



# TOWN OF EAST HADDAM, CONNECTICUT



Municipal Office Complex  
Photo © Heather Conley Photography, LLC

**Annual Comprehensive Financial Report**  
**Fiscal Year Ended June 30, 2021**

# **Annual Comprehensive Financial Report**

of the

## **Town of East Haddam, Connecticut**

Fiscal Year Ended June 30, 2021

Finance Department

Cynthia R. Varricchio  
Finance Director

**TOWN OF EAST HADDAM, CONNECTICUT  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
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JUNE 30, 2021**

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# **Introductory Section**



## **TOWN OF EAST HADDAM**

Finance Department  
Municipal Office Complex  
1 Plains Road, P.O. Box 385  
Moodus, CT 06469

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Cynthia R. Varricchio  
Finance Director  
860-873-5022  
cvarricchio@easthaddam.org

December 15, 2021

To the Members of the Board of Finance, Members of the Board of Selectmen  
and Citizens of East Haddam, Connecticut:

The Finance Department is pleased to present the Annual Comprehensive Financial Report for the Town of East Haddam, Connecticut (the Town) to document the Town's financial position and results of operations as of the fiscal year ended June 30, 2021. The independent auditors' report is included in this report as required by Connecticut Statutes. The report is prepared in conformity with generally accepted account principles (GAAP) and the standards set forth by the Governmental Accounting Standards Board (GASB).

The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Town. Management of the Town is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the calculation of the costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

CLA (CliftonLarsonAllen LLP), a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Connecticut, has audited the financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of East Haddam, Connecticut for the fiscal year ended June 30, 2021, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (clean) opinion that the Town's financial

statements for the year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government's internal controls and compliance with legal requirements involving the administration of Federal awards. These reports are available in the Town's separately issued State and Federal Single Audit Reports.

To provide further accountability to our residents this report includes notably more information and analysis than just the basic financial statements, and as such is titled the Comprehensive Annual Financial Report, commonly referred to as the CAFR. This report will be submitted by the December 31 due date to the State of Connecticut. Other interested parties such as grantor agencies, the Town's bondholders and rating agencies will use the information to reach conclusions about the Town's financial stability.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A is designed to complement this letter of transmission and should be read in conjunction with it. The Town's MD&A can be found immediately following the independent auditors' report.

### **Profile of the Town of East Haddam**

The Town was settled in 1685 and incorporated as a Town in 1734. The Town is located along the Connecticut River and covers an area of 56.7 square miles. The Town is bordered by East Hampton on the north, Colchester on the northeast, Salem on the east, Lyme on the southeast, Chester on the southwest, and Haddam on the west. The Town is situated almost exactly between New York and Boston. The Town is served by State Routes, 82, 151 and 149 on the east side of the Connecticut River and has easy access to Routes 2 and 9 which are multi-lane divided State highways running north and south connecting with Interstate Highways 91, 95, and 395.

The Town has been characterized as a rural, independent community composed of several unique villages and neighborhoods, including Millington, Hadlyme, North Plains, Leesville, Johnsonville, Moodus, Little Haddam, and the East Haddam Landings. Moodus is named for its famed "Moodus Noises," strange, audible rumblings that are seismic in origin and that figure prominently in Native American folklore.

The Town of East Haddam derives its power and privileges from the provisions of Connecticut General Statutes. The Town Meeting form of government includes a three-member Board of Selectmen, elected for two-year terms and a six-member Board of Finance, elected for four-year overlapping terms. The First Selectman or designee is also an ex-officio member of all Town boards, commissions, and agencies, but without the power to vote.

The annual budget serves as the foundation for the Town's financial planning and control. Annual budgets are recommended by the Board of Selectmen and Board of Education to the Board of Finance. Upon completion of budget workshops and careful review and deliberations, the Board of Finance recommends a final budget which is subject to voter approval through Town Meeting and referendum. The Board of Finance establishes the annual mill rate.

The Town maintains a comprehensive budgetary reporting system and controls to monitor the results of budget operations and to ensure compliance with legal provisions embodied in the annual appropriated budget approved at referendum. The General Fund is the only fund for which a legal budget is adopted. Activities of the General Fund are included in the annual appropriated budget. The coordination and administration of the budget and financial affairs of the Town are performed by the Finance Director.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the department level. Transfers within departments require approval from the Board of Finance. Open encumbrances, reflecting goods and services not received, are reported as an assigned fund balance on June 30.

The Town provides a full range of services, including general government services; police and fire protection; public works for the management, care and maintenance of Town properties and vehicles, and construction and maintenance of roads and other infrastructure; health and welfare services, libraries, cultural and recreational activities and education.

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of East Haddam operates.

### **Local Economy**

East Haddam is a residential community with a modest commercial tax base and limited seasonal resorts. Major employers include the town/school district, a convalescent hospital, lumber/farm supply retailer, a private school, and the historic Goodspeed Opera House all complemented by a variety of small businesses.

The Town has over 1,700 acres of open space as well as several state parks. The Town provides many low-impact tourism outlets for hiking, biking, horseback riding, canoeing, kayaking, and camping. Recent investments have included maintenance and improvements to vistas, trails, and expanded parking with the Town's reserves, preserves, and parks to accommodate the increased demand of visitors.

The Town's October 1, 2020, Net Taxable Grand List of \$903,786,404 increased by \$8,991,279 or 1.0%. The tax base in East Haddam is primarily residential (approximately 80% of the total taxable grand list.) The property taxes, interest and lien fees collected as of June 30, 2021 comprised 81% of the Town General fund revenues, and the current property tax collection rate remains consistently strong at 100.33%.

### **COVID-19**

The COVID-19 pandemic did not have a materially adverse effect on the Town's financial condition for the fiscal year ended June 30, 2021. The Town's finances and financial plans have remained stable. The Town collected 100.2% of total budgeted revenues as of June 30, 2021, including the collection of 100.33% of budgeted property taxes. The Town ended the fiscal year with a surplus of \$207,098.

The Town participated in the State of Connecticut municipal tax relief program, which due to COVID-19, provided for a three-month deferment of any taxes on real property, personal property or motor vehicles. The program gave taxpayers a 90-day deferment for



tax bills due on July 1, 2020, providing for no interest or penalties being assessed for 90-days with taxes due on October 1. Tax collections were stable. On October 1, 2020, 54% of the fiscal year 2021 taxes were received. Collections for the same period in the fiscal year 2020 were at 55% of budgeted amounts.

COVID-19 has impacted the Town's unemployment rate, there was improvement from the fiscal year ended June 2020 to June 2021. The Town's unemployment rate as of June 2021 was 6.0% as compared to 8.4% at June 2020. The State's unemployment rate as of June 2021 was 6.8%, as compared 10.2% at June 2020.

The Town is taking advantage of grant funding options that are offered via the Coronavirus Aid, Relief, and Economic Stabilization Act (the CARES Act) approved by Congress to help mitigate expenditures incurred by the Town and the school district. The Town is in the process of reviewing the best implementation and use of the American Rescue Plan Act grant in the amount of \$2.6 million.

### **Long-Term Financial Planning**

The unassigned fund balance in the General Fund as of June 30, was 16.8% of actual General Fund Expenditures for the fiscal year 2021. The adopted Board of Finance fund balance policy recommends 8% to 15% of General Fund expenditures. This policy enables the Town to maintain sufficient reserves in case of unforeseen emergencies and to moderate mill rate increases.

In fiscal year 2019-2020, the Town formed a Long-Range Capital Improvements Committee with the representation of elected members of the Boards of Education, Finance, Selectmen and Planning and Zoning. Responsibilities of this committee include the ongoing review of the Town's capital needs, prioritizing the needs (based on the criteria established by the Board of Finance) with the result of making recommendations to the Board of Education, Finance and Selectmen for consideration in the budget-making process and to prepare a ten-year capital improvement plan.

The Board of Finance has budget and capital improvement planning policies to provide for greater long-term financial planning to meet the goals and needs of the Town. The 2020-2021 fiscal year budget initiated this process and the feedback from elected officials and citizens alike was very positive. The 2022-2023 fiscal year budget will continue to build on the committee's work to enhance future planning.

In February 2018, the Town relocated the municipal offices from the town property located in the East Haddam Village, next to the Connecticut River and historic Goodspeed Opera House and Gelston House restaurant to a newly renovated former school in the Moodus Village. During the fiscal year 2020, the Town issued Requests for Qualifications for the development of the village property. A developer was selected to submit a proposal. The proposal has been reviewed by the Village Revitalization Committee as well as the Boards of Selectmen and Finance. Public Hearings have been held to seek citizen input and comments on the proposal. The Town is in the process of forming a redevelopment agency to oversee the village property and it is anticipated that the citizens will have an opportunity to vote on the proposal in early 2022.

In December 2020, the town refunded the USDA note for the Municipal Office Complex and the 2010 note for open space and the 4-8 middle school, realizing a combined cash flow savings of \$2,625,037. The USDA interest rate was 3.625% and the refunded rate is 1.795%. We realized a

net present value savings of \$2,135,089 or 16.66%. The 2010 note interest rate was 3.515% and the refunded rate is 0.8061%. We realized a net present value savings of \$266,343 or 13.15%.

In December 2020, the town issued new bonds for the remainder of the Municipal Office Complex, the improvements to firehouses #1 and #2, elementary school renovations, and a town-wide emergency radio project. The net overall interest rate for this new debt combined with the USDA refunding is 1.795%.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the first year that the government achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive financial report. The report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this Annual Comprehensive Financial Report would not have been possible without the dedicated services of all Town staff, especially within the Finance Department and the support of the First Selectman and Chairman of the Board of Finance. Each of them has my sincere appreciation for their contributions made in the preparation of this report. I would like to thank CLA (CliftonLarsonAllen LLP), our independent auditors, for their efforts and counsel during the audit, CAFR preparation and submission process. The ongoing support of the Board of Finance, Board of Selectmen and Board of Education, who remain committed to fiscal integrity and financial leadership, is greatly appreciated.

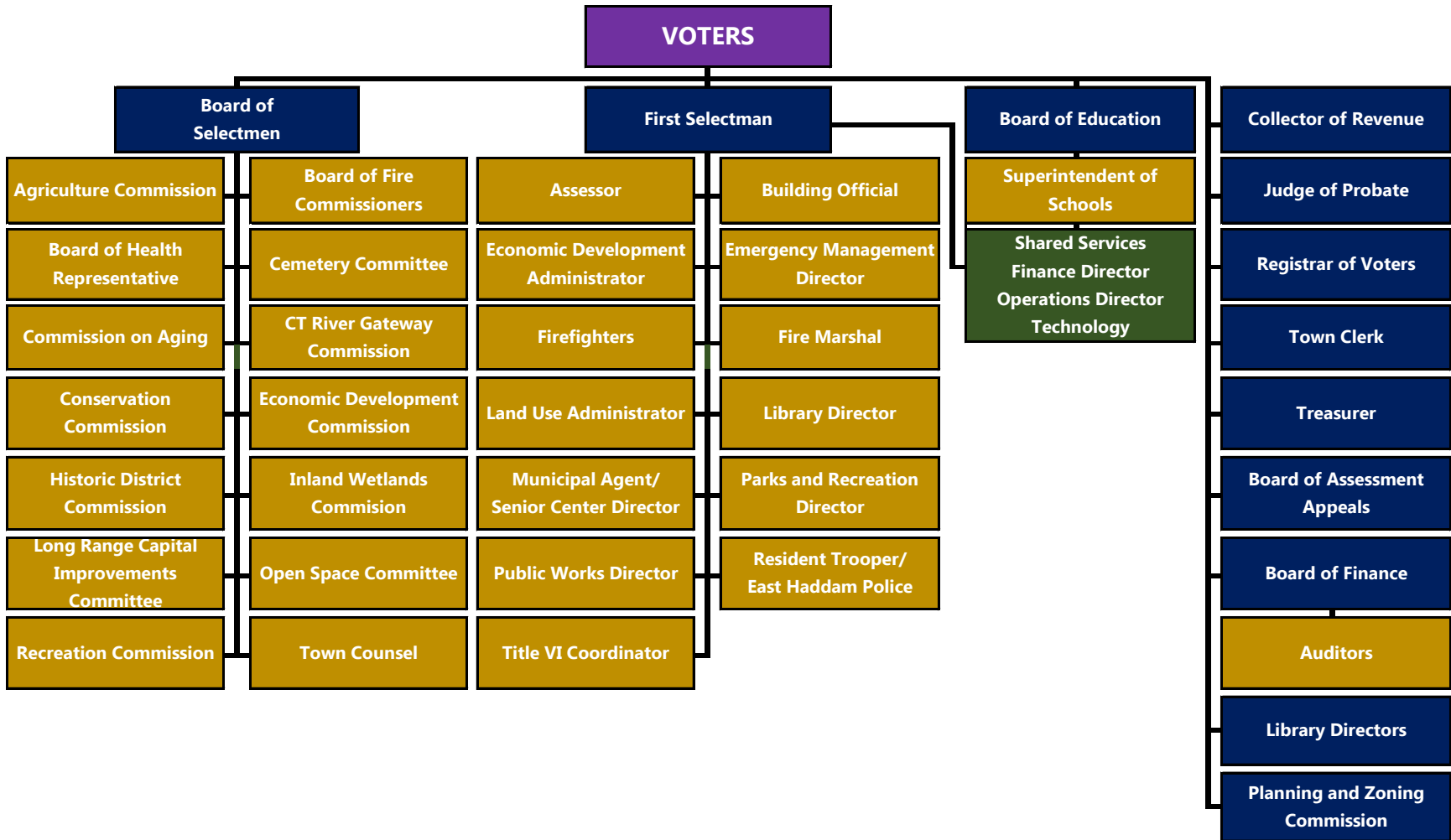
Respectfully submitted,



Cynthia R. Varricchio  
Finance Director



# TOWN OF EAST HADDAM ORGANIZATIONAL CHART



**TOWN OF EAST HADDAM**

**LIST OF PRINCIPAL OFFICIALS**

JUNE 30, 2021

**BOARD OF SELECTMEN**

Robert R Smith, First Selectman  
Theresa B. Govert, Selectman  
Carleen G. Quinn, Selectman

