demographic assumptions of salary growth, payroll growth, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
- The discount rate has been increased from 3.56% to 3.87% based upon the increase in the municipal bond index.

Additionally, the assumed initial per capita health care costs, the assumed rates of healthcare inflation used to project the per capita costs, and the participation assumptions have been revised.

**Long-Term Expected Rate of Return**

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

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 3.00%.

**Affordable Care Act (ACA)**

The impact of the Affordable Care Act (ACA) was addressed in this valuation. Review of the information currently available did not identify any specific provisions of the ACA that are anticipated to significantly impact results. While the impact of certain provisions such as the excise tax on high-value health insurance plans beginning in 2020 (if applicable), mandated benefits and participation changes due to the individual mandate should be recognized in the determination of liabilities, overall future plan costs and the resulting liabilities are driven by amounts employers and retirees can afford (i.e., trend). The trend assumption forecasts the anticipated increase to initial per capita costs, taking into account health care cost inflation, increases in benefit utilization, plan changes, government-mandated benefits, and technological advances.

## Town of East Haven, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**D. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)**

Given the uncertainty regarding the ACA's implementation (e.g., the impact of excise tax on high-value health insurance plans, changes in participation resulting from the implementation of state-based health insurance exchanges), continued monitoring of the ACA's impact on the Plan's liability will be required.

**6. Discount rate**

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

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

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

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2018.

**VI. Prior period adjustment**

Net position and fund balances were restated as follows due to the reclassification of the private-purpose trust funds:

	Governmental Activities	Other Governmental Funds	Private- Purpose Trust Funds	Custodial Funds
Net position as previously reported at June 30, 2018	\$(48,433,038)	\$ 3,810,673	\$ 119,474	\$ 110,871
Reclassification of funds	<u>26,313</u>	<u>26,313</u>	<u>(119,474)</u>	<u>93,161</u>
Net position as restated at July 1, 2018	<u>\$(48,406,725)</u>	<u>\$ 3,836,986</u>	<u>\$ -</u>	<u>\$ 204,032</u>

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**Required  
Supplementary  
Information**

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## TOWN OF EAST HAVEN, CONNECTICUT

## REQUIRED SUPPLEMENTARY INFORMATION

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	ORIGINAL BUDGET	ADDITIONAL APPROPRIATIONS AND TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>					
Property taxes.....	\$ 66,156,220	\$ -	\$66,156,220	\$64,605,676	\$(1,550,544)
Intergovernmental.....	21,366,333	-	21,366,333	19,091,803	(2,274,530)
Charges for services.....	2,383,988	-	2,383,988	2,372,660	(11,328)
Income from investments.....	133,811	-	133,811	333,234	199,423
Other.....	1,307,650	-	1,307,650	1,175,125	(132,525)
<b>TOTAL REVENUES.....</b>	<b>91,348,002</b>	<b>-</b>	<b>91,348,002</b>	<b>87,578,498</b>	<b>(3,769,504)</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	2,930,386	255,284	3,185,670	2,966,702	218,968
Public safety.....	13,434,900	-	13,434,900	13,076,582	358,318
Public services and engineering.....	2,557,827	(206,100)	2,351,727	2,169,603	182,124
Sanitation and maintenance.....	2,988,258	206,100	3,194,358	3,086,606	107,752
Health and welfare.....	1,187,457	7,911	1,195,368	1,141,332	54,036
Culture and recreation.....	1,952,288	1,000	1,953,288	1,847,051	106,237
Employee benefits and insurance.....	13,428,699	(174,500)	13,254,199	12,663,658	590,541
Education.....	47,944,271	-	47,944,271	47,944,271	-
General services.....	2,047,500	(89,695)	1,957,805	1,369,822	587,983
Debt service.....	3,141,901	-	3,141,901	3,051,025	90,876
<b>TOTAL EXPENDITURES.....</b>	<b>91,613,487</b>	<b>-</b>	<b>91,613,487</b>	<b>89,316,652</b>	<b>2,296,835</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(265,485)</b>	<b>-</b>	<b>(265,485)</b>	<b>(1,738,154)</b>	<b>(1,472,669)</b>
<b>OTHER FINANCING SOURCES:</b>					
Sale of Town owned property.....	265,485	-	265,485	559,769	294,284
Transfers in.....	-	-	-	25,000	25,000
<b>TOTAL OTHER FINANCING SOURCES.....</b>	<b>265,485</b>	<b>-</b>	<b>265,485</b>	<b>584,769</b>	<b>319,284</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(1,153,385)</b>	<b>\$(1,153,385)</b>
<b>FUND BALANCE - JULY 1, 2018.....</b>				<b>5,816,569</b>	
<b>FUND BALANCE - JUNE 30, 2019.....</b>				<b>\$ 4,663,184</b>	

**Reconciliation to Exhibit D**

	Revenues	Expenditures
Budgetary Basis - RSI-1	\$ 87,578,498	\$89,316,652
State Teachers' pension on behalf amount	6,240,414	6,240,414
State Teachers' OPEB on behalf amount	173,135	173,135
<b>GAAP Basis - Exhibit D</b>	<b>\$ 93,992,047</b>	<b>\$ 95,730,201</b>

**TOWN OF EAST HAVEN, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION**

**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	ORIGINAL BUDGET	ADDITIONAL APPROPRIATIONS AND TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>PROPERTY TAXES:</b>					
Real estate.....	\$55,345,184	\$ -	\$55,345,184	\$54,842,961	\$ (502,223)
Motor vehicle and personal property.....	7,471,955	-	7,471,955	6,939,453	(532,502)
Supplemental motor vehicle.....	810,500	-	810,500	777,245	(33,255)
Delinquent taxes.....	785,125	-	785,125	552,551	(232,574)
Suspense collections.....	125,000	-	125,000	78,530	(46,470)
Interest, penalties and liens.....	712,650	-	712,650	520,061	(192,589)
PILOT water authority.....	789,206	-	789,206	789,206	-
PILOT GNHWPCA.....	63,000	-	63,000	63,000	-
Telecommunication property tax.....	53,600	-	53,600	42,669	(10,931)
<b>TOTAL PROPERTY TAXES.....</b>	<b>66,156,220</b>	<b>-</b>	<b>66,156,220</b>	<b>64,605,676</b>	<b>(1,550,544)</b>
<b>INTERGOVERNMENTAL:</b>					
State aid school construction.....	790,636	-	790,636	-	(790,636)
Health and welfare nonpublic school.....	27,895	-	27,895	-	(27,895)
Education cost sharing.....	19,700,244	-	19,700,244	18,403,183	(1,297,061)
PILOT state property.....	240,702	-	240,702	462,357	221,655
PILOT Pequot funds.....	82,006	-	82,006	82,006	-
Elderly circuit breaker.....	340,500	-	340,500	-	(340,500)
Tax relief elderly.....	4,000	-	4,000	3,693	(307)
Veterans' exemption.....	76,500	-	76,500	58,006	(18,494)
Disability reimbursement.....	5,400	-	5,400	4,791	(609)
Off Track Betting (OTB).....	79,200	-	79,200	57,427	(21,773)
State of CT department of children.....	19,250	-	19,250	20,340	1,090
<b>TOTAL INTERGOVERNMENTAL.....</b>	<b>21,366,333</b>	<b>-</b>	<b>21,366,333</b>	<b>19,091,803</b>	<b>(2,274,530)</b>
<b>CHARGES FOR SERVICES:</b>					
Zoning board of appeals.....	5,259	-	5,259	3,588	(1,671)
Zoning fees.....	23,150	-	23,150	29,087	5,937
Police permits, tags, etc.....	53,854	-	53,854	32,112	(21,742)
Fire permits/fees.....	1,275	-	1,275	100	(1,175)
Town clerk fees.....	459,500	-	459,500	508,924	49,424
Building department permits.....	270,000	-	270,000	435,919	165,919
Recreation fees.....	85,000	-	85,000	156,882	71,882
Pool fees.....	23,500	-	23,500	41,613	18,113
Athletic complex fees.....	355,000	-	355,000	203,512	(151,488)
C.A.M. fees.....	1,950	-	1,950	640	(1,310)
Human services fees.....	245,000	-	245,000	248,790	3,790
Landfill fees.....	15,000	-	15,000	13,730	(1,270)
Solid waste hauler fees.....	14,500	-	14,500	-	(14,500)
Inland/wetland prints.....	1,000	-	1,000	-	(1,000)
Flood and erosion.....	5,000	-	5,000	-	(5,000)
Police special assignments.....	825,000	-	825,000	697,763	(127,237)
<b>TOTAL CHARGES FOR SERVICES.....</b>	<b>2,383,988</b>	<b>-</b>	<b>2,383,988</b>	<b>2,372,660</b>	<b>(11,328)</b>
<b>INCOME FROM INVESTMENTS.....</b>	<b>133,811</b>	<b>-</b>	<b>133,811</b>	<b>333,234</b>	<b>199,423</b>