**BOARD OF FINANCE**

William M. DiCristofaro, Chairman  
Bruce M. Dutch, Secretary  
Joseph J. Corbett  
Todd H. Gelston  
Tracey F. Gionta  
Harvey W. Thomas

**BOARD OF EDUCATION**

Marc A. Piscioti, Chairman  
Karin Blaschik, Secretary  
Erik Anderson  
Tracy Delventhal  
Nicole Hendry  
Bryan Perry  
Patricia Stricker  
Michael Werner  
Laurel White

Superintendent of Schools

Brian S. Reas

**TOWN DEPARTMENTS**

Assessor (Interim)	Irene Luciano
Building Official	William A. Thody
Collector of Revenue	Denise Dill
Director of Operations	Donald J. Angersola
Economic Development Administrator	Irene Haines
Finance Director	Cynthia R. Varricchio
Fire Chief	Brian Auld
Fire Marshal	Donald J. Angersola
IT Manager	Brian Kaplita
Land Use Administrator	James F. Ventres
Library System Director	Michael J. Gilroy
Public Works Superintendent	Steven Hedler
Recreation Director	Lisa L. Conroy
Resident State Trooper	Patrick Hawes
Senior Center Director	Bradley P. Parker
Town Clerk	Debra H. Denette
Treasurer	Kathleen A. Klinck



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of East Haddam  
Connecticut**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morrill*

Executive Director/CEO

# Financial Section



## Independent Auditors' Report

To the Board of Finance  
Town of East Haddam, 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 Haddam, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of East Haddam, Connecticut'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 consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of East Haddam, Connecticut, as of June 30, 2021 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of a Matter***

During fiscal year ended June 30, 2021, the Town of East Haddam, Connecticut adopted GASB Statement No. 84 *Fiduciary Activities*. As a result of the implementation of this standard, the Town of East Haddam, Connecticut reported a restatement for the change in accounting principle. In addition, there was a restatement in the Capital Projects and Reserve fund due to federal grant funding not yet received (See Note 12). Our auditors' opinion was not modified with respect to the restatement.

## ***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 information, and the pension and OPEB 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.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of East Haddam, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedule 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 combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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



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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021 on our consideration of the Town of East Haddam, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of East Haddam, Connecticut'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 of East Haddam, Connecticut's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
December 10, 2021



# TOWN OF EAST HADDAM

Municipal Office Complex  
1 Plains Road, P.O. Box 385  
Moodus, CT 06469

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

This discussion and analysis of the Town of East Haddam, Connecticut's (the Town) financial performance is provided by management to give an overview of the Town's financial activities for the fiscal year ended June 30, 2021. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$91,778,303 (net position). Of this amount the unrestricted net position was \$8,661,363.
- The Town's total net position increased by \$4,573,486 or 5.2%. This increase is due to:
  - Positive operations of the general fund of \$ 207,098
  - Negative operations of the capital projects and reserve fund of (870,636)
  - Positive operations of the bonded capital projects fund 5,671,972
  - Positive operations of the A.E. Purple Fund (investment gains) 1,808,269
  - Positive operations of the William F. Palmer Fund (investment gains, non-major fund) 146,477

#### Conversion to accrual basis on Exhibit IV

- Capital outlay net of depreciation expense of 840,522
  - Net principal of debt activity (4,792,552)
  - Amortization of bond premiums 251,704
  - Change in pension liability 327,912
  - Change in total OPEB liability (467,715)
- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$21,792,529, an increase of \$7,029,537 in comparison with the prior year. This increase is the result of:
    - Positive operations of the general fund of 207,098
    - Negative operations of the capital projects and reserve fund of (870,636)
    - Positive operations of the bonded capital projects fund 5,671,972
    - Positive operations of the A.E. Purple Fund (investment gains) 1,808,269
    - Positive operations of the William F. Palmer Fund (investment gains, non-major fund) 146,477
  - At the close of the fiscal year, the unassigned fund balance for the general fund was \$5,704,710 or 16.8 % of total general fund budgetary basis expenditures and transfers out. This represents an increase of \$176,786 in unassigned fund balance.
  - The Town's long-term debt increased by \$1,811,094 due to the issuance of bonds for the municipal office complex, firehouse renovations, elementary school renovations, town-wide emergency radio towers, and open space acquisitions.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

### ***Government-Wide Financial Statements***

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. The Town's net position, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net position and the statement of activities, the Town reports its activities as follows:

- *Governmental Activities* - The Town's basic services are reported here, including education, public safety, public works, health and welfare, recreation and leisure and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.

### ***Fund Financial Statements***

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. The Town establishes many funds to help control and manage financial activities for particular purposes or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State Department of Education). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation included in the fund financial statements.
- *Proprietary Funds (Exhibits V, VI, and VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all

activities are reported in the statement of net position and the statement of activities. Internal service funds (the component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Board of Education Insurance Internal Service Fund.

- *Fiduciary Funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. The Town's combined net position increased by 5.2% from a year ago, from \$87,204,837 (as restated—see below) to \$91,778,303. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

By far the largest portion of the Town's net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, 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 the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**TABLE 1  
NET POSITION**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>As Restated 2020</b>
Current and other assets	\$ 26,912,121	\$ 22,726,090
Capital assets	99,053,195	98,212,673
Total assets	<u>125,965,316</u>	<u>120,938,763</u>
Deferred outflows of resources	<u>1,149,624</u>	<u>937,622</u>
Long-term debt outstanding	31,922,376	27,261,042
Other liabilities	2,911,961	7,129,108
Total liabilities	<u>34,834,337</u>	<u>34,390,150</u>
Deferred inflows of resources	<u>502,300</u>	<u>281,398</u>
Net position:		
Net investment in capital assets	70,767,622	68,853,560
Restricted	12,349,318	9,420,984
Unrestricted	<u>8,661,363</u>	<u>8,930,293</u>
Total Net Position	<u>\$ 91,778,303</u>	<u>\$ 87,204,837</u>

A portion of the Town's net position 13.1% represents the resources that are subject to external restrictions on how they may be used. The remaining net position balance of \$8,661,363 is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors. Capital assets are reported net of accumulated depreciation and both noncurrent (liabilities due in more than one year) and current liabilities are reported.

The Town's total net position increased by \$4,573,466. This increase is due substantially to:

- Positive operations of the general fund of \$ 207,098
- Negative operations of the capital projects and reserve fund of (870,636)
- Positive operations of the bonded capital projects fund 5,671,972
- Positive operations of the A.E. Purple Fund (investment gains) 1,808,269
- Positive operations of the William F. Palmer Fund (investment gains, non-major fund) 146,477

GASB Statement No. 84 requirements became effective for the Town's reporting beginning July 1, 2020. Net position for the fiscal year ended June 30, 2020, as shown in Table 1, was restated by our independent auditors to ensure compliance with GASB 84, and comparability with the current fiscal year.

**TABLE 2  
CHANGE IN NET POSITION**

	<b>Governmental Activities</b>	
	<b>As Restated</b>	
	<b>2021</b>	<b>2020</b>
Revenues:		
Program revenues:		
Charges for services	\$ 1,574,539	\$ 1,549,136
Operating grants and contributions	11,725,975	9,298,847
Capital grants and contributions	1,991,704	2,714,863
General revenues:		
Property taxes	27,547,396	27,043,814
Grants and contributions not restricted to specific purposes	26,354	26,493
Unrestricted investment earnings	2,410,082	1,095,099
Other general revenues	87,072	92,842
Total revenues	45,363,122	41,821,094
Program expenses:		
General government	4,437,837	4,068,371
Public safety	2,179,816	1,509,982
Public works	2,589,499	3,582,682
Health and welfare	690,299	553,709
Recreation and leisure	726,996	826,077
Education	29,334,607	26,608,506
Interest on long-term debt	830,602	485,694
Total program expenses	40,789,656	37,635,021
Increase in Net Position	4,573,466	4,186,073
Net Position July 1	87,204,837	83,018,764
Net Position June 30	\$ 91,778,303	\$ 87,204,837

**Governmental Activities**

There were significant changes in revenues and expenditures as compared to the prior year as follows:

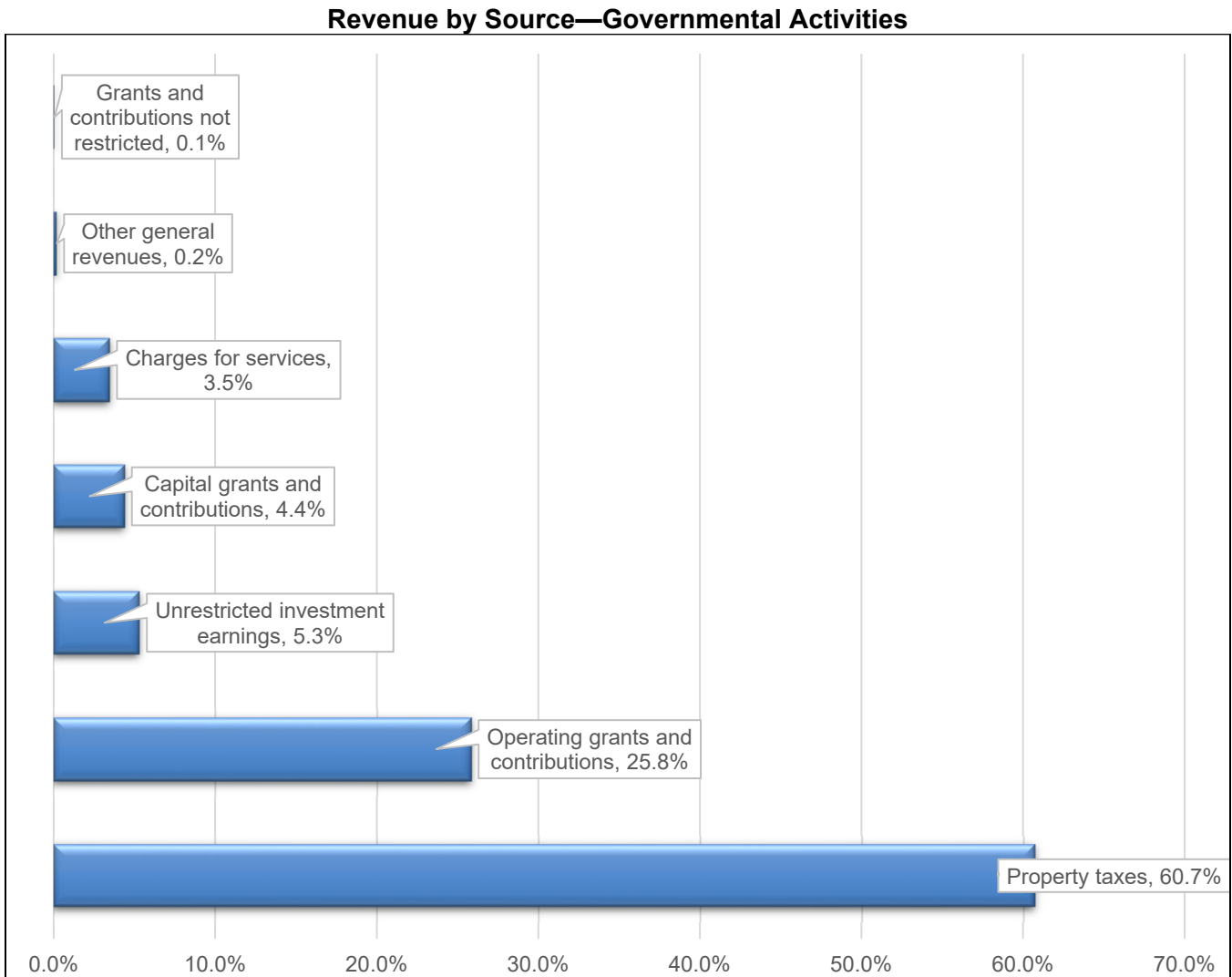
**Revenues:** The Town's total revenues were \$45,363,122.