(Continued)

**TOWN OF EAST HAVEN, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION**

**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	ORIGINAL BUDGET	ADDITIONAL APPROPRIATIONS AND TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>OTHER:</b>					
Employee benefit cost sharing.....	\$ 647,500	\$ -	\$ 647,500	\$ 633,313	\$ (14,187)
Workers' compensation reimbursement.....	430,150	-	430,150	376,217	(53,933)
Events.....	-	-	-	3,775	3,775
Other.....	230,000	-	230,000	161,820	(68,180)
<b>TOTAL OTHER.....</b>	<b>1,307,650</b>	<b>-</b>	<b>1,307,650</b>	<b>1,175,125</b>	<b>(132,525)</b>
<b>TOTAL REVENUES.....</b>	<b>91,348,002</b>	<b>-</b>	<b>91,348,002</b>	<b>87,578,498</b>	<b>(3,769,504)</b>
<b>OTHER FINANCING SOURCES:</b>					
Sale of Town owned property.....	265,485	-	265,485	559,769	294,284
Transfers in.....	-	-	-	25,000	25,000
<b>TOTAL OTHER FINANCING SOURCES.....</b>	<b>265,485</b>	<b>-</b>	<b>265,485</b>	<b>584,769</b>	<b>319,284</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES.....</b>	<b>\$91,613,487</b>	<b>\$ -</b>	<b>\$91,613,487</b>	<b>\$88,163,267</b>	<b>\$(3,450,220)</b>

(Concluded)

TOWN OF EAST HAVEN, CONNECTICUT  
REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	ADDITIONAL APPROPRIATIONS AND TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>GENERAL GOVERNMENT:</b>					
Town Council.....	\$ 74,600	\$ -	\$ 74,600	\$ 67,982	\$ 6,618
Board of Finance.....	6,800	-	6,800	6,000	800
Mayor.....	175,552	3,000	178,552	167,674	10,878
Finance.....	478,461	-	478,461	464,776	13,685
Purchasing.....	51,389	-	51,389	47,444	3,945
Tax collector.....	287,811	11,000	298,811	284,143	14,668
Assessor.....	290,462	-	290,462	272,888	17,574
Personnel, administration and management.....	416,884	-	416,884	329,242	87,642
Board of assessment appeals.....	2,500	-	2,500	1,375	1,125
Town clerk.....	291,947	-	291,947	267,557	24,390
Registrar of Voters.....	147,890	6,784	154,674	154,664	10
Planning and zoning.....	180,781	-	180,781	175,979	4,802
Zoning board of appeals.....	3,517	-	3,517	3,256	261
Legal.....	445,160	234,500	679,660	666,238	13,422
Probate.....	21,700	-	21,700	18,677	3,023
Civil service.....	49,732	-	49,732	35,498	14,234
Flood and erosion.....	600	-	600	-	600
Inland/wetland.....	2,000	-	2,000	1,509	491
School building committee.....	2,600	-	2,600	1,800	800
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>2,930,386</b>	<b>255,284</b>	<b>3,185,670</b>	<b>2,966,702</b>	<b>218,968</b>
<b>PUBLIC SAFETY:</b>					
Board of police commissioners.....	3,250	-	3,250	1,363	1,887
Animal shelter.....	252,301	-	252,301	249,355	2,946
Police department.....	6,151,146	-	6,151,146	5,962,060	189,086
Board of fire commissioners.....	15,550	-	15,550	13,355	2,195
Fire department.....	6,131,068	-	6,131,068	6,021,504	109,564
Public safety command center.....	881,585	-	881,585	828,945	52,640
<b>TOTAL PUBLIC SAFETY.....</b>	<b>13,434,900</b>	<b>-</b>	<b>13,434,900</b>	<b>13,076,582</b>	<b>358,318</b>
<b>PUBLIC SERVICES AND ENGINEERING:</b>					
Engineering.....	170,824	(6,100)	164,724	127,869	36,855
Public services.....	2,387,003	(200,000)	2,187,003	2,041,734	145,269
<b>TOTAL PUBLIC SERVICES AND ENGINEERING.....</b>	<b>2,557,827</b>	<b>(206,100)</b>	<b>2,351,727</b>	<b>2,169,603</b>	<b>182,124</b>
<b>SANITATION AND MAINTENANCE:</b>					
Building department.....	157,764	-	157,764	157,464	300
Sanitation.....	1,931,629	231,100	2,162,729	2,150,669	12,060
Building maintenance.....	898,865	(25,000)	873,865	778,473	95,392
<b>TOTAL SANITATION AND MAINTENANCE.....</b>	<b>2,988,258</b>	<b>206,100</b>	<b>3,194,358</b>	<b>3,086,606</b>	<b>107,752</b>
<b>HEALTH AND WELFARE:</b>					
Public health.....	289,450	-	289,450	272,150	17,300
Social services.....	126,224	-	126,224	125,144	1,080
Counseling and community services.....	728,483	7,911	736,394	736,106	288
Housing authority.....	850	-	850	125	725
Urban renewal.....	42,450	-	42,450	7,807	34,643
<b>TOTAL HEALTH AND WELFARE.....</b>	<b>1,187,457</b>	<b>7,911</b>	<b>1,195,368</b>	<b>1,141,332</b>	<b>54,036</b>

(Continued)

TOWN OF EAST HAVEN, CONNECTICUT  
REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	ADDITIONAL APPROPRIATIONS AND TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>CULTURE AND RECREATION:</b>					
Recreation.....	\$ 505,460	\$ 4,000	\$ 509,460	\$ 475,665	\$ 33,795
Recreation - ice rink.....	293,764	-	293,764	258,342	35,422
Senior center.....	221,625	-	221,625	214,010	7,615
Library.....	822,239	-	822,239	817,254	4,985
Community services.....	109,200	(3,000)	106,200	81,780	24,420
<b>TOTAL CULTURE AND RECREATION.....</b>	<b>1,952,288</b>	<b>1,000</b>	<b>1,953,288</b>	<b>1,847,051</b>	<b>106,237</b>
<b>EMPLOYEE BENEFITS AND INSURANCE:</b>					
Employee benefits.....	10,990,699	-	10,990,699	10,518,255	472,444
Insurance.....	2,438,000	(174,500)	2,263,500	2,145,403	118,097
<b>TOTAL EMPLOYEE BENEFITS AND INSURANCE.....</b>	<b>13,428,699</b>	<b>(174,500)</b>	<b>13,254,199</b>	<b>12,663,658</b>	<b>590,541</b>
<b>EDUCATION.....</b>	<b>47,944,271</b>	<b>-</b>	<b>47,944,271</b>	<b>47,944,271</b>	<b>-</b>
<b>GENERAL SERVICES.....</b>	<b>2,047,500</b>	<b>(89,695)</b>	<b>1,957,805</b>	<b>1,369,822</b>	<b>587,983</b>
<b>DEBT SERVICE:</b>					
Principal.....	2,160,000	-	2,160,000	2,160,000	-
Interest.....	981,901	-	981,901	891,025	90,876
<b>TOTAL DEBT SERVICE.....</b>	<b>3,141,901</b>	<b>-</b>	<b>3,141,901</b>	<b>3,051,025</b>	<b>90,876</b>
<b>TOTAL EXPENDITURES.....</b>	<b>\$ 91,613,487</b>	<b>\$ -</b>	<b>\$ 91,613,487</b>	<b>\$ 89,316,652</b>	<b>\$ 2,296,835</b>