- Operating grants and contributions: The increase of \$2,427,128 is due to the inclusion of the State of Connecticut on-behalf payments, including OPEB, to the Connecticut State Teachers' Retirement System for Town Teachers not budgeted, as well as COVID-19 grants.
- Capital grants and contributions: The decrease of \$723,159 was due to the completion of the Johnsonville Road and the Foxtown Road bridge projects representing a decrease of \$1,574,591 and FEMA grant funding for weather related events an increase of \$818,826.

- **Unrestricted investment earnings:** The increase of \$1,314,983 is due to investment income in the A.E. Purple and William F. Palmer (non-major) funds.

Change in net position for the fiscal year ended June 30, 2020, as shown in Table 2, was restated by our independent auditors to ensure compliance with GASB 84.

The mill rate for fiscal year 2021 was 30.44. The mill rate for fiscal year 2020 was 30.44.

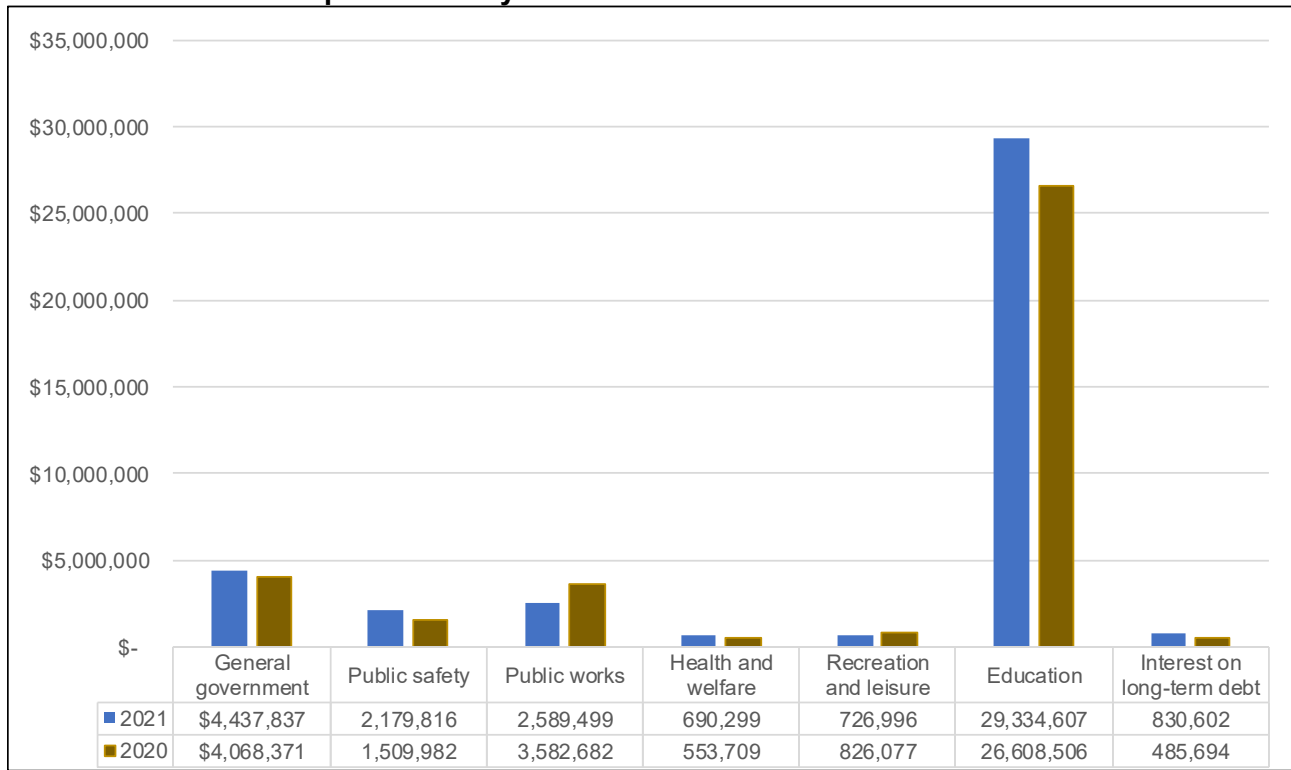


**Expenditures:** The Town's total expenditures were \$40,789,656.

- **General government:** The increase of \$369,466 largely resulted due to COVID-19 expenditures.
- **Public safety:** The increase of \$669,834 is largely due to the new QUINT fire apparatus (funded by a FEMA grant) currently being assembled/built as well as the costs associated with increased firefighter/EMT coverage.
- **Public works:** The decrease of \$993,183 is largely due to the completion of the Johnsonville Road and Foxtown Road bridge projects.

- **Education:** The increase of \$2,726,101 is largely due to the inclusion of the State of Connecticut on behalf payments, including OPEB, to the Connecticut State Teachers' Retirement System for Town Teachers not budgeted.
- **Interest on long-term debt:** The increase of \$344,908 is due to the issuance of bonds for the municipal office complex, firehouse renovations, elementary school renovations, town-wide emergency radio towers and open space acquisitions.

**Expenditures by Function—Governmental Activities**



**Governmental Activities**

Table 3 presents the cost of each of the Town’s largest programs - general government, public safety, public works, health and welfare, recreation and leisure, and education - as well as each program’s net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town’s taxpayers by each of these functions.

**TABLE 3  
GOVERNMENTAL ACTIVITIES**

	Total Cost of Services		Net Cost of Services	
	2021	As Restated 2020	2021	As Restated 2020
General government	\$ 4,437,837	\$ 4,068,371	\$ 3,553,323	\$ 3,533,423
Public safety	2,179,816	1,509,982	1,888,163	1,247,463
Public works	2,589,499	3,582,682	324,410	880,565
Health and welfare	690,299	553,709	650,822	513,511
Recreation and leisure	726,996	826,077	535,033	603,571
Education	29,334,607	26,608,506	17,715,085	16,807,948
Other	830,602	485,694	830,602	485,694
<b>Totals</b>	<b>\$ 40,789,656</b>	<b>\$ 37,635,021</b>	<b>\$ 25,497,438</b>	<b>\$ 24,072,175</b>



## TOWN FUNDS FINANCIAL ANALYSIS

### 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. Unassigned fund balance may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year ended June 30, 2021, the Town's governmental funds reported combined ending balances of \$21,792,529.

Nonspendable	\$	450,508
Restricted		11,705,620
Committed		3,779,894
Assigned		169,492
Unassigned		5,687,115

The total fund balance, as restated, increased from \$14,762,992 to \$21,792,529. This increase is a result of positive operations for the general fund, the bonded capital projects fund, the A.E. Purple Fund and the William F. Palmer Fund (non-major) and negative operations of the capital projects and reserve fund.

### General Fund

The general fund is the operating fund of the Town. At the end of the fiscal year, unassigned fund balance of the general fund was \$5,704,710. As a measure of the general funds liquidity, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 16.8% of total general fund expenditures and transfers out.

### General Fund Highlights

Significant General Fund budget variances for Revenue and Expenditures, as shown on RSI-1 and RSI-2, respectively, are as follows:

#### Revenues:

➤ Receipts in excess of budget for property taxes, interest and penalties	\$	410,144
➤ Receipts in excess of budget for Conveyance tax and Town Clerk fees (current housing market activity)		222,076
➤ Receipts less than budget for Education Cost Sharing from State of Connecticut		(61,902)
➤ Receipts in excess of budget for Building Department permit fees (greater construction activity)		35,256
➤ No reliance on fund balance as budgeted (expenses did not exceed revenues)		(530,418)

#### Expenditures:

➤ Expenses in excess of budget for Town Clerk (corresponds to increased revenues and current housing market activity)		(51,896)
➤ Expenses less than budget for Board of Finance (minimal contingency use)		79,459
➤ Expenses less than budget for Fringe benefits (employee turnover)		115,327
➤ Expenses in excess of budget for Legal services (collective bargaining negotiations)		(34,708)
➤ Expenses less than budget for Shared services (unfilled vacancy)		87,631
➤ Expenses less than budget for Fire Marshal (savings in wages)		26,812
➤ Expenses less than budget for Resident trooper (billing less than anticipated)		28,642

➤ Expenses less than budget for General highways (tree care and removal, equipment repairs and maintenance)	(203,271)
➤ Expenses less than budget for Snow removal (fewer weather events)	103,364
➤ Expenses in excess of budget for Transfer Station (hauling fees)	(63,310)
➤ Expenses less than budget for Education (largely due to COVID-19)	267,309

Additional appropriations totaled \$265,611. These appropriations for the following purposes:

- \$227,611 to Board of Education capital reserves, representing fiscal year 2020 remaining funds
- \$19,000 to Capital Projects and Reserves for a study for the elementary school envelope project
- \$19,000 to Capital Projects and Reserves for a study for the high school athletics complex

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2021, the Town had \$99.10 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, and roads (see Table 4).

**TABLE 4**  
**CAPITAL ASSETS, Net of Depreciation**  
**(In Thousands)**

	<b>Governmental Activities</b>	
	<u>2021</u>	<u>2020</u>
Land	\$ 9,734,000	\$ 9,734,000
Building and improvements	51,368,000	52,125,000
Furniture and equipment	3,577,000	3,655,000
Infrastructure	16,057,000	12,954,000
Construction in progress	<u>18,317,000</u>	<u>19,745,000</u>
Totals	<u>\$ 99,053,000</u>	<u>\$ 98,213,000</u>

More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

### Long-Term Debt

**TABLE 5**  
**OUTSTANDING DEBT, AT YEAR END**

	<b>Governmental Activities</b>	
	<u>2021</u>	<u>2020</u>
General obligation bonds	\$ 24,765,000	\$ 22,758,906
Notes payable	<u>490,000</u>	<u>685,000</u>
Total	<u>\$ 25,255,000</u>	<u>\$ 23,443,906</u>

At June 30, 2021, the Town had \$25.3 million in bonds and notes outstanding versus \$23.4 million last year.

The State limits the amount of general obligation debt that towns can issue based on a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$180 million state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Town's elected and appointed officials considered many factors when adopting the fiscal year 2021-2022 General Fund budget.

Revenues: The Town anticipated revenues from state, federal and local sources to increase by 4.7% largely due to COVID-19 grant funding. The budget includes a reliance on the general fund of \$1,115,000 to balance the budget. The budget provides for an increase in property taxes of \$382,078 or 1.4%. The mill rate remained the same. The mill rate for fiscal year 2021-2022 is 30.44.

Expenses: The expenditure budget for 2021-2022 is \$36,369,367 or an increase of \$2,180,266 (over the 2020-2021 original budget). This increase is largely due to an increase in debt service and education.

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, 1 Plains Road, Moodus, Connecticut 06469.

# **Basic Financial Statements**

**TOWN OF EAST HADDAM, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 15,382,773
Investments	8,448,245
Receivables, net	2,867,046
Other assets	10,615
Net pension asset	203,442
Capital assets not being depreciated	28,050,727
Capital assets being depreciated, net	<u>71,002,468</u>
Total assets	<u>125,965,316</u>
<b>Deferred Outflows of Resources:</b>	
Deferred charges on refunding	518,687
Changes related to pensions	206,945
Changes related to OPEB	<u>423,992</u>
Total deferred outflows of resources	<u>1,149,624</u>
<b>Liabilities:</b>	
Accounts and other payables	1,191,190
Unearned revenue	1,666,396
Due to fiduciary funds	54,375
Bond anticipation notes	-
Noncurrent liabilities:	
Due within one year	1,744,781
Due in more than one year	<u>30,177,595</u>
Total liabilities	<u>34,834,337</u>
<b>Deferred Inflows of Resources:</b>	
Changes related to pensions	372,555
Changes related to OPEB	<u>129,745</u>
Total deferred inflows of resources	<u>502,300</u>
<b>Net Position:</b>	
Net investment in capital assets	70,767,622
Restricted for:	
Trust purposes -nonspendable	439,793
Trust purposes - expendable	247,017
Pension benefits	203,442
Capital Projects	1,619,752
Public Safety	101,438
Recreation	42,654
Education	9,538,861
Health and Welfare	47,876
Sewer	108,485
Unrestricted	<u>8,661,363</u>
Total Net Position	<u>\$ 91,778,303</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF EAST HADDAM, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 4,437,837	\$ 617,595	\$ 266,919	\$ -	\$ (3,553,323)
Public safety	2,179,816	262,640	29,013	-	(1,888,163)
Public works	2,589,499	273,385	-	1,991,704	(324,410)
Health and welfare	690,299	38,544	933	-	(650,822)
Recreation and leisure	726,996	176,863	15,100	-	(535,033)
Education	29,334,607	205,512	11,414,010	-	(17,715,085)
Interest on long-term debt	830,602				(830,602)
<b>Total</b>	<b>\$ 40,789,656</b>	<b>\$ 1,574,539</b>	<b>\$ 11,725,975</b>	<b>\$ 1,991,704</b>	<b>(25,497,438)</b>
General revenues:					
Property taxes					27,547,396
Grants and contributions not restricted to specific programs					26,354
Unrestricted net investment income					2,410,082
Other					87,072
Total general revenues					<u>30,070,904</u>
Change in net position					4,573,466
Net Position at Beginning of Year, as restated					<u>87,204,837</u>
Net Position at End of Year					<u>\$ 91,778,303</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF EAST HADDAM, CONNECTICUT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<u>General</u>	<u>Capital Projects and Reserve Fund</u>	<u>Bonded Capital Projects Fund</u>	<u>Federal COVID Funds</u>	<u>A.E. Purple Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 5,909,794	\$ 6,455,269	\$	\$	\$ 2,344,547	\$ 673,163	\$ 15,382,773
Investments					7,319,248	1,128,997	8,448,245
Receivables, net	1,031,989	1,694,818	-			140,239	2,867,046
Due from other funds	2,658,290		622,796	1,331,334	-	556,698	5,169,118
Other						10,615	10,615
Total Assets	<u>\$ 9,600,073</u>	<u>\$ 8,150,087</u>	<u>\$ 622,796</u>	<u>\$ 1,331,334</u>	<u>\$ 9,663,795</u>	<u>\$ 2,509,712</u>	<u>\$ 31,877,797</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
Liabilities:							
Accounts and other payables	\$ 758,324	\$ 231,409	\$ 463	\$	\$	\$ 117,320	\$ 1,107,516
Due to other funds	2,565,203	2,627,631			-	30,659	5,223,493
Unearned revenue	9,298	19,346	-	1,331,334		306,418	1,666,396
Total liabilities	<u>3,332,825</u>	<u>2,878,386</u>	<u>463</u>	<u>1,331,334</u>	<u>-</u>	<u>454,397</u>	<u>7,997,405</u>
Deferred inflows of resources:							
Unavailable revenue - property taxes	267,803						267,803
Unavailable revenue - loans receivable	13,000						13,000
Unavailable revenue - grants	112,243	1,694,817					1,807,060
Total deferred inflows of resources	<u>393,046</u>	<u>1,694,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,087,863</u>
Fund balances:							
Nonspendable					400,000	50,408	450,408
Restricted			622,333		9,263,795	1,819,492	11,705,620
Committed		3,576,884				203,010	3,779,894
Assigned	169,492					-	169,492
Unassigned	5,704,710					(17,595)	5,687,115
Total fund balances	<u>5,874,202</u>	<u>3,576,884</u>	<u>622,333</u>	<u>-</u>	<u>9,663,795</u>	<u>2,055,315</u>	<u>21,792,529</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,600,073</u>	<u>\$ 8,150,087</u>	<u>\$ 622,796</u>	<u>\$ 1,331,334</u>	<u>\$ 9,663,795</u>	<u>\$ 2,509,712</u>	<u>\$ 31,877,797</u>

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**TOWN OF EAST HADDAM, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2021**

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Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:  
 Amounts reported for governmental activities in the statement of net position (Exhibit I) are  
 different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$ 21,792,529
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Capital assets used in governmental activities are not financial  
 resources, and, therefore, are not reported in the funds:

Governmental capital assets	\$ 131,627,722	
Less accumulated depreciation	<u>(32,574,527)</u>	
Net capital assets		99,053,195

Other long-term assets and deferred outflows of resources are not available to  
 pay for current-period expenditures, and, therefore, are not recorded in the funds:

Net pension asset	203,442
Property tax receivables greater than 60 days	233,488
Loan receivables greater than 60 days	13,000
Grant receivables greater than 60 days	1,807,060
Interest receivable on property taxes	34,315
Deferred amounts on refunding	518,687
Deferred outflows related to OPEB	423,992
Deferred outflows related to pensions	206,945

Long-term liabilities and deferred inflows of resources are not due and payable  
 in the current period, and, therefore, are not reported in the funds:

Bonds and notes payable	(25,255,000)
Interest payable on bonds and notes	(83,674)
Compensated absences	(1,228,766)
Bond premium	(3,197,272)
Termination benefits	(157,686)
Net OPEB obligation	(1,690,494)
Deferred inflows related to pensions	(372,555)
Deferred inflows related to OPEB	(129,745)
Net pension liability	<u>(393,158)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 91,778,303</u>
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The accompanying notes are an integral part of the financial statements



**TOWN OF EAST HADDAM, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021**

	General	Capital Projects and Reserve Fund	Bonded Capital Projects Fund	Federal COVID Funds	A.E. Purple Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	\$ 27,699,710	\$	\$	\$	\$	\$	\$ 27,699,710
Intergovernmental	7,453,309	221,891				971,757	8,646,957
Charges for services	921,177					462,237	1,383,414
Income on investments	18,765	13,351			2,161,613	216,353	2,410,082
Miscellaneous	243,022	-				106,372	349,394
Total revenues	<u>36,335,983</u>	<u>235,242</u>	<u>-</u>	<u>-</u>	<u>2,161,613</u>	<u>1,756,719</u>	<u>40,489,557</u>
Expenditures:							
Current:							
General government	4,356,574	-				7,851	4,364,425
Public safety	1,321,316	-				147,449	1,468,765
Public works	2,405,048					206,252	2,611,300
Health and welfare	489,026					32,232	521,258
Recreation and leisure	550,414					109,634	660,048
Education	23,572,072	-			8,677	1,183,422	24,764,171
Debt service	2,606,533	75,527	164,894			-	2,846,954
Capital outlay	-	2,476,965	258,825			-	2,735,790
Total expenditures	<u>35,300,983</u>	<u>2,552,492</u>	<u>423,719</u>	<u>-</u>	<u>8,677</u>	<u>1,686,840</u>	<u>39,972,711</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,035,000</u>	<u>(2,317,250)</u>	<u>(423,719)</u>	<u>-</u>	<u>2,152,936</u>	<u>69,879</u>	<u>516,846</u>
Other Financing Sources (Uses):							
Refunding bond Issuance			18,055,000				18,055,000
Refunding bond premium			2,981,458				2,981,458
Bond issuance		455,000					455,000
Payments to refunding agent			(14,978,767)				(14,978,767)
Transfers in	378,056	991,614	38,000			181,600	1,589,270
Transfers out	(1,205,958)				(344,667)	(38,645)	(1,589,270)
Total other financing sources (uses)	<u>(827,902)</u>	<u>1,446,614</u>	<u>6,095,691</u>	<u>-</u>	<u>(344,667)</u>	<u>142,955</u>	<u>6,512,691</u>
Net Change in Fund Balances	207,098	(870,636)	5,671,972		1,808,269	212,834	7,029,537
Fund Balances at Beginning of Year, as restated	<u>5,667,104</u>	<u>4,447,520</u>	<u>(5,049,639)</u>	<u>-</u>	<u>7,855,526</u>	<u>1,842,481</u>	<u>14,762,992</u>
Fund Balances at End of Year	<u>\$ 5,874,202</u>	<u>\$ 3,576,884</u>	<u>\$ 622,333</u>	<u>\$ -</u>	<u>\$ 9,663,795</u>	<u>\$ 2,055,315</u>	<u>\$ 21,792,529</u>

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**TOWN OF EAST HADDAM, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2021**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 7,029,537
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Governmental funds report capital outlays as expenditures and donations of capital assets as revenues.

In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	2,498,564
Depreciation expense	(1,658,042)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax receivable - accrual basis change	(130,127)
Property tax interest and lien revenue - accrual basis change	(22,187)
Grants receivables	1,355,504

Change in deferred outflows related to pensions	(193,100)
Change in deferred outflows related to OPEB	338,726
Change in net pension asset	192,317

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

Bonds and notes principal payments	1,720,139
Bond premiums	(2,981,458)
Payments to escrow agents	14,978,767
Deferred charge on refunding	123,196
Refunding bond issued	(18,055,000)
General obligation bond issued	(455,000)

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 the governmental funds.

Compensated absences	(30,381)
Accrued interest	(21,866)
Termination payments	49,698
Amortization of deferred charge on refunding	(56,820)
Amortization of bond premiums	251,704
Change in deferred inflows related to pensions	(254,520)
Change in deferred inflows related to OPEB	33,618
Change in net pension liability	327,912
Change in total OPEB liability	<u>(467,715)</u>

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 4,573,466</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF EAST HADDAM, CONNECTICUT  
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2021**

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	<b>Pension Trust Funds</b>
	<hr/>
Assets:	
Cash and cash equivalents	\$ 233,658
Investments - mutual funds	5,927,505
Receivables	2,007
Due from other funds	<hr/> 54,375
Total Assets	6,217,545
Liabilities:	
Accounts and Other Payables	<hr/>
Net Position:	
Held in Trust for Pension Benefits	\$ <u><u>6,217,545</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF EAST HADDAM, CONNECTICUT  
STATEMENT OF CHANGES IN PLAN NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021**

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	<b>Pension Trust Funds</b>
	<u>                    </u>
Additions:	
Contributions:	
Employer	\$ 239,699
Plan members	239,693
Total contributions	<u>479,392</u>
Investment income:	
Net change in fair value of investments	160,533
Interest and dividends	864,070
Net investment income	<u>1,024,603</u>
Total additions	<u>1,503,995</u>
Deductions:	
Benefits	334,979
Administration	17,676
Total deductions	<u>352,655</u>
Net Increase	1,151,340
Net Position at Beginning of Year	<u>5,066,205</u>
Net Position at End of Year	<u>\$ 6,217,545</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF EAST HADDAM, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of East Haddam, Connecticut (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

**A. Reporting Entity**

The Town operates under the provisions of the Connecticut General Statutes. The form of government includes a Board of Selectmen consisting of a First Selectman, who is the chief administrative and executive official of the Town, and two other members. The Board of Selectmen and the Town Meeting have the legislative power of the Town and may enact ordinances consistent with the General Statutes. A nine-member Board of Education is responsible for the operation of the public school system.

A six-member Board of Finance is responsible for presenting fiscal operating budgets for Town Meeting and Referendum approval. The Treasurer receives all money belonging to the Town and makes expenditures based upon the appropriate authority.

Accounting principles generally accepted in the United State of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and 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. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

**Fiduciary Component Units**

The Town has established one single-employer defined benefit pension plan - Firefighters Incentive Plan, one defined contribution plan - Municipal Employees' Retirement Fund (Savings Plan) and one postretirement health care benefits (OPEB) plan to provide retirement benefits and post-retirement health care benefits primary to employees and their beneficiaries. The Town performs the duties of a governing board for these plans and is required to make contributions.

The financial statements of the fiduciary component units are reported as Pension and OPEB Trust funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

**B. 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. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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

**TOWN OF EAST HADDAM, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, including fiduciary component units, 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.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for taxes and 180 days for state and federal grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

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 Town, except those required to be accounted for in another fund.

The Capital Projects and Reserve Fund is used to set aside funds for future capital purchases. The major sources of revenue for this fund are intergovernmental receipts.

The Bonded Capital Projects Fund is used to account for capital purchases funded from general obligation bonds.

The Federal COVID Funds are used to account for fund received under the American Rescue Plan Act of 2021.

The A.E. Purple Fund is used to account for funds donated to the Town by A.E. Purple to be used for educational purposes. The major sources of revenue for this fund are income on investments.

**TOWN OF EAST HADDAM, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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Additionally, the Town reports the following fund types:

The Internal Service Fund accounts for the self-insured dental plan for Board of Education employees. This fund was closed during the fiscal year.

The Pension Trust Funds account for the fiduciary activities of the East Haddam Pension Plans, which accumulate resources for pension benefit payments to qualified Town and Board of Education employees, as well as volunteer firefighters.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town functions because the 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 property 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 is charges to customers for benefits. Operating expenses for the Internal Service Fund includes the cost of benefits and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

#### **D. Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and certain other investments as described in Note 3.

Investments for the Town are reported at fair value.

#### **E. Receivables and Payables**

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 noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles. Allowances for uncollectibles are computed based on historical data.

**TOWN OF EAST HADDAM, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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Property taxes are assessed as of October 1 and billed the following July. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of the market value. Liens are filed on delinquent taxes by June 30 each year. Interest is charged on delinquent taxes at the rate of 1.5% per month (18% per year). An amount of \$22,016 has been established as an allowance for uncollectible taxes. At June 30, 2021, this represents 5.82% of all property taxes receivable.

**F. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items and capital assets received in a service concession arrangement 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. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25-50
Furniture and equipment	5-20
Public domain infrastructure	20-50

**H. 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 or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and other postemployment benefits other than pensions (OPEB) in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs,



**TOWN OF EAST HADDAM, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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differences between projected and actual earnings on investments and contributions subsequent to the measurement date. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

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 or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from changes in projected investment earnings, change in proportionate share of the liability and difference between expected and actual experience. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees). For the governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes and loans receivable. This amount is deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

**I. Compensated Absences**

Employees are paid by prescribed formula for absence due to vacation or sickness. The liability for accumulated vacation and sick pay earned as of June 30, 2021 is reflected in the government-wide statement of net position.

Town and noncertified Board of Education employees are granted vacation and sick leave based upon length of employment. In the event of termination, employees are compensated for accumulated vacation and, depending on the terms of their union contract, sick time. The General Fund generally funds the cost associated with compensated absences.