(Concluded)

**TOWN OF EAST HAVEN, CONNECTICUT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETS AND BUDGETARY ACCOUNTING  
JUNE 30, 2019**

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

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

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

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 Board of Finance and 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

## Required Supplementary Information

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Schedule of Proportionate Share of the Net Pension Liability</u></b>					
Town's proportion of the net pension (asset) liability for the general employees without social security sub plan	<u>7.049960%</u>	<u>6.605138%</u>	<u>6.605138%</u>	<u>6.260323%</u>	<u>6.260323%</u>
Town's proportion of the net pension (asset) liability for the policemen and firemen without social security sub plan	<u>6.792200%</u>	<u>5.964528%</u>	<u>5.964528%</u>	<u>6.399948%</u>	<u>6.399948%</u>
Town's proportionate share of the net pension (asset) liability	<u>\$ 34,973,682</u>	<u>\$ 3,326,427</u>	<u>\$ 6,281,761</u>	<u>\$ 1,655,172</u>	<u>\$ (1,456,428)</u>
Town's covered payroll	<u>\$ 21,318,457</u>	<u>\$ 17,639,314</u>	<u>\$ 17,639,314</u>	<u>\$ 16,645,682</u>	<u>\$ 16,290,888</u>
Town's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	<u>164.05%</u>	<u>18.86%</u>	<u>35.61%</u>	<u>9.94%</u>	<u>(8.94)%</u>
Total plan fiduciary net position as a percentage of the total pension liability	<u>73.60%</u>	<u>91.68%</u>	<u>92.72%</u>	<u>92.72%</u>	<u>92.72%</u>
<b><u>Schedule of Contributions</u></b>					
Contractually required contribution	<u>\$ 2,937,040</u>	<u>\$ 2,394,514</u>	<u>\$ 2,373,870</u>	<u>\$ 2,567,016</u>	<u>\$ 2,502,937</u>
Contributions in relation to the contractually required contribution	<u>2,937,040</u>	<u>2,394,514</u>	<u>2,373,870</u>	<u>2,567,016</u>	<u>2,502,937</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 21,318,457</u>	<u>\$ 17,639,314</u>	<u>\$ 17,639,314</u>	<u>\$ 16,645,682</u>	<u>\$ 16,290,888</u>
Contributions as a percentage of covered payroll	<u>13.78%</u>	<u>13.57%</u>	<u>13.46%</u>	<u>15.42%</u>	<u>15.36%</u>

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

Town of East Haven, Connecticut

Notes to Required Supplementary Information

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

	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2014
Actuarial methods and assumptions used to determine contribution rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining Amortization Period	21 years	23 years	23 years	25 years	25 years
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.50%	3.25%	3.25%	3.25%	3.25%
Salary Increases	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation
Cost-of-Living Adjustments	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards
Social Security Wage Base	3.00%	3.50%	3.50%	3.50%	3.50%
Investment Rate of Return	7.00%	8.00%	8.00%	8.00%	8.00%

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



Town of East Haven, Connecticut

Required Supplementary Information

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Schedule of Proportionate Share of the Net Pension Liability</u></b>					
Town's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>64,568,622</u>	<u>74,004,319</u>	<u>78,075,123</u>	<u>58,217,951</u>	<u>53,810,829</u>
Total	<u>\$ 64,568,622</u>	<u>\$ 74,004,319</u>	<u>\$ 78,075,123</u>	<u>\$ 58,217,951</u>	<u>\$ 53,810,829</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

**Schedule of Contributions**

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

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

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

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

Town of East Haven, Connecticut

Notes to Required Supplementary Information

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

	2019	2018	2017	2016	2015
Changes of Benefit Terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2014
Actuarial methods and assumptions used to determine contribution rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	17.6 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market
Inflation	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Investment Rate of Return	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.

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

## Town of East Haven, Connecticut

## Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plans  
Last Three Years (1)Schedule of Changes in OPEB Liability

	<u>2019</u>	<u>2018</u>
<b><u>Employees' Plan</u></b>		
OPEB liability:		
Service cost	\$ 1,652,879	\$ 2,715,495
Interest	2,326,716	2,471,758
Differences between expected and actual experience	-	11,771,199
Changes in assumptions	(2,576,018)	(10,188,458)
Benefit payments	<u>(2,294,079)</u>	<u>(2,193,267)</u>
Net change in total OPEB liability	(890,502)	4,576,727
OPEB liability - July 1	<u>64,486,230</u>	<u>59,909,503</u>
OPEB liability - June 30 *	<u>\$ 63,595,728</u>	<u>\$ 64,486,230</u>
<b><u>Board of Education Plan</u></b>		
OPEB liability:		
Service cost	\$ 198,053	\$ 440,264
Interest	1,120,214	1,520,774
Differences between expected and actual experience	-	(7,302,204)
Changes in assumptions	(916,308)	(8,048,304)
Benefit payments	<u>(1,914,465)</u>	<u>(2,361,365)</u>
Net change in OPEB liability	(1,512,506)	(15,750,835)
OPEB liability - July 1	<u>32,050,065</u>	<u>47,800,900</u>
OPEB liability - June 30 *	<u>\$ 30,537,559</u>	<u>\$ 32,050,065</u>

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

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

## Town of East Haven, Connecticut

## Required Supplementary Information

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

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

**Schedule of Contributions**

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

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

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

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

Town of East Haven, Connecticut

Notes to Required Supplementary Information

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

	2019	2018
Changes of Benefit Terms	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2016
Actuarial methods and assumptions used to determine contribution rates:		
Actuarial Cost Method	Entry age	Entry age
Amortization Method	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years
Asset Valuation Method	Fair value	Fair value
Inflation	2.75%	2.75%
Healthcare Inflation Rate	Initial 7.25% decreasing to 5.00% (ultimate) by 2022	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return	3.00%	4.25%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.

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

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# **Supplemental Schedules**

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## **General Fund**

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The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town i.e., general government, public safety, public works, culture and recreation, health and welfare, 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**

**REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2019**

Grand List Year	Uncollected Taxes July 1, 2018	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2019
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2002	\$ 24,369	\$ -	\$ -	\$ 24,369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003	24,973	-	-	-	-	24,973	42	182	224	24,931
2004	28,571	-	-	-	-	28,571	267	714	981	28,304
2005	34,500	-	-	-	-	34,500	267	667	934	34,233
2006	70,614	-	-	-	-	70,614	1,673	2,442	4,115	68,941
2007	72,861	-	146	-	640	72,367	3,395	6,355	9,750	68,972
2008	74,976	-	-	-	-	74,976	3,393	5,598	8,991	71,583
2009	96,735	-	-	-	-	96,735	4,003	5,865	9,868	92,732
2010	99,261	-	-	-	-	99,261	7,500	9,520	17,020	91,761
2011	67,676	-	-	-	1,141	66,535	18,469	16,053	34,522	48,066
2012	215,377	-	-	-	45,962	169,415	19,918	18,453	38,371	149,497
2013	320,915	-	499	-	33,216	288,198	20,305	15,024	35,329	267,893
2014	352,695	-	51,441	18,964	57,892	327,280	62,641	12,635	75,276	264,639
2015	461,151	-	1,617	21,455	85,490	355,823	53,602	26,960	80,562	302,221
2016	1,199,967	-	14,847	73,551	156,782	984,481	571,025	120,035	691,060	413,456
Total Prior Years	3,144,641	-	68,550	138,339	381,123	2,693,729	766,500	240,503	1,007,003	1,927,229
2017	-	63,817,170	69,800	385,980	5,146	63,495,844	62,278,005	260,535	62,538,540	1,217,839
<b>TOTAL</b>	<b>\$ 3,144,641</b>	<b>\$ 63,817,170</b>	<b>\$ 138,350</b>	<b>\$ 524,319</b>	<b>\$ 386,269</b>	<b>\$ 66,189,573</b>	<b>\$ 63,044,505</b>	<b>\$ 501,038</b>	<b>\$ 63,545,543</b>	<b>\$ 3,145,068</b>



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# Other Governmental Funds

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## Special Revenue Funds

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

Public Safety

Historical Documents Preservation

Economic Development

Town Pool Repair

Open Space

Workforce Alliance

Marine Enforcement Grants

Public Works State Aid

East Haven Kennel Club

Small Cities

Dog Licenses

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

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# Other Governmental Funds

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## **Capital Projects Funds**

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

Local Transportation Capital Program

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 Town's programs.

J. Woodward Thompson Education Fund

Library Fund

Library Building Project Fund

Isaac Hagaman Library Fund

A. J. Berman Library Fund

**TOWN OF EAST HAVEN, CONNECTICUT**

**COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2019**

**SPECIAL REVENUE FUNDS**

	<b>PUBLIC SAFETY</b>	<b>HISTORICAL DOCUMENTS PRESERVATION</b>	<b>TOWN POOL REPAIR</b>	<b>OPEN SPACE</b>	<b>WORKFORCE ALLIANCE</b>	<b>MARINE ENFORCEMENT GRANTS</b>
<b><u>ASSETS</u></b>						
Cash.....	\$ 14,874	\$	\$	\$	\$	\$
Investments.....						
Receivables:						
Intergovernmental.....						
Other.....		102				
Due from other funds.....	69,914	31,817	2,414	45,000		6,364
Other.....						
<b>TOTAL ASSETS.....</b>	<b>\$ 84,788</b>	<b>\$ 31,919</b>	<b>\$ 2,414</b>	<b>\$ 45,000</b>	<b>\$ -</b>	<b>\$ 6,364</b>
<b><u>LIABILITIES</u></b>						
Accounts payable.....	\$ 298,910	\$	\$	\$	\$	\$
Accrued payroll.....						
Due to other funds.....					1,801	
Unearned revenue.....	3,968					
Other liabilities.....						
<b>TOTAL LIABILITIES.....</b>	<b>302,878</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,801</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>						
Nonspendable.....						
Restricted.....		31,919				6,364
Committed.....						
Assigned.....			2,414	45,000		
Unassigned.....	(218,090)				(1,801)	
<b>TOTAL FUND BALANCES.....</b>	<b>(218,090)</b>	<b>31,919</b>	<b>2,414</b>	<b>45,000</b>	<b>(1,801)</b>	<b>6,364</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 84,788</b>	<b>\$ 31,919</b>	<b>\$ 2,414</b>	<b>\$ 45,000</b>	<b>\$ -</b>	<b>\$ 6,364</b>

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(Continued)

**TOWN OF EAST HAVEN, CONNECTICUT**

**COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2019**

**SPECIAL REVENUE FUNDS**

	<b>PUBLIC WORKS STATE AID</b>	<b>EAST HAVEN KENNEL CLUB</b>	<b>SMALL CITIES</b>	<b>DOG LICENSES</b>	<b>SENIOR CENTER</b>	<b>TEEN CENTER</b>
<b><u>ASSETS</u></b>						
Cash.....	\$	\$ 1,335	\$ 136,096	\$	\$ 6,294	\$
Investments.....						
Receivables:						
Intergovernmental.....				592		
Other.....				12,265		5,853
Due from other funds.....	428,216	37,930				
Other.....						
<b>TOTAL ASSETS.....</b>	<b>\$ 428,216</b>	<b>\$ 39,265</b>	<b>\$ 136,096</b>	<b>\$ 12,857</b>	<b>\$ 6,294</b>	<b>\$ 5,853</b>
<b><u>LIABILITIES</u></b>						
Accounts payable.....	\$ 43,611	\$ 1,387	\$	\$ 289	\$	\$
Accrued payroll.....						
Due to other funds.....						
Unearned revenue.....						
Other liabilities.....						
<b>TOTAL LIABILITIES.....</b>	<b>43,611</b>	<b>1,387</b>	<b>-</b>	<b>289</b>	<b>-</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>						
Nonspendable.....						
Restricted.....			136,096			
Committed.....					6,294	
Assigned.....	384,605	37,878		12,568		5,853
Unassigned.....						
<b>TOTAL FUND BALANCES.....</b>	<b>384,605</b>	<b>37,878</b>	<b>136,096</b>	<b>12,568</b>	<b>6,294</b>	<b>5,853</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 428,216</b>	<b>\$ 39,265</b>	<b>\$ 136,096</b>	<b>\$ 12,857</b>	<b>\$ 6,294</b>	<b>\$ 5,853</b>

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(Continued)

**TOWN OF EAST HAVEN, CONNECTICUT**

**COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2019**

SPECIAL REVENUE FUNDS

	HAGAMAN MEMORIAL LIBRARY	HEALTH AND WELFARE	EMERGENCY MANAGEMENT FUND	DAYCARE	ATHLETIC DEPARTMENT
<u>ASSETS</u>					
Cash.....	\$ 114,920	\$ 4	\$	\$ 73,007	\$ 52,844
Investments.....					
Receivables:					
Intergovernmental.....					
Other.....		15,204			2,200
Due from other funds.....		325,369	195		
Other.....					
<b>TOTAL ASSETS.....</b>	<b>\$ 114,920</b>	<b>\$ 340,577</b>	<b>\$ 195</b>	<b>\$ 73,007</b>	<b>\$ 55,044</b>
<u>LIABILITIES</u>					
Accounts payable.....	\$ 21,123	\$ 16,973	\$	\$	\$ 625
Accrued payroll.....				6,246	
Due to other funds.....				7,649	11,255
Unearned revenue.....	-				
Other liabilities.....					
<b>TOTAL LIABILITIES.....</b>	<b>21,123</b>	<b>16,973</b>	<b>-</b>	<b>13,895</b>	<b>11,880</b>
<u>FUND BALANCES</u>					
Nonspendable.....					
Restricted.....					
Committed.....			195	59,112	
Assigned.....	93,797	323,604			43,164
Unassigned.....					
<b>TOTAL FUND BALANCES.....</b>	<b>93,797</b>	<b>323,604</b>	<b>195</b>	<b>59,112</b>	<b>43,164</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 114,920</b>	<b>\$ 340,577</b>	<b>\$ 195</b>	<b>\$ 73,007</b>	<b>\$ 55,044</b>