**J. 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. 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 any significant applicable bond premium or discount. Significant bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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.

**K. Equity**

Equity in the government-wide financial statements is defined as “net position” and is classified in the following categories:

**TOWN OF EAST HADDAM, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**Net Investment in Capital Assets**

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**Restricted**

Net position is restricted because the restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Town currently has assets under restriction in the A. E. Purple Fund, the Scholarship Trust Fund and the Cemetery Trust.

**Unrestricted**

This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

**Nonspendable Fund Balance**

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

**Restricted Fund Balance**

This represents amounts constrained for specific purposes by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

**Committed Fund Balance**

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The Town of East Haddam Board of Finance can commit fund balance through the adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until similar action is taken to remove or revise the limitation.

**Assigned Fund Balance**

This balance represents amounts constrained for the intent to be used for a specific purpose by a governing body or a body or official that has been delegated authority to assign amounts by the Board of Finance.

**Unassigned Fund Balance**

This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a balance in deficit, it is reported as a negative amount in unassigned fund balance.

When both restricted and unrestricted amounts are available for use, it is the Town’s practice to use restricted resources first. Additionally the Town would first use committed, then assigned, and lastly unassigned.

**L. Termination Benefits**

Upon the death or retirement from the teaching profession, a teacher who has been in the East Haddam School System for 20 or more years of active service shall be paid the equivalent of one-half of his or her accumulated sick leave. The teacher will be paid at the beginning of the next fiscal year. The maximum benefit available cannot exceed 40% of the salary schedule pay for the highest step of

**TOWN OF EAST HADDAM, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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the MA column. Termination benefits as of June 30, 2021 totaled \$157,686. Payment will be paid over three fiscal years and funded by the General Fund.

**M. Net Pension Liability**

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

**N. Total OPEB Liability**

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

**O. Estimates**

The preparation of the financial statements in conformity with GAAP 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 expenditures during the fiscal year.

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

The General Fund budget is prepared in accordance with the Connecticut General Statutes.

The First Selectman distributes forms to Town Officials, who compile annual budget requests and return them to the First Selectman. The Board of Selectmen prepares its budget document and submits it to the Board of Finance. The Board of Finance reviews all general government budgets with the Board of Selectmen.

The Board of Education prepares its budget document and submits it to the Board of Finance. After reviewing requested expenditures and estimating revenues, the Board of Finance prepares a budget for public hearing. The legal budget is at the departmental level. Following the hearing, the Board meets in public session to prepare a recommended budget for the Town Meeting and referendum. When the budget is approved, the Board of Finance sets the tax rate.

The General Statutes provide the manner that is to be utilized by the Town Meeting in acting upon the budget, as well as the procedures to be utilized for additional appropriations during the year.

Funds for any additional appropriations or any emergency appropriations are drawn as directed by the Board of Finance from any available fund balance, an approved contingency fund or funds received or to be received from state, federal or other sources.

There were \$265,611 in supplemental appropriations during the year, and no appropriations were carried over to fiscal year 2021.

**TOWN OF EAST HADDAM, CONNECTICUT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2021**

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The General Fund budget is prepared on a modified accrual basis of accounting except for four items as follows:

- 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 reflected in budgetary reports as expenditures in the current year.
- The budget for payroll expenditures is prepared on a cash basis. Accrued payroll has been recorded as expenditures (Exhibit IV) in accordance with GAAP.
- The Town does not budget for revenue or expenditures for pension contributions made by the State of Connecticut for East Haddam teachers or reimbursements for special education excess costs. The amount for special education excess costs was \$321,812. The amount recognized as on-behalf payments for State Teacher’s retirement pension and OPEB was \$2,787,888 and \$67,281, respectively.
- The Maintenance, Technology and Grange Hall Funds are combined for financial reporting purposes rather than budgeted within the General Fund.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

**Expenditures over Appropriations**

Several individual lines within the General Fund budget in which expenditures exceeded appropriations were due to additional administrative costs, staffing reassignments, unanticipated repairs, and greater private duty activity (resulting in greater revenue) which are shown in the following budget lines:

<u>Department</u>	<u>Amount</u>
Building maintenance and operation	\$ 189
Finance Office	641
Planning and Zoning/Land Use Office	1,271
Probate Court	690
Town Clerk	51,896
Insurance	845
Legal services	34,708
Emergency management	490
General highways	203,271
Transfer Station	63,310
Greens maintenance	17,205
Debt Service	<u>221</u>
Total	<u>\$ 374,737</u>

**TOWN OF EAST HADDAM, CONNECTICUT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2021**

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**3. CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

**Deposits**

**Deposit Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$15,170,305 of the Town’s bank balance of \$16,158,782 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 13,596,795
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>1,573,510</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 15,170,305</u>

**TOWN OF EAST HADDAM, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Cash Equivalents**

At June 30, 2021, the Town's cash equivalents amounted to \$59,885 deposited in STIF, an investment pool of high-quality short-term money market instruments with an average maturity of less than 60 days. There are no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption rates.

The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations

	<u>Standard &amp; Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm

**Investments**

As of June 30, 2021, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
			<u>Less Than 1</u>	<u>1-10</u>	<u>More Than 10</u>
Interest-bearing investments:					
Certificates of deposit	*	\$ 105,587	\$ 97,885	\$ 7,702	\$
Corporate bonds	Aaa	4,089		4,089	
Corporate bonds	Aa1	6,381		6,381	
Corporate bonds	Aa2	10,394		10,394	
Corporate bonds	Aa3	5,472		5,472	
Corporate bonds	A1	14,957		14,957	
Corporate bonds	A2	7,382	2,029	5,353	
Corporate bonds	A3	8,256	5,062	3,194	
Corporate bonds	Baa1	3,716			3,716
Corporate bonds	Baa2	12,799		12,799	
Corporate bonds	Unrated	7,241			7,241
U.S. Government obligations	Aaa	<u>226,380</u>	<u>153,371</u>	<u>57,102</u>	<u>15,907</u>
Total		412,654	<u>\$ 258,347</u>	<u>\$ 127,443</u>	<u>\$ 26,864</u>
Other investments:					
Common stock	N/A	7,694,981			
Mutual funds	N/A	6,097,692			
Alternative investments	N/A	<u>170,423</u>			
Total		<u>\$ 14,375,750</u>			

\*Subject to coverage by Federal Depository Insurance and collateralization.  
N/A - Not applicable

**TOWN OF EAST HADDAM, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Interest Rate Risk**

The Town limits Palmer Fund investment maturities for a single security at 30 years and a weighted average portfolio at 15 years as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk - Investments**

As indicated above, State Statutes limit the investment options of cities and towns. The Town has an investment policy that allows the same type of investments as State Statutes.

**Concentration of Credit Risk**

The Town limits investments with respect to the Palmer Fund and A.E. Purple Fund in any one issuer that is in excess of 5% and 10%, respectively, of the Town's total investments.

**Custodial Credit Risk**

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2021, the Town had \$7,694,981 uninsured and unregistered securities held by the counterparty, or by its trust department or agent, that were not in the Town's name.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2021:

	June 30, 2021	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government securities	\$ 226,380	\$ 226,380	\$ -	\$ -
Corporate bonds	80,687	80,687	-	-
Common stock	7,694,981	7,694,981	-	-
Mutual funds	6,097,692	6,097,692	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	14,099,740	<u>\$ 14,099,740</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value (NAV):				
Blackstone Secured Lending Fund	137,265			
Grosvenor Registered Multi-Strategy Fund	33,158			
Total Investments	<u>\$ 14,270,163</u>			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The Town has no Level 2 or 3 investments.

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The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2021 is presented on the following table:

	Fair	Unfunded	Redemption Frequency (If	Redemption Notice
Blackstone Secured Lending Fund	\$ 137,265	\$ -	N/A	N/A
Grosvenor Registered Multi-Strategy Fund	<u>33,158</u>	<u>-</u>	Quarterly	30 days
Total Investments Measured at NAV	<u>\$ 170,423</u>	<u>\$ -</u>		

**Blackstone Secured Lending Fund**

This investment is a diversified, closed-end management investment company. The Fund's primary investment objective is to seek high current income, with a secondary objective to seek preservation of capital, consistent with its primary goal of high current income. The Fund invests primarily in a diversified portfolio of loans and other fixed income instruments of predominantly U.S. corporate issuers, including first- and second-lien secured loans and high yield corporate bonds of varying maturities.

**Multi-Strategy Hedge Funds**

These investments consist of limited partnerships. Hedged equity funds are designed to benefit from the stock market with considerably less risk. They own stakes in companies they expect to outperform and also sell short stocks they expect to underperform. NAV generally represents a Fund's ownership interest in the net assets of each hedge fund.

**4. RECEIVABLES**

Receivables as of year-end for the Town's individual major funds, nonmajor funds, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects and Reserve Fund	Nonmajor and Other Funds	Total
Receivables:				
Interest	\$ 34,315	\$ -	\$ -	\$ 34,315
Taxes	284,037			284,037
Accounts	735,653		14,256	749,909
Intergovernmental	-	1,694,818	127,990	1,822,808
Gross receivables	<u>1,054,005</u>	<u>1,694,818</u>	<u>142,246</u>	<u>2,891,069</u>
Less allowance for uncollectibles	<u>(22,016)</u>			<u>(22,016)</u>
Net Total Receivables	<u>\$ 1,031,989</u>	<u>\$ 1,694,818</u>	<u>\$ 142,246</u>	<u>\$ 2,869,053</u>



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**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 9,734,119	\$	\$	\$ 9,734,119
Construction in progress	19,744,828	874,851	(2,303,071)	18,316,608
Total capital assets not being depreciated	<u>29,478,947</u>	<u>874,851</u>	<u>(2,303,071)</u>	<u>28,050,727</u>
Capital assets being depreciated:				
Buildings and improvements	70,008,963	30,000		70,038,963
Furniture and equipment	8,483,071	333,184		8,816,255
Infrastructure	21,158,177	3,563,600		24,721,777
Total capital assets being depreciated	<u>99,650,211</u>	<u>3,926,784</u>	<u>-</u>	<u>103,576,995</u>
Less accumulated depreciation for:				
Buildings and improvements	(17,883,916)	(786,555)		(18,670,471)
Furniture and equipment	(4,828,323)	(410,826)		(5,239,149)
Infrastructure	(8,204,246)	(460,661)		(8,664,907)
Total accumulated depreciation	<u>(30,916,485)</u>	<u>(1,658,042)</u>	<u>-</u>	<u>(32,574,527)</u>
Total capital assets being depreciated, net	<u>68,733,726</u>	<u>2,268,742</u>	<u>-</u>	<u>71,002,468</u>
Governmental Activities Capital Assets, Net	<u>\$ 98,212,673</u>	<u>\$ 3,143,593</u>	<u>\$ (2,303,071)</u>	<u>\$ 99,053,195</u>

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

Governmental activities:	
General government	\$ 53,066
Public safety	163,067
Public works	733,805
Health and welfare	37,519
Recreation and leisure	65,467
Education	<u>605,118</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,658,042</u>

The Town had no active construction commitments at June 30, 2021.

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**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

During the course of operations, transactions are processed through the General Fund on behalf of other funds. A summary of interfund balances as of June 30, 2021 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Bonded Capital Projects Fund	General Fund	\$ 622,796
General Fund	Capital Projects and Reserve Fund	2,627,631
Nonmajor Governmental Funds	General Fund	556,698
General Fund	Nonmajor Governmental Funds	30,659
Federal COVID Funds	General Fund	1,331,334
Pension Trust Fund	General Fund	<u>54,375</u>
Total		<u>\$ 5,223,493</u>

All interfund receivables and payables represent routine recurring transactions that are temporary in nature.

Interfund transfers:

	<u>Transfers In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Reserve for Capital Projects</u>	<u>Bonded Capital Projects Fund</u>	<u>Nonmajor Governmental</u>	
Transfers out:					
General Fund	\$	\$ 986,358	\$ 38,000	\$ 181,600	\$ 1,205,958
A.E. Purple Fund	344,667				344,667
Nonmajor Governmental Funds	<u>33,389</u>	<u>5,256</u>			<u>38,645</u>
Total	<u>\$ 378,056</u>	<u>\$ 991,614</u>	<u>38,000</u>	<u>\$ 181,600</u>	<u>\$ 1,589,270</u>

All transfers represent routine recurring transactions to move resources from one fund to another.