**TOWN OF EAST HAVEN, CONNECTICUT**

**COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2019**

**SPECIAL REVENUE FUNDS**

	HIGH SCHOOL RENTAL	SCHOOL LUNCH	ADULT EDUCATION	EDUCATION GRANTS	TOTAL SPECIAL REVENUE FUNDS
<b><u>ASSETS</u></b>					
Cash.....	\$ 241,095	\$ 350,176	\$ 58,920	\$ 1,004,976	\$ 2,054,541
Investments.....	473				473
Receivables:					
Intergovernmental.....		143,353		274,027	417,380
Other.....			1,351		19,449
Due from other funds.....				509,341	1,474,678
Other.....		36,285			36,285
<b>TOTAL ASSETS.....</b>	<b>\$ 241,568</b>	<b>\$ 529,814</b>	<b>\$ 60,271</b>	<b>\$ 1,788,344</b>	<b>\$ 4,002,806</b>
<b><u>LIABILITIES</u></b>					
Accounts payable.....	\$ 8,128	\$ 490,931	\$ 636	\$ 467,585	\$ 1,350,198
Accrued payroll.....	3,491			451,356	461,093
Due to other funds.....	810			-	21,515
Unearned revenue.....		10,946		64,970	79,884
Other liabilities.....	3,000				3,000
<b>TOTAL LIABILITIES.....</b>	<b>15,429</b>	<b>501,877</b>	<b>636</b>	<b>983,911</b>	<b>1,915,690</b>
<b><u>FUND BALANCES</u></b>					
Nonspendable.....					-
Restricted.....	226,139	27,937	59,635		488,090
Committed.....				804,433	870,034
Assigned.....					948,883
Unassigned.....					(219,891)
<b>TOTAL FUND BALANCES.....</b>	<b>226,139</b>	<b>27,937</b>	<b>59,635</b>	<b>804,433</b>	<b>2,087,116</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 241,568</b>	<b>\$ 529,814</b>	<b>\$ 60,271</b>	<b>\$ 1,788,344</b>	<b>\$ 4,002,806</b>

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TOWN OF EAST HAVEN, CONNECTICUT

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2019

CAPITAL PROJECTS FUNDS

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	LOCIP	LOCIP TOWN CLERK FEES	TOTAL CAPITAL PROJECTS
<u>ASSETS</u>			
Cash.....	\$	\$	\$ -
Investments.....			-
Receivables:			
Intergovernmental.....			-
Other.....		72	72
Due from other funds.....		142,981	142,981
Other.....			-
<b>TOTAL ASSETS.....</b>	<b>\$ -</b>	<b>\$ 143,053</b>	<b>\$ 143,053</b>
<u>LIABILITIES</u>			
Accounts payable.....	\$	\$	\$ -
Accrued payroll.....			-
Due to other funds.....	88,012		88,012
Unearned revenue.....			-
Other liabilities.....			-
<b>TOTAL LIABILITIES.....</b>	<b>88,012</b>	<b>-</b>	<b>88,012</b>
<u>FUND BALANCES</u>			
Nonspendable.....			-
Restricted.....		143,053	143,053
Committed.....			-
Assigned.....			-
Unassigned.....	(88,012)		(88,012)
<b>TOTAL FUND BALANCES.....</b>	<b>(88,012)</b>	<b>143,053</b>	<b>55,041</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ -</b>	<b>\$ 143,053</b>	<b>\$ 143,053</b>

(Continued)

TOWN OF EAST HAVEN, CONNECTICUT

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2019

PERMANENT FUNDS

	J. WOODWARD THOMPSON EDUCATION FUND	LIBRARY FUND	LIBRARY BUILDING PROJECT FUND	ISAAC HAGAMAN LIBRARY FUND	A. J. BERMAN LIBRARY FUND	TOTAL PERMANENT FUNDS	TOTAL
<b>ASSETS</b>							
Cash.....	\$	\$ 19,412	\$ 13,552	\$	\$	\$ 32,964	\$ 2,087,505
Investments.....	429,265			1,269,895	33,609	1,732,769	1,733,242
Receivables:							
Intergovernmental.....						-	417,380
Other.....						-	19,521
Due from other funds.....						-	1,617,659
Other.....						-	36,285
<b>TOTAL ASSETS.....</b>	<b>\$ 429,265</b>	<b>\$ 19,412</b>	<b>\$ 13,552</b>	<b>\$ 1,269,895</b>	<b>\$ 33,609</b>	<b>\$ 1,765,733</b>	<b>\$ 5,911,592</b>
<b>LIABILITIES</b>							
Accounts payable.....	\$	\$	\$	\$	\$	\$ -	\$ 1,350,198
Accrued payroll.....						-	461,093
Due to other funds.....						-	109,527
Unearned revenue.....						-	79,884
Other liabilities.....						-	3,000
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,003,702</b>
<b>FUND BALANCES</b>							
Nonspendable.....				100,000		100,000	100,000
Restricted.....	429,265	19,412	13,552	1,169,895	33,609	1,665,733	2,296,876
Committed.....						-	870,034
Assigned.....						-	948,883
Unassigned.....						-	(307,903)
<b>TOTAL FUND BALANCES.....</b>	<b>429,265</b>	<b>19,412</b>	<b>13,552</b>	<b>1,269,895</b>	<b>33,609</b>	<b>1,765,733</b>	<b>3,907,890</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 429,265</b>	<b>\$ 19,412</b>	<b>\$ 13,552</b>	<b>\$ 1,269,895</b>	<b>\$ 33,609</b>	<b>\$ 1,765,733</b>	<b>\$ 5,911,592</b>

(Concluded)



TOWN OF EAST HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

SPECIAL REVENUE FUNDS

	PUBLIC SAFETY	HISTORICAL DOCUMENTS PRESERVATION	ECONOMIC DEVELOPMENT	TOWN POOL REPAIR	OPEN SPACE	WORKFORCE ALLIANCE	MARINE ENFORCEMENT GRANTS
REVENUES:							
Intergovernmental.....	\$ 74,422	\$ 6,500	\$	\$	\$	\$ 25,400	\$
Charges for services.....		16,953					
Income from investments.....							
Change in fair value of investments.....							
Contributions.....							
TOTAL REVENUES.....	74,422	23,453	-	-	-	25,400	-
EXPENDITURES:							
Current:							
General government.....		15,615	980				
Public safety.....	326,555						
Public works.....							
Health and welfare.....						27,201	
Culture and recreation.....							
Education.....							
TOTAL EXPENDITURES.....	326,555	15,615	980	-	-	27,201	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(252,133)	7,838	(980)	-	-	(1,801)	-
OTHER FINANCING SOURCES (USES):							
Transfers in.....							
Transfers out.....							
NET OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	(252,133)	7,838	(980)	-	-	(1,801)	-
FUND BALANCES, JULY 1, 2018 (AS RESTATED).....	34,043	24,081	980	2,414	45,000	-	6,364
FUND BALANCES, JUNE 30, 2019.....	\$ (218,090)	\$ 31,919	\$ -	\$ 2,414	\$ 45,000	\$ (1,801)	\$ 6,364

(Continued)

**TOWN OF EAST HAVEN, CONNECTICUT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

SPECIAL REVENUE FUNDS

	PUBLIC WORKS STATE AID	EAST HAVEN KENNEL CLUB	SMALL CITIES	DOG LICENSES	SENIOR CENTER	TEEN CENTER
REVENUES:						
Intergovernmental.....	\$ 444,134	\$	\$	\$	\$	\$
Charges for services.....		18,465	24,640	11,630	31,965	
Income from investments.....						
Change in fair value of investments.....						
Contributions.....						
TOTAL REVENUES.....	444,134	18,465	24,640	11,630	31,965	-
EXPENDITURES:						
Current:						
General government.....		21,723		8,777		
Public safety.....						
Public works.....	242,457					
Health and welfare.....			19,916			
Culture and recreation.....					34,246	
Education.....						
TOTAL EXPENDITURES.....	242,457	21,723	19,916	8,777	34,246	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	201,677	(3,258)	4,724	2,853	(2,281)	-
OTHER FINANCING SOURCES (USES):						
Transfers in.....		1,500				
Transfers out.....				(1,500)		
NET OTHER FINANCING SOURCES (USES).....	-	1,500	-	(1,500)	-	-
NET CHANGE IN FUND BALANCES.....	201,677	(1,758)	4,724	1,353	(2,281)	-
FUND BALANCES, JULY 1, 2018 (AS RESTATED).....	182,928	39,636	131,372	11,215	8,575	5,853
FUND BALANCES, JUNE 30, 2019.....	\$ 384,605	\$ 37,878	\$ 136,096	\$ 12,568	\$ 6,294	\$ 5,853

(Continued)

**TOWN OF EAST HAVEN, CONNECTICUT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	SPECIAL REVENUE FUNDS				
	HAGAMAN MEMORIAL LIBRARY	HEALTH AND WELFARE	EMERGENCY MANAGEMENT FUND	DAYCARE	ATHLETIC DEPARTMENT
<b>REVENUES:</b>					
Intergovernmental.....	\$ 1,404	\$ 5,753	\$	\$	\$
Charges for services.....	19,243	233,826		393,642	45,789
Income from investments.....					
Change in fair value of investments.....					
Contributions.....	61,812				
<b>TOTAL REVENUES.....</b>	<b>82,459</b>	<b>239,579</b>	<b>-</b>	<b>393,642</b>	<b>45,789</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....					
Public safety.....		10,618			
Public works.....					
Health and welfare.....		41,772			
Culture and recreation.....	104,481	6,890			
Education.....				296,009	39,920
<b>TOTAL EXPENDITURES.....</b>	<b>104,481</b>	<b>59,280</b>	<b>-</b>	<b>296,009</b>	<b>39,920</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(22,022)</b>	<b>180,299</b>	<b>-</b>	<b>97,633</b>	<b>5,869</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in.....					
Transfers out.....		(25,000)			
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>(25,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(22,022)</b>	<b>155,299</b>	<b>-</b>	<b>97,633</b>	<b>5,869</b>
<b>FUND BALANCES, JULY 1, 2018 (AS RESTATED).....</b>	<b>115,819</b>	<b>168,305</b>	<b>195</b>	<b>(38,521)</b>	<b>37,295</b>
<b>FUND BALANCES, JUNE 30, 2019.....</b>	<b>\$ 93,797</b>	<b>\$ 323,604</b>	<b>\$ 195</b>	<b>\$ 59,112</b>	<b>\$ 43,164</b>

(Continued)

**TOWN OF EAST HAVEN, CONNECTICUT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	SPECIAL REVENUE FUNDS				
	HIGH SCHOOL RENTAL	SCHOOL LUNCH	ADULT EDUCATION	EDUCATION GRANTS	TOTAL SPECIAL REVENUE FUNDS
REVENUES:					
Intergovernmental.....	\$	\$ 1,040,238	\$	\$ 6,966,355	\$ 8,564,206
Charges for services.....	97,014	295,885	7,354	270,212	1,466,618
Income from investments.....		24		42	66
Change in fair value of investments.....					-
Contributions.....					61,812
<b>TOTAL REVENUES.....</b>	<b>97,014</b>	<b>1,336,147</b>	<b>7,354</b>	<b>7,236,609</b>	<b>10,092,702</b>
EXPENDITURES:					
Current:					
General government.....					47,095
Public safety.....					337,173
Public works.....					242,457
Health and welfare.....					88,889
Culture and recreation.....					145,617
Education.....	129,367	1,379,114	5,935	7,147,774	8,998,119
<b>TOTAL EXPENDITURES.....</b>	<b>129,367</b>	<b>1,379,114</b>	<b>5,935</b>	<b>7,147,774</b>	<b>9,859,350</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(32,353)	(42,967)	1,419	88,835	233,352
OTHER FINANCING SOURCES (USES):					
Transfers in.....					1,500
Transfers out.....					(26,500)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,000)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(32,353)</b>	<b>(42,967)</b>	<b>1,419</b>	<b>88,835</b>	<b>208,352</b>
FUND BALANCES, JULY 1, 2018 (AS RESTATED).....	258,492	70,904	58,216	715,598	1,878,764
<b>FUND BALANCES, JUNE 30, 2019.....</b>	<b>\$ 226,139</b>	<b>\$ 27,937</b>	<b>\$ 59,635</b>	<b>\$ 804,433</b>	<b>\$ 2,087,116</b>

(Continued)

**TOWN OF EAST HAVEN, CONNECTICUT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	CAPITAL PROJECTS FUNDS			
	LOCAL TRANSPORTATION CAPITAL PROGRAM	LOCIP	LOCIP TOWN CLERK FEES	TOTAL CAPITAL PROJECTS FUNDS
REVENUES:				
Intergovernmental.....	\$	\$ 88,012	\$	\$ 88,012
Charges for services.....			12,003	12,003
Income from investments.....				-
Change in fair value of investments.....				-
Contributions.....				-
TOTAL REVENUES.....	-	88,012	12,003	100,015
EXPENDITURES:				
Current:				
General government.....				-
Public safety.....				-
Public works.....	233,182			233,182
Health and welfare.....				-
Culture and recreation.....				-
Education.....				-
TOTAL EXPENDITURES.....	233,182	-	-	233,182
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(233,182)	88,012	12,003	(133,167)
OTHER FINANCING SOURCES (USES):				
Transfers in.....				-
Transfers out.....				-
NET OTHER FINANCING SOURCES (USES).....	-	-	-	-
NET CHANGE IN FUND BALANCES.....	(233,182)	88,012	12,003	(133,167)
FUND BALANCES, JULY 1, 2018 (AS RESTATED).....	233,182	(176,024)	131,050	188,208
FUND BALANCES, JUNE 30, 2019.....	\$ -	\$ (88,012)	\$ 143,053	\$ 55,041

(Continued)

**TOWN OF EAST HAVEN, CONNECTICUT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	PERMANENT FUNDS						TOTAL
	J. WOODWARD THOMPSON EDUCATION FUND	LIBRARY FUND	LIBRARY BUILDING PROJECT	ISAAC HAGAMAN LIBRARY FUND	A. J. BERMAN LIBRARY FUND	TOTAL PERMANENT FUNDS	
REVENUES:							
Intergovernmental.....	\$	\$	\$	\$	\$	\$ -	\$ 8,652,218
Charges for services.....						-	1,478,621
Income from investments.....	2,837	4		29,908		32,749	32,815
Change in fair value of investments.....				14,101	217	14,318	14,318
Contributions.....		1,611	2,443		2,752	6,806	68,618
<b>TOTAL REVENUES.....</b>	<b>2,837</b>	<b>1,615</b>	<b>2,443</b>	<b>44,009</b>	<b>2,969</b>	<b>53,873</b>	<b>10,246,590</b>
EXPENDITURES:							
Current:							
General government.....						-	47,095
Public safety.....						-	337,173
Public works.....						-	475,639
Health and welfare.....						-	88,889
Culture and recreation.....		1,016	1,010	56,069		58,095	203,712
Education.....	59					59	8,998,178
<b>TOTAL EXPENDITURES.....</b>	<b>59</b>	<b>1,016</b>	<b>1,010</b>	<b>56,069</b>	<b>-</b>	<b>58,154</b>	<b>10,150,686</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	2,778	599	1,433	(12,060)	2,969	(4,281)	95,904
OTHER FINANCING SOURCES (USES):							
Transfers in.....						-	1,500
Transfers out.....						-	(26,500)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,000)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>2,778</b>	<b>599</b>	<b>1,433</b>	<b>(12,060)</b>	<b>2,969</b>	<b>(4,281)</b>	<b>70,904</b>
FUND BALANCES, JULY 1, 2018 (AS RESTATED)....	426,487	18,813	12,119	1,281,955	30,640	1,770,014	3,836,986
<b>FUND BALANCES, JUNE 30, 2019.....</b>	<b>\$ 429,265</b>	<b>\$ 19,412</b>	<b>\$ 13,552</b>	<b>\$ 1,269,895</b>	<b>\$ 33,609</b>	<b>\$ 1,765,733</b>	<b>\$ 3,907,890</b>

(Concluded)

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## **Internal Service Funds**

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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 Fund**

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.