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**7. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and notes payable:					
General obligation bonds	\$ 22,758,906	\$ 18,510,000	\$ 16,503,906	\$ 24,765,000	\$ 950,000
Notes payable	685,000	-	195,000	490,000	195,000
Bond premiums	467,518	2,981,458	251,704	3,197,272	
Total bonds payable	<u>23,911,424</u>	<u>21,491,458</u>	<u>16,950,610</u>	<u>28,452,272</u>	<u>1,145,000</u>
OPEB liability	1,222,779	467,715		1,690,494	
Net pension liability	721,070		327,912	393,158	
Compensated absences	1,198,385	30,381		1,228,766	494,749
Termination benefits	<u>207,384</u>		<u>49,698</u>	<u>157,686</u>	<u>105,032</u>
Governmental Activities Long-Term Liabilities	<u>\$ 27,261,042</u>	<u>\$ 21,989,554</u>	<u>\$ 17,328,220</u>	<u>\$ 31,922,376</u>	<u>\$ 1,744,781</u>

In prior years, the General Fund has typically been used to liquidate long term liabilities. A schedule of bonds and notes outstanding at June 30, 2021 is presented below:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2021</u>
Bonds and notes:					
General obligation	2020	2040	.8-1.8	\$ 18,055,000	\$ 18,055,000
General obligation	2020	2030	1.4-2.1	455,000	455,000
Notes payable	2013	2024	1.5-2.5	1,845,000	490,000
Refunding bonds	2015	2028	1.5-2.5	9,165,000	6,255,000
Total					<u>\$ 25,255,000</u>

**TOWN OF EAST HADDAM, CONNECTICUT  
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The following is a schedule of principal and interest requirements to maturity:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,155,000	\$ 1,246,244
2023	2,140,000	812,925
2024	2,100,000	730,488
2025	1,990,000	654,713
2026	2,025,000	578,013
2027-2031	7,000,000	1,852,532
2032-2036	4,515,000	850,450
2037-2040	3,330,000	180,600
Total	<u>\$ 25,255,000</u>	<u>\$ 6,905,965</u>

A summary of bonds authorized unissued is presented below:

<u>Project</u>	<u>Authorization</u>	<u>Bonds and Notes Issued</u>	<u>Grants/ Contributions</u>	<u>Authorized Unissued</u>
Open Space	\$ 5,894,500	\$ 2,643,705	\$ 1,149,000	\$ 2,101,795
Middle School Project	34,118,000	18,506,295	15,340,252	271,453 *
East Haddam Elementary School	2,707,000	2,300,000	413,599	(6,599) *
Municipal Office Complex	15,000,000	15,000,000		
Firehouse Improvements	508,000	500,000		8,000
Town-wide Radio System Improvements	2,100,000	2,100,000		-
Total	<u>\$ 60,327,500</u>	<u>\$ 41,050,000</u>	<u>\$ 16,902,851</u>	<u>\$ 2,374,649</u>

\*The authorized unissued amount is reduced by grants received by the State of Connecticut.

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

<u>Category</u>	<u>Debt Limitation*</u>	<u>Indebtedness**</u>	<u>Balance</u>
General purpose	\$ 60,608,000	\$ 19,311,000	\$ 41,297,000
Schools	121,217,000	8,319,000	112,898,000
Sewers	101,014,000	-	101,014,000
Urban renewal	87,545,000		87,545,000
Pension deficit	80,811,000		80,811,000

\* In no case shall total indebtedness exceed seven times annual receipts from taxation (\$188,559).

\*\* Indebtedness includes bonds authorized unissued of \$265 related to the Middle School and East Haddam Elementary, \$8 for Firehouse and Radio System improvements, and \$2,102 related to open space.

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On December 3, 2020 the Town issued \$18,055,000 General Obligation Bonds Series A with interest rates between .08% and 1.8% with a final maturity date through December 1, 2040. A portion of the bonds were used to refund outstanding General Obligation Bonds issue of 2010 and its General Obligation Bonds issue of 2018 purchased by USDA. The net proceeds of \$14,978,767 were deposited in an irrevocable trust fund under an escrow agreement between the Escrow Agent and the Town. The Escrow Agent used such proceeds to fully pay off \$2,025,000 in outstanding principal payments of the General Obligation bonds of 2010 with interest due of \$23,091.04 on that date and \$12,830,571 of principal on the General Obligation Bonds of 2018 of with interest due of \$100,106. The transaction generated a cash flow savings of \$2,625,037 and a present value savings of \$2,401,432. The escrow balance was \$-0- at June 30, 2021.

On December 3, 2020, the Town issued \$455,000 General Obligation Bonds Series B with interest rates between .08% and 1.8% for Open Space.

**Compensated Absences**

Accrued sick and vacation pay for general government operations is \$410,343, and the amount for the Board of Education is \$818,423. This is a net increase of \$30,381 from the previous year. The Board of Education has liabilities of \$157,686 related to retirement incentives and sick pay buyouts at retirement.

**8. RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. There are no significant reductions in insurance coverage from the prior year. The amount of claim settlements has not exceeded insurance coverage for each of the past three years.

During the fiscal year, the Board of Education discontinued its self-insurance plan for dental expenses. There were no expenses in the fund for claims during the year and no Incurred but not reported health claims have been accrued as a liability per the Plan Administrator.

**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**A. Firefighters Incentive Plan**

**Plan Description and Benefits Provided**

The Volunteer Fire Department Incentive Plan (Incentive Plan) is a single employer defined benefit pension plan administered by the Town to provide benefits for active Volunteer Firefighters who were members of the East Haddam Volunteer Fire Department prior to December 31, 2011. Plan provisions are established and amended by ordinance requiring Board of Selectman and Town Meeting approval. The pension plan is part of the Town's financial reporting entity and is accounted for as a pension trust fund. The plan does not issue separate, stand-alone financial reports.

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As of June 30, 2021 the plan membership consisted of:

Retiree and beneficiaries currently receiving benefits	10
Inactive with deferred benefits	5
Current active members	<u>42</u>
Total	<u><u>57</u></u>

Management of the plan rests with the Firefighters Pension Committee, which consists of a member of the Board of Selectmen, a member of the Board of Finance, an officer of the fire department, a member at large and a member of the Board of Fire Commissioners.

**Summary of Significant Accounting Policies**

The pension trust fund's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and contractual requirements, and investment income is recognized when earned. Expenses (benefits and administration) are recognized when due and payable in accordance with the terms of the plan.

The plan was previously funded by life insurance policies owned by the members. During the fiscal year, all of these policies were cashed and deposited into an investment account on behalf of the plan members. The value of the life insurance policies is shown as employee contributions.

Investments are valued at fair value, based upon quoted market prices. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized as earned.

Volunteer firefighters will be eligible for accrued benefits on their normal retirement date, provided they have completed at least five active years of service in accordance with plan provision by December 31, 2011.

**Funding Policy**

The Town's current funding policy for pension obligations mirrors the benefits earned during the year. The monthly retirement benefit is \$15 per year for the first 20 years of credited service; thereafter, \$10 per year for the next 10 years of credited service; thereafter \$5 per year for the next 10 years of credited service.

**Investments**

**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Firefighters Pension Committee by a majority vote of its members. It is the policy of the Firefighters Pension Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The following was the Board's adopted asset allocation policy as of June 30, 2021:

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<u>Asset Class</u>	<u>Target Allocation</u>
International fixed income	5.0%
Domestic fixed income	30.0%
Domestic Equities	55.0%
International Equities	5.0%
Cash	<u>5.0%</u>
Total	<u>100.0%</u>

**Rate of Return**

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.69%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability (Asset) of the Town**

The Town's net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021.

The components of the net pension liability (asset) of the Town at June 30, 2021 were as follows:

Total pension liability	\$ 761,886
Plan fiduciary net position	<u>(965,328)</u>
Town's Net Pension Asset	<u>\$ (203,442)</u>
Plan fiduciary net position as a percentage of the total pension liability	126.70%

**Actuarial Assumptions**

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

Inflation	2.40%
Salary increases	N/A
Investment rate of return	5.50%

Mortality rates were based on the RP-2014 Blue Collar mortality table generationally using MP 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table:

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<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
International fixed income	1.5%
Domestic fixed income	0.4%
Domestic Equities	5.0%
International Equities	7.5%
Cash	2.4%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.50%. 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 Town 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.

**Changes in the Net Pension Liability (Asset)**

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances as of July 1, 2020	\$ 749,195	\$ 760,320	\$ (11,125)
Changes for the year:			
Service cost	12,078		12,078
Interest on total pension liability	40,824		40,824
Differences between expected and actual experience	(8,186)		(8,186)
Changes in assumptions	6,015		6,015
Employer contributions		59,268	(59,268)
Net investment income		201,456	(201,456)
Benefit payments, including refund to employee contributions	(38,040)	(38,040)	-
Administrative expenses		(17,676)	17,676
Net changes	<u>12,691</u>	<u>205,008</u>	<u>(192,317)</u>
Balances as of June 30, 2021	\$ <u>761,886</u>	\$ <u>965,328</u>	\$ <u>(203,442)</u>

**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the net pension liability (asset) of the Town, calculated using the discount rate of 5.50%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.50%) or 1 percentage point higher (6.50%) than the current rate:



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	<u>1% Decrease (4.50%)</u>	<u>Current Discount Rate (5.50%)</u>	<u>1% Increase (6.50%)</u>
Town's Net Pension Liability (Asset)	\$ (113,813)	\$ (203,442)	\$ (280,083)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2021, the Town recognized pension expense of \$(27,325). At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Employees' Pension Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 23,287	\$ 9,636
Changes of assumptions	6,815	324
Net difference between projected and actual earning on pension plan investments	<u>-</u>	<u>133,150</u>
Total	<u>\$ 30,102</u>	<u>\$ 143,110</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**Year Ending June 30**

2022	\$ (34,801)
2023	(29,803)
2024	(26,418)
2025	(27,188)
2026	1,877
Thereafter	3,325

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**B. Municipal Employees' Retirement Fund (Savings Plan)**

The Municipal Employees' Retirement Fund (Savings Plan) is a defined contribution individual savings account plan. The plan, effective July 1, 1986, covers all full-time Town employees and noncertified school employees who work over 500 hours annually, except for those employees who are covered under the State of Connecticut Municipal Employees' Retirement System. Contributions to the plan are made both by the Board of Education and Town (4.75% and 5.0%, respectively, of annual compensation) and the employee (minimum 2.0-3.5% of annual compensation to a maximum 13%). Currently, there are 78 members participating in the plan. Benefits are vested at 20% after the first two years and 20% each year thereafter, with 100% vesting after six years. Normal retirement age is 65 with provisions for early retirement. The participants are funding individual savings accounts and they have several options as to the method of receiving pension benefits (i.e., lump sum, annuity, etc.). During the year, the employees contributed \$109,765 to the plan, and employer contributions were \$93,319. These amounts represent 5.6% and 4.8%, respectively, of covered payroll of \$1,950,625. Total Town and Board of Education payroll amounted to \$17,248,191.

The plan was created by the authority of the Board of Selectmen and can be amended by that Board. This plan is reported as a Pension Trust Fund in this report. The plan's financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. All investments are invested and administered by the Sentry Insurance Company and are reported at fair value. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

**C. Financial Information for Separate Plans**

**Statement of Net Position**

	<b>Pension Trust Funds</b>		
	<b>Employee Savings Plan</b>	<b>Firefighters Incentive Plan</b>	<b>Total Trust Funds</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 224,507	\$ 9,151	\$ 233,658
Investments	5,025,703	901,802	5,927,505
Receivables	2,007	-	2,007
Due from other funds	<u>                    </u>	<u>54,375</u>	<u>54,375</u>
Total assets	5,252,217	965,328	6,217,545
<b>Liabilities:</b>			
Due to other funds	<u>                    </u>	<u>                    </u>	<u>-</u>
<b>Net Position:</b>			
Held in Trust for Pension Benefits	<u>\$ 5,252,217</u>	<u>\$ 965,328</u>	<u>\$ 6,217,545</u>

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**Statement of Changes in Plan Assets**

	<b>Pension Trust Funds</b>		
	<b>Employee Savings Plan</b>	<b>Firefighters Incentive Plan</b>	<b>Total Trust Funds</b>
Additions:			
Contributions:			
Employer	\$ 180,431	\$ 59,268	\$ 239,699
Plan members	239,693		239,693
Total contributions	<u>420,124</u>	<u>59,268</u>	<u>479,392</u>
Investment income:			
Net change in fair value of investments		160,533	160,533
Interest and dividends	823,147	40,923	864,070
Net investment income	<u>823,147</u>	<u>201,456</u>	<u>1,024,603</u>
Total additions	<u>1,243,271</u>	<u>260,724</u>	<u>1,503,995</u>
Deductions:			
Benefits	296,939	38,040	334,979
Administration		17,676	17,676
Total deductions	<u>296,939</u>	<u>55,716</u>	<u>352,655</u>
Change in Net Position	946,332	205,008	1,151,340
Net Position at Beginning of Year	<u>4,305,885</u>	<u>760,320</u>	<u>5,066,205</u>
Net Position at End of Year	<u>\$ 5,252,217</u>	<u>\$ 965,328</u>	<u>\$ 6,217,545</u>

**D. Length of Service Award Plan**

Effective January 1, 2012, the Town created a Length of Service Award Plan for Volunteer Members of East Haddam's Volunteer Fire Department (LOSAP). The LOSAP is a defined contribution plan that provides length of service awards to most active volunteer members of the Fire Department. Contribution provisions and benefit provisions of the LOSAP are established by and can be amended by the Board of Finance and Board of Selectmen.