### **Town Medical Insurance Fund**

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

### **Education Medical Insurance Fund**

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

**TOWN OF EAST HAVEN, CONNECTICUT**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF FUND NET POSITION  
JUNE 30, 2019**

	SELF- INSURANCE FUND	WORKERS' COMPENSATION FUND	TOWN MEDICAL INSURANCE FUND	EDUCATION MEDICAL INSURANCE FUND	TOTAL
<b><u>ASSETS</u></b>					
Current assets:					
Cash.....	\$ -	\$ -	\$ 4,166,796	\$ 1,865,854	\$ 6,032,650
Investments.....	1,017,866	-	-	-	1,017,866
Accounts receivable.....	-	4,890	215,645	-	220,535
Due from other funds.....	-	4,502,410	3,668,011	-	8,170,421
Other.....	-	90,606	-	-	90,606
<b>TOTAL ASSETS.....</b>	<b>1,017,866</b>	<b>4,597,906</b>	<b>8,050,452</b>	<b>1,865,854</b>	<b>15,532,078</b>
<b><u>LIABILITIES</u></b>					
Current liabilities:					
Claims payable.....	300,000	3,451,978	1,199,025	-	4,951,003
Due to other funds.....	1,119,713	-	-	1,153,313	2,273,026
<b>Total current liabilities.....</b>	<b>1,419,713</b>	<b>3,451,978</b>	<b>1,199,025</b>	<b>1,153,313</b>	<b>7,224,029</b>
Noncurrent liability:					
Claims payable.....	1,920,039	5,663,503	-	-	7,583,542
<b>TOTAL LIABILITIES.....</b>	<b>3,339,752</b>	<b>9,115,481</b>	<b>1,199,025</b>	<b>1,153,313</b>	<b>14,807,571</b>
<b><u>NET POSITION</u></b>					
Unrestricted.....	\$ (2,321,886)	\$ (4,517,575)	\$ 6,851,427	\$ 712,541	\$ 724,507



**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, 2019**

	SELF- INSURANCE FUND	WORKERS' COMPENSATION FUND	TOWN MEDICAL INSURANCE FUND	EDUCATION MEDICAL INSURANCE FUND	TOTAL
OPERATING REVENUES:					
Charges for services.....	\$ 17,866	\$ 2,449,408	\$ 15,607,864	\$ 712,541	\$ 18,787,679
OPERATING EXPENSES:					
Claims.....	221,496	2,414,635	13,093,971	-	15,730,102
Administration.....	-	-	2,227,064	-	2,227,064
TOTAL OPERATING EXPENSES.....	221,496	2,414,635	15,321,035	-	17,957,166
OPERATING INCOME (LOSS).....	(203,630)	34,773	286,829	712,541	830,513
NONOPERATING REVENUES:					
Income from investments.....	-	-	8,118	-	8,118
CHANGE IN NET POSITION.....	(203,630)	34,773	294,947	712,541	838,631
TOTAL NET POSITION - JULY 1, 2018.....	(2,118,256)	(4,552,348)	6,556,480	-	(114,124)
TOTAL NET POSITION - JUNE 30, 2019.....	\$ (2,321,886)	\$ (4,517,575)	\$ 6,851,427	\$ 712,541	\$ 724,507

TOWN OF EAST HAVEN, CONNECTICUT

INTERNAL SERVICE FUNDS  
 COMBINING STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2019

	SELF- INSURANCE FUND	WORKERS' COMPENSATION FUND	TOWN MEDICAL INSURANCE FUND	EDUCATION MEDICAL INSURANCE FUND	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Premiums received.....	\$ 17,866	\$ 2,244,231	\$ 18,538,008	\$ 1,865,854	\$ 22,665,959
Payments to vendors.....	-	-	(2,227,064)	-	(2,227,064)
Payments for claims.....	20,110	(2,244,231)	(13,086,946)	-	(15,311,067)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>37,976</b>	<b>-</b>	<b>3,223,998</b>	<b>1,865,854</b>	<b>5,127,828</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Income from investments.....	-	-	8,118	-	8,118
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>	<b>37,976</b>	<b>-</b>	<b>3,232,116</b>	<b>1,865,854</b>	<b>5,135,946</b>
<b>CASH AND CASH EQUIVALENTS - JULY 1, 2018.....</b>	<b>979,890</b>	<b>-</b>	<b>934,680</b>	<b>-</b>	<b>1,914,570</b>
<b>CASH AND CASH EQUIVALENTS - JUNE 30, 2019...</b>	<b>\$ 1,017,866</b>	<b>\$ -</b>	<b>\$ 4,166,796</b>	<b>\$ 1,865,854</b>	<b>\$ 7,050,516</b>
<b>RECONCILIATION TO STATEMENT OF FUND NET POSITION CASH:</b>					
Cash and cash equivalents per above.....	\$ 1,017,866	\$ -	\$ 4,166,796	\$ 1,865,854	\$ 7,050,516
Cash and cash equivalents reported as investments	(1,017,866)	-	-	-	(1,017,866)
<b>STATEMENT OF FUND NET POSITION CASH.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,166,796</b>	<b>\$ 1,865,854</b>	<b>\$ 6,032,650</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>					
Operating income (loss).....	\$ (203,630)	\$ 34,773	\$ 286,829	\$ 712,541	\$ 830,513
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
(Increase) decrease in:					
Accounts receivable.....	-	(4,890)	296,215	-	291,325
Due from other funds.....	306,110	(217,300)	2,633,929	-	2,722,739
Other asset.....	-	17,013	-	-	17,013
Increase (decrease) in:					
Due to other funds.....	-	-	-	1,153,313	1,153,313
Claims payable.....	(64,504)	170,404	7,025	-	112,925
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 37,976</b>	<b>\$ -</b>	<b>\$ 3,223,998</b>	<b>\$ 1,865,854</b>	<b>\$ 5,127,828</b>

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**Trend  
Data**

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TOWN OF EAST HAVEN, CONNECTICUT  
 NET POSITION BY COMPONENT  
 LAST TEN YEARS  
 (UNAUDITED)

June 30

	2019	2018 (as restated)	2017	2016	2015 (as restated)	2014	2013	2012	2011	2010
Net Investment in capital assets.....	\$ 56,188,341	\$ 56,763,497	\$ 54,831,555	\$ 54,687,757	\$ 54,538,832	\$ 52,762,397	\$ 51,037,398	\$ 48,709,002	\$ 44,377,039	\$ 35,996,442
Restricted for:										
Endowments:										
Nonexpendable.....	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Expendable.....	1,665,733	1,670,014	1,613,042	1,528,957	1,616,073	1,674,276	1,567,686	1,669,073	1,877,310	1,701,821
General government.....	-	-	-	-	-	-	-	16,228	22,348	51,918
Capital replacement.....	143,053	364,232	-	-	-	-	-	-	-	-
Health and welfare.....	6,364	161,817	402,150	167,226	224,418	69,256	210,138	-	-	-
Historical document preservation.....	31,919	-	-	-	-	-	-	-	-	-
Housing rehabilitation.....	136,096	-	-	-	-	-	-	-	-	-
Public safety.....	-	34,238	20,274	28,236	25,076	21,975	50,702	40,216	61,789	82,460
Public works.....	-	-	-	-	-	-	-	62,109	110,505	87,883
Education.....	313,711	413,925	243,100	171,937	132,147	81,604	74,143	142,268	99,547	59,809
Unrestricted.....	(121,529,740)	(107,914,448)	(24,041,765)	(29,130,547)	(24,899,555)	(32,618,468)	(20,675,727)	(14,803,563)	(8,086,441)	(7,633,521)
Total net position.....	\$ (62,944,523)	\$ (48,406,725)	\$ 33,168,356	\$ 27,553,566	\$ 31,736,991	\$ 22,091,040	\$ 32,364,340	\$ 35,935,333	\$ 38,562,097	\$ 30,446,812