LOSAP covers individuals who perform fire and prevention services without compensation who are over the age of 18 and who were not members of the department on or before December 31, 2011. These individuals are able to enter into the plan when they have reached one year of volunteer service under the plan provisions and are in good standing with the department. Individuals who were members of the department on or before December 31, 2011 are eligible for the plan if they have not received benefits under the Town's Volunteer Incentive Plan and who have five or less years of credited service. Participants opting into this plan, if they were members prior to December 31, 2011, must waive all future benefits with the incentive plan.

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Active members in the plan will receive benefits of \$500 for each of the volunteer's first five years of service on July 1 of the plan year that immediately follows the plan year for which the eligible volunteer met the five-year requirement. Participants will receive \$500 for each additional year, not to exceed \$20,000. There were seven volunteers who have met this eligibility requirement by the end of the fiscal year.

**E. Connecticut State Teachers' Retirement System - Pension**

**Plan Description**

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

**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 with reduced benefit amounts.

**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.

**Contributions**

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 approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

*Employer (School Districts)*

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

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, 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.

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For the year ended June 30, 2021, the amount of “on-behalf” contributions made by the State was \$2,787,888 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees*

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, 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 amount 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>43,464,549</u>
Total	\$	<u><u>43,464,549</u></u>

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

For the year ended June 30, 2021, the Town recognized pension expense and revenue of \$6,226,090 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**Actuarial Assumptions**

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

Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

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Mortality rates were based on PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

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

**Cost-of-Living Allowance**

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%.

**Long-Term Rate of Return**

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

<u>Asset Class</u>	<u>Expected Return</u>	<u>Target Allocation</u>
Domestic Equity Fund	5.60 %	20.00
Developed Market Intl. Stock Fund	6.00	11.00
Emerging Market Intl. Stock Fund	7.90	9.00
Core Fixed Income Fund	2.10	16.00
Inflation Linked Bond Fund	1.10	5.00
Emerging Market Debt Fund	2.70	5.00
High Yield Bond Fund	4.00	6.00
Real Estate Fund	4.50	10.00
Private Equity	7.30	10.00
Alternative Investments	2.90	7.00
Liquidity Fund	0.40	1.00
Total		<u>100.00</u>

### **Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. 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.

### **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.

### **Other Information**

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

## **F. Municipal Employees' Retirement System**

### **Plan Description**

All full-time employees participate in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing multiple-employer public employee retirement system established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at [www.ct.gov](http://www.ct.gov).

### **Benefit Provisions**

The plan provides retirement, disability and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. 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. In addition, compulsory retirement is at age 65 for police and fire members. Employees under the age of 55 are eligible to retire with 25 years of service.

### **Normal Retirement**

For members not covered by social security, retirement benefits are calculated as 2% of the average of the three highest paid years of service times the years of service. For members covered by social security, retirement benefits are calculated as 1½% of the average of the three highest paid years of service not in excess of the year's breakpoint plus 2% of average of the three highest paid years of service in excess of the year's breakpoint, times years of service. The year's breakpoint is defined as \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. Maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually.

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**Early Retirement**

Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Benefits are deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

**Disability Retirement - Service Connected**

This applies to employees who are totally and permanently disabled and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, who began employment prior to July 1, 1996, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50% of compensation at the time of disability.

**Disability Retirement - Non-Service Connected**

This applies to employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

**Pre-Retirement Death Benefit**

The plan offers a lump-sum return of contributions with interest or if vested and married, the surviving spouse will receive a lifetime benefit.

**Contributions**

*Member*

Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2¼% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base.

*Employer*

Participating employers 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 MERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, the Town reports a liability of \$393,158 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2020. The actuarial assumptions used in the June 30, 2020 valuation were based on results of an actuarial experience study for the period July 1, 2012 through June 30, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2021, the Town's proportion was .07%. The decrease in proportion from 2020 was .03%.



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For the year ended June 30, 2021, the Town recognized pension expense of \$41,373. At June 30, 2021, the Town reported deferred outflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Town contributions subsequent to the measurement date	\$ 41,020	\$
Net difference between projected and actual earning on pension plan investments	41,258	
Changes in assumptions	64,733	
Differences between expected and actual experience	26,048	50,263
Change in proportionate share	<u>3,784</u>	<u>179,182</u>
Total	<u>\$ 176,843</u>	<u>\$ 229,445</u>

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred inflows and outflows of resources related to pension will be recognized in pension expense as follows:

**Year Ending June 30**

2022	\$ (9,798)
2023	(4,297)
2024	(49,148)
2025	<u>(30,379)</u>
Total	<u>\$ (93,622)</u>

**Actuarial Assumptions**

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

Inflation	2.50%
Salary increase	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.

RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.

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For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

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. Best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	20.0%	5.3%
Developed market international	11.0%	5.1%
Emerging market international	9.0%	7.4%
Core fixed income	16.0%	1.6%
Inflation linked bond fund	5.0%	1.3%
Emerging market debt	5.0%	2.9%
High yield bond	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	100.0%	

**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 the actuarially determined contribution rates in the future years. 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.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Town's proportionate share of the net pension liability, calculated using the current discount rate, as well as what the Town's proportionate share of 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:

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	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Town's Proportionate Share of the Net Pension Liability	\$ 560,290	\$ 393,158	\$ 253,131

**10. OTHER POSTEMPLOYMENT BENEFITS**

**A. Post-Retirement Medical Program**

**Plan Description**

The Town, in accordance with various collective bargaining agreements, is committed to providing medical benefits to certain eligible retirees and their spouses. The Post-Retirement Medical Program (RMP) is a single employer plan that covers Town and Board of Education employees. The RMP is administered by the Town. Plan provisions are determined by union contract and may be amended through union negotiations.

Retired program members and beneficiaries are required to contribute active employee premiums. The percentage contribution and the eligibility of the employees and retirees for these benefits vary and are detailed within the Town's various bargaining agreements. The Town does not issue a separate stand-alone financial statement for this program.

The Town funding and payment of postemployment benefits are accounted for in the General Fund on a pay-as-you-go basis. Per the recommendations of the Town's actuary and the size of the current liability, the Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with postemployment benefits in accordance with GASB guidelines. The Town does not have an explicit liability for post-retirement benefits because the retirees pay the full health insurance premium. However, the Town does have an implicit subsidy that recognizes the expected higher health costs attributed to retirees in general (i.e., the real cost of health coverage for retirees is more than the premiums being charged and the excess cost is being funded by the Town.) Although a trust fund may not be established in the future to exclusively control the funding and reporting of postemployment benefits, the Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers. The Town will evaluate the funding requirements on an annual basis to determine if establishing a trust is prudent.

**Benefits Provided**

Postemployment obligations are based upon characteristics of benefits on four distinct groups of employees established within their respective collective bargaining units and/or contracts and include the following:

- UPSEU Board of Education employees are eligible for retiree health care coverage for lifetime upon attainment of age 55 with 20 years of service.
- Teachers and School Administrators are eligible for retiree health care coverage for lifetime at the earlier of age 55 with 20 years of service or 25 years of service.

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- Board of Education employees with individual contracts are assumed to be eligible for retiree health care coverage for lifetime upon attainment of age 55 with 20 years of service. The following employees have individual contracts: Superintendent.
- Town employees who retire upon Medicare eligibility are eligible to purchase Medicare Supplement coverage through the Town. No retiree health care benefits are offered to Town employees who retire prior to Medicare eligibility.

Surviving spouses of retired teachers and nonteachers at the school are allowed to remain on the plan.

- Surviving spouses of retirees and actives eligible to retire are allowed to remain on the plan.

**Employees Covered by Benefit Terms**

Membership in the plan consisted of the following at June 30, 2021, the date of the last actuarial valuation:

Inactive employees currently receiving benefit payments	6
Active employees	<u>198</u>
Total	<u><u>204</u></u>

**Total OPEB Liability**

The Town’s total OPEB liability of \$1,690,494 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.5% per year	
Salary increases	3.50%	
Discount rate	2.19%	
Healthcare cost trend rates	FYE	Medical/Rx
	2022	8.00%
	2023	7.50%
	2024	7.00%
	2025	6.50%
	2026	6.00%
	2027	5.50%
	2028	5.00%
	2029+	4.50%

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

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Mortality rates were based on RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study from fiscal year 2019.

**Changes in the Total OPEB Liability**

	<b><u>Total OPEB Liability</u></b>
Balance as of July 1, 2020	\$ <u>1,222,779</u>
Changes for the year:	
Service cost	58,089
Interest on total OPEB liability	33,594
Difference between expected and actual experience	263,441
Changes in assumptions or other inputs	148,717
Benefit payments	<u>(36,126)</u>
Net changes	<u>467,715</u>
Balance as of June 30, 2021	\$ <u><u>1,690,494</u></u>

The discount rate was 2.19% as of June 30, 2021 and 2.66% as of June 30, 2020.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Town, as well as what the Town's 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:

	<b><u>1% Decrease (1.19%)</u></b>	<b><u>Current Discount Rate (2.19%)</u></b>	<b><u>1% Increase (3.19%)</u></b>
Total OPEB Liability	\$ 1,841,969	\$ 1,690,494	\$ 1,552,131

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**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<b>1% Decrease (7.0% Decreasing to 3.5%)</b>	<b>Healthcare Cost Trend Rates (8.0% Decreasing to 4.5%)</b>	<b>1% Increase (9.0% Decreasing to 5.5%)</b>
Total OPEB Liability	\$ 1,512,583	\$ 1,690,494	\$ 1,898,722

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2021, the Town recognized OPEB expense of \$131,497. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 225,807	\$ 115,570
Changes of assumptions or other inputs	198,185	14,175
Total	<u>\$ 423,992</u>	<u>\$ 129,745</u>

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

**Year Ending June 30**

2022	\$ 39,814
2023	39,814
2024	39,814
2025	44,544
2026	71,377
Thereafter	58,884

## **B. State Teachers Retirement Plan**

### **Plan Description**

Teachers, principals, superintendents, or supervisors engaged in service of public schools plus professional employees at State Schools of higher education 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), if they choose to be covered.

Chapter 167a 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).

### **Benefit Provisions**

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 who 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, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 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 who 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. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option, must wait two years to re-enroll.

### **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 Supplement or Medicare Advantage Plan options, as long as they do not remarry.

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**Eligibility**

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

**Credited Service**

One month for each month of service as a teacher in Connecticut public schools, maximum ten months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

**Normal Retirement**

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

**Early Retirement**

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

**Proratable Retirement**

Age 60 with 10 years of Credited Service

**Disability Retirement**

No service requirement if incurred in the performance of duty, and five years of Credited Service in Connecticut if not incurred in the performance of duty.

**Termination of Employment**

Ten or more years of Credited Service.

**Contributions**

*State of Connecticut*

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, 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.

*Employer (School Districts)*

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

For the year ended June 30, 2021, the amount of "on-behalf" contributions made by the State was \$67,281 and is recognized in the General Fund as intergovernmental revenues and education expenditures.



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*Employees/Retirees*

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers pay for one-third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2021, 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 amount 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 was 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>6,482,739</u>
Total	\$	<u><u>6,482,739</u></u>

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

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of \$299,453 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**C. Actuarial Assumptions**

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

Inflation	2.50%
Health care costs trend rate	5.125% decreasing to an ultimate rate of 4.50% by 2023
Salary increases	3.00-6.5%, including inflation
Investment rate of return	2.21%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2021

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

**TOWN OF EAST HADDAM, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.42%).

**D. Discount Rate**

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate assumed that total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%; employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Annual State contributions were assumed to be equal to the most recent five-year average of State contributions to the fund. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination.

**E. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate**

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

**F. Other Information**

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. 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 at [www.ct.gov](http://www.ct.gov).

**TOWN OF EAST HADDAM, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**11. FUND BALANCES**

**A. Components**

	<u>General Fund</u>	<u>Capital Projects and Reserve Fund</u>	<u>Bonded Capital Projects Fund</u>	<u>A.E. Purple Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Inventory	\$	\$	\$	\$	\$ 10,615	\$ 10,615
Endowment				400,000	39,793	439,793
Restricted for:						
Capital projects			622,333		996,956	1,619,289
Public safety					101,438	101,438
Recreation					42,654	42,654
Education				9,263,795	275,066	9,538,861
Health and welfare					294,893	294,893
Sewer use					108,485	108,485
Committed to:						
General government					16,040	16,040
Recreation					128,060	128,060
Education					58,910	58,910
Open space		3,576,884				3,576,884
Assigned to:						
Education	169,492				-	169,492
Unassigned	<u>5,704,710</u>		<u>-</u>		<u>(17,595)</u>	<u>5,687,115</u>
Total Fund Balances	<u>\$ 5,874,202</u>	<u>\$ 3,576,884</u>	<u>\$ 622,333</u>	<u>\$ 9,663,795</u>	<u>\$ 2,055,315</u>	<u>\$ 21,792,529</u>

Significant encumbrances at June 30, 2021 are contained in the above table in the assigned categories of the General Fund of \$169,492.

**B. Fund Deficits**

The Police Services Fund and Capital Grants have deficits of \$7,587 and \$10,008, respectively, and will be funded by the General Fund in fiscal year ending June 30, 2022.