TOWN OF EAST HAVEN, CONNECTICUT

CHANGES IN NET POSITION  
LAST TEN YEARS  
(UNAUDITED)

Fiscal Year Ended June 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>EXPENSES:</b>										
Governmental activities:										
General government.....	\$ 4,778,224	\$ 4,713,737	\$ 4,420,083	\$ 4,573,742	\$ 4,487,048	\$ 4,569,185	\$ 5,554,632	\$ 5,239,574	\$ 5,646,738	\$ 5,905,126
Public safety.....	41,770,546	21,518,460	14,930,997	20,167,431	19,419,729	20,060,343	21,286,890	19,531,501	14,694,490	13,668,386
Public works.....	7,857,854	6,946,876	7,896,236	9,284,044	8,361,845	8,836,442	9,403,321	9,957,576	9,312,188	10,402,985
Health and welfare.....	1,626,953	1,402,662	1,428,002	1,486,625	1,302,182	1,662,460	1,963,182	1,988,889	2,736,590	2,433,413
Culture and recreation.....	2,450,819	2,235,957	2,416,107	2,514,190	2,531,765	2,419,910	2,480,332	2,538,126	2,707,752	2,670,130
Education.....	59,346,663	61,146,314	67,507,850	65,203,368	60,805,829	62,587,934	57,965,388	58,978,842	55,340,891	57,924,242
Interest expense.....	764,279	3,146,589	944,761	1,158,231	1,467,224	1,752,349	1,812,284	2,124,579	2,201,822	2,450,938
<b>TOTAL EXPENSES.....</b>	<b>118,595,338</b>	<b>101,110,595</b>	<b>99,544,036</b>	<b>104,387,631</b>	<b>98,375,622</b>	<b>101,888,623</b>	<b>100,466,029</b>	<b>100,359,087</b>	<b>92,640,471</b>	<b>95,455,220</b>
<b>PROGRAM REVENUES:</b>										
Governmental activities:										
Charges for services:										
General government.....	570,555	470,579	490,447	493,847	501,595	404,022	819,450	799,212	981,806	994,031
Public safety.....	760,070	770,094	580,678	768,586	855,473	556,395	597,263	715,801	651,684	864,981
Public works.....	474,289	304,998	300,614	299,185	265,860	256,565	253,482	211,734	164,944	174,740
Health and welfare.....	482,616	237,887	307,195	298,403	246,843	323,616	222,330	223,679	292,526	327,637
Culture and recreation.....	453,855	393,485	500,631	497,181	497,191	495,828	439,414	443,601	599,630	563,289
Education.....	1,109,896	1,458,426	1,140,545	1,116,049	1,244,761	2,465,337	1,699,666	1,661,315	1,677,875	1,817,360
Operating grants and contributions.....	33,005,422	35,450,104	34,998,871	30,819,650	29,716,676	30,937,361	28,911,829	29,707,082	26,793,155	27,083,953
Capital grants and contributions.....	730,578	816,822	57,206	331,519	331,519	639,485	789,422	1,178,046	4,791,019	1,924,549
<b>TOTAL PROGRAM REVENUES.....</b>	<b>37,587,281</b>	<b>39,902,395</b>	<b>38,376,187</b>	<b>34,624,420</b>	<b>33,659,918</b>	<b>36,078,609</b>	<b>33,732,856</b>	<b>34,940,470</b>	<b>35,952,639</b>	<b>33,750,540</b>
<b>NET REVENUE (EXPENSES).....</b>	<b>(81,008,057)</b>	<b>(61,208,200)</b>	<b>(61,167,849)</b>	<b>(69,763,211)</b>	<b>(64,715,704)</b>	<b>(65,804,611)</b>	<b>(66,733,173)</b>	<b>(65,418,617)</b>	<b>(56,687,832)</b>	<b>(61,704,680)</b>
<b>GENERAL REVENUES:</b>										
Property taxes.....	64,667,790	63,775,171	64,860,332	64,515,021	64,585,031	62,223,623	61,295,638	61,176,525	61,534,772	51,739,961
Grants and contributions not restricted to specific programs.....	688,620	544,213	1,470,420	897,510	1,039,493	990,995	1,180,008	1,262,527	924,343	956,185
Income from investments.....	388,485	355,811	373,983	43,120	147,232	313,667	237,361	96,601	378,759	270,295
Gain on sale of capital assets.....	559,769	-	-	-	-	-	-	-	1,672,168	-
Other.....	165,595	358,507	77,904	124,135	129,870	186,932	449,173	256,200	293,075	595,559
<b>TOTAL GENERAL REVENUES.....</b>	<b>66,470,259</b>	<b>65,033,702</b>	<b>66,782,639</b>	<b>65,579,786</b>	<b>65,901,626</b>	<b>63,715,217</b>	<b>63,162,180</b>	<b>62,791,853</b>	<b>64,803,117</b>	<b>53,562,000</b>
<b>CHANGE IN NET POSITION.....</b>	<b>\$ (14,537,798)</b>	<b>\$ 3,825,502</b>	<b>\$ 5,614,790</b>	<b>\$ (4,183,425)</b>	<b>\$ 1,185,922</b>	<b>\$ (2,089,394)</b>	<b>\$ (3,570,993)</b>	<b>\$ (2,626,764)</b>	<b>\$ 8,115,285</b>	<b>\$ (8,142,680)</b>

**TOWN OF EAST HAVEN, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**  
**(UNAUDITED)**

Tax Base:

Total tax collections (including interest and lien fees) for prior year.....	\$ 62,248,261
Reimbursement for revenue loss on:	
Tax relief for elderly freeze.....	3,693
Base for Debt Limitation Computation.....	<b>\$ 62,251,954</b>

	GENERAL PURPOSES	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
<b>DEBT LIMITATION:</b>					
2 1/4 times base.....	\$ 140,066,897	\$ -	\$ -	\$ -	\$ -
4 1/2 times base.....	-	280,133,793	-	-	-
3 3/4 times base.....	-	-	233,444,828	-	-
3 1/4 times base.....	-	-	-	202,318,851	-
3 times base.....	-	-	-	-	186,755,862
<b>TOTAL DEBT LIMITATION.....</b>	<b>140,066,897</b>	<b>280,133,793</b>	<b>233,444,828</b>	<b>202,318,851</b>	<b>186,755,862</b>
<b>INDEBTEDNESS:</b>					
Bonds payable.....	20,799,733	4,995,267	-	-	-
<b>DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT.....</b>	<b>\$ 119,267,164</b>	<b>\$ 275,138,526</b>	<b>\$ 233,444,828</b>	<b>\$ 202,318,851</b>	<b>\$ 186,755,862</b>

(1) The total of the above net indebtedness amounts to: **\$ 25,795,000**

In no event shall total indebtedness exceed seven times the base for debt limitation computation. **\$ 435,763,678**

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