**12. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT**

The Town previously reported the activities of the Student Activity Fund, Performance Bonds, and Driveway Bonds as fiduciary funds. As a result of the implementation of GASB 84, *Fiduciary Activities*, on July 1, 2020, the Town made the following reporting changes:

The activities of the Performance and Driveway Bonds are reported within the General Fund and the School Activity Fund is reported as a non-major governmental special revenue fund. Accordingly, the Town restated the beginning assets and liabilities of the General Fund by \$154,269. The remaining assets of \$205,376 previously reported within the agency fund were recognized as assets and fund balance of the newly created special revenue fund.

**TOWN OF EAST HADDAM, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

In addition, the Town recognized revenue within the Capital Projects and Reserve Fund due from the federal government that was not received within sixty days of year end. Fund balance was restated to reflect that amount as unavailable. Government activities net position was not modified for this restatement.

The Town's restated beginning balances of the assets, liabilities, fund balance, and net position are as follows:

	<u>Governmental Activities Net Position</u>	<u>Nonmajor Governmental Funds Fund Balance</u>
Balance at June 30, 2020, as previously reported	\$ 86,999,461	\$ 1,637,105
Adjustment:		
Student Activity Fund reported as a special revenue fund	<u>205,376</u>	<u>205,376</u>
Balance at July 1, 2020, as Restated	<u>\$ 87,204,837</u>	<u>\$ 1,842,481</u>
	<u>Agency Funds</u>	<u>Capital Projects and Reserve Fund</u>
Balance at June 30, 2020, as previously reported	\$ 359,645	\$ 4,899,075
Adjustments:		
School Activity Fund reported as a special revenue fund	(205,376)	
Performance Bonds reported within the General Fund	(52,771)	
Driveway Bonds reported within the General Fund	(101,498)	
FEMA grants not recognized as revenue		<u>(451,555)</u>
Balance at July 1, 2020, as Restated	<u>\$ -</u>	<u>\$ 4,447,520</u>

**13. CORONAVIRUS (COVID-19)**

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 10, 2020, the Governor of the State of Connecticut declared a public health emergency and a civil preparedness emergency due to COVID-19.

The Town derives a significant portion of its revenues from property taxes. While the Town has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the Town's health care costs, changes in interest rates, investment valuation, and future federal or state fiscal relief.

**14. CONTINGENT LIABILITIES**

The Town, its officials, employees, boards and commissions are defendants in several lawsuits. It is the opinion of Town officials that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town that would materially adversely affect its financial position.

**Required  
Supplementary  
Information**

**TOWN OF EAST HADDAM, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Property taxes:				
Current and prior years' levies	\$ 27,101,376	\$ 27,101,376	\$ 27,473,159	\$ 371,783
Interest and penalties	168,000	168,000	192,928	24,928
Other taxes	20,190	20,190	33,623	13,433
Total property taxes	<u>27,289,566</u>	<u>27,289,566</u>	<u>27,699,710</u>	<u>410,144</u>
Intergovernmental revenues:				
General government:				
Chester Assessor agreement	40,000	40,000	29,485	(10,515)
PILOT State property	18,370	18,370	18,370	-
Casino funds	3,042	3,042	3,042	-
State highway - Town Aid Road	325,170	325,170	325,780	610
Local Capital Improvement Program	87,754	87,754	88,529	775
Municipal Revenue Sales Tax Sharing	1,696	1,696	1,696	-
Emergency Management Grant	5,000	5,000	5,000	-
Tax Relief:				
Disability	761	761	589	(172)
Veterans	4,779	4,779	4,353	(426)
Education:				
Adult Education	6,063	6,063	6,857	794
Education Cost Sharing/Special Education	3,563,960	3,563,960	3,502,058	(61,902)
Total intergovernmental revenues	<u>4,056,595</u>	<u>4,056,595</u>	<u>3,985,759</u>	<u>(70,836)</u>
Investment and interest income:				
Investment income	<u>27,575</u>	<u>27,575</u>	<u>18,765</u>	<u>(8,810)</u>
Local revenue:				
Assessor fees	300	300	50	(250)
Building Department	135,000	135,000	170,256	35,256
Cemeteries	2,000	2,000	1,674	(326)
Fire permits	200	200	60	(140)
Historic District permits	300	300	50	(250)
Land Use Offices permit fees	20,000	20,000	20,925	925
Other	25,000	25,000	411	(24,589)
Ambulance association	15,000	15,000	6,250	(8,750)
PILOT Goodspeed Opera House	30,568	30,568	30,650	82
Rents	24,000	24,000	48,778	24,778
Telecommunications	26,800	26,800	20,179	(6,621)
Conveyance tax	105,000	105,000	208,146	103,146

(Continued on next page)

**TOWN OF EAST HADDAM, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Local revenue (continued):				
Town Clerk fees	\$ 180,000	\$ 180,000	\$ 298,930	\$ 118,930
Town Clerk licenses	18,000	18,000	15,325	(2,675)
Sanitation/Transfer Station	60,000	60,000	67,995	7,995
Zoning Board of Appeals	1,000	1,000	1,800	800
Libraries:				
Library endowment and trust income	64,825	64,825	63,393	(1,432)
Library fees and fines	7,000	7,000	3,205	(3,795)
Library receipts - gifts and donations	3,500	3,500	7,775	4,275
Total local revenue	<u>718,493</u>	<u>718,493</u>	<u>965,852</u>	<u>247,359</u>
Other:				
Ray School Corporation	205,000	205,000	203,756	(1,244)
Helon Cone Trust	19,750	19,750	25,241	5,491
Total other	<u>224,750</u>	<u>224,750</u>	<u>228,997</u>	<u>4,247</u>
Total revenues	32,316,979	32,316,979	32,899,083	582,104
Other financing sources:				
Transfers from other funds:				
Albert E. Purple Fund	327,588	327,588	344,667	17,079
Palmer Fund	32,439	32,439	33,389	950
Reserve Fund	981,677	981,677	981,677	-
Reliance on fund balance	530,418	530,418	-	(530,418)
Total Revenues and Other Financing Sources	<u>\$ 34,189,101</u>	<u>\$ 34,189,101</u>	34,258,816	<u>\$ 69,715</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - Pension	2,787,888
State of Connecticut OPEB on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - OPEB	67,281
Cancellation of prior year encumbrances are recognized as budgetary revenue	
Transfer elimination for GAAP but separate for budgetary purposes	(981,677)
State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes	321,812
Revenue included in General Fund for GAAP purposes, but separate for budgetary purposes	<u>259,919</u>

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 36,714,039



**TOWN OF EAST HADDAM, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>(Over) Under</u>
General Government:				
Assessor	\$ 137,972	\$ 137,972	\$ 115,772	\$ 22,200
Building maintenance and operation	19,970	19,970	20,159	(189)
Town office building	11,540	11,540	11,522	18
Elections and registrars	48,375	48,375	45,609	2,766
Finance Office	70,448	70,448	71,089	(641)
Planning and Zoning/Land Use Office	166,235	166,235	167,506	(1,271)
Municipal Office Complex	374,046	374,046	365,200	8,846
Probate Court	12,232	12,232	12,922	(690)
Selectmen	168,553	168,553	165,518	3,035
Tax Collector	94,393	94,393	92,369	2,024
Town Clerk	233,609	233,609	285,505	(51,896)
Board of Finance	142,510	122,167	42,708	79,459
Fringe benefits	1,244,278	1,244,278	1,128,951	115,327
Insurance	229,000	229,000	229,845	(845)
Legal services	63,000	63,000	97,708	(34,708)
Board of Assessment Appeals	3,335	3,335	1,291	2,044
Agriculture Commission	1,000	1,000		1,000
Conservation Commission	6,850	6,850	4,767	2,083
Economic Development Commission	27,789	27,789	18,070	9,719
Historic District Commission	4,000	4,000	450	3,550
Open Space Committee	3,250	3,250	73	3,177
Zoning Board of Appeals	1,370	1,370	661	709
Shared services	1,219,647	1,219,647	1,132,016	87,631
Total general government	<u>4,283,402</u>	<u>4,263,059</u>	<u>4,009,711</u>	<u>253,348</u>
Public safety:				
Protective Inspection	122,387	122,387	119,868	2,519
Emergency management	136,648	136,648	137,138	(490)
Fire Department	424,400	424,400	421,947	2,453
Fire Marshal	33,757	33,757	6,945	26,812
Paramedic Services	8,988	8,988	8,988	-
Police officers	467,154	467,154	452,762	14,392
Resident trooper	202,550	202,550	173,908	28,642
Total public safety	<u>1,395,884</u>	<u>1,395,884</u>	<u>1,321,556</u>	<u>74,328</u>

(Continued on next page)

**TOWN OF EAST HADDAM, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>(Over) Under</u>
Public works:				
General highways	\$ 1,332,308	\$ 1,332,308	\$ 1,535,579	\$ (203,271)
Snow removal	252,815	252,815	149,451	103,364
Transfer Station	656,641	656,641	719,951	(63,310)
Total public works	<u>2,241,764</u>	<u>2,241,764</u>	<u>2,404,981</u>	<u>(163,217)</u>
Health and welfare:				
Cemeteries	10,550	10,550	7,565	2,985
Health District	114,671	127,214	124,694	2,520
Human Services	3,920	3,920	3,320	600
Senior Services	136,747	136,747	133,198	3,549
Youth and Family Services	211,642	219,442	219,442	-
Total health and welfare	<u>477,530</u>	<u>497,873</u>	<u>488,219</u>	<u>9,654</u>
Recreation and leisure:				
Lakes Association	22,500	22,500	14,287	8,213
Public Libraries	346,119	346,119	335,880	10,239
Recreation Commission	129,941	129,941	111,921	18,020
Greens maintenance	70,914	70,914	88,119	(17,205)
Total recreation and leisure	<u>569,474</u>	<u>569,474</u>	<u>550,207</u>	<u>19,267</u>
Board of Education	<u>20,792,712</u>	<u>20,792,712</u>	<u>20,525,403</u>	<u>267,309</u>
Debt service	<u>2,640,381</u>	<u>2,606,312</u>	<u>2,606,533</u>	<u>(221)</u>
Total expenditures	<u>32,401,147</u>	<u>32,367,078</u>	<u>31,906,610</u>	<u>460,468</u>

(Continued on next page)

**TOWN OF EAST HADDAM, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance (Over) Under</u>
	<u>Original</u>	<u>Final</u>		
Other financing uses:				
Transfers to other funds:				
Special Revenue Funds	\$ 81,600	\$ 81,600	\$ 81,600	\$ -
Capital Projects	<u>1,706,355</u>	<u>2,006,035</u>	<u>2,006,035</u>	<u>-</u>
Total other financing uses	<u>1,787,955</u>	<u>2,087,635</u>	<u>2,087,635</u>	<u>-</u>
Total Budgetary Expenditures and Other Financing Uses	\$ <u>34,189,102</u>	\$ <u>34,454,713</u>	33,994,245	\$ <u>460,468</u>
Budgetary expenditures are different than GAAP expenditures because:				
Encumbrances outstanding at June 30, 2020			(169,492)	
Liquidation of prior year encumbrances			139,180	
State of Connecticut on-behalf contribution to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - Pension			2,787,888	
State of Connecticut OPEB on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - OPEB			67,281	
Payroll accrual adjustment - payroll budgeted on a cash basis			14,576	
Transfer elimination for GAAP but separate for budgetary purposes			(981,677)	
State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes			321,812	
Shared services not budgeted			<u>333,128</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>36,506,941</u>	

**TOWN OF EAST HADDAM, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**FIREFIGHTERS PENSION PLAN**  
**LAST EIGHT FISCAL YEARS\***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total pension liability:								
Service cost	\$ 9,345	\$ 9,420	\$ 9,448	\$ 10,661	\$ 12,269	\$ 11,842	\$ 12,117	\$ 12,078
Interest	33,288	33,560	35,612	36,253	37,156	36,583	41,349	40,824
Differences between expected and actual experience		23,844	(2,002)		(2,308)	23,043		(8,186)
Changes of assumptions	2,288	3,144	(804)					6,015
Benefit payments, including refunds of member	(37,080)	(35,280)	(33,900)	(32,100)	(32,100)	(33,500)	(36,600)	(38,040)
Other		(25)	(513)					
Net change in total pension liability	7,841	34,663	7,841	14,814	15,017	37,968	16,866	12,691
Total pension liability - beginning	614,185	622,026	656,689	664,530	679,344	694,361	732,329	749,195
Total pension liability - ending	622,026	656,689	664,530	679,344	694,361	732,329	749,195	761,886
Plan fiduciary net position:								
Contributions - employer	79,182	64,601	59,739	52,990	59,739	62,182	64,004	59,268
Net investment income (loss)	51,486	16,978	(1,676)	60,800	56,633	52,242	48,859	201,456
Benefit payments, including refunds of member	(37,080)	(35,280)	(33,900)	(32,100)	(32,100)	(33,500)	(36,600)	(38,040)
Administrative expense	(12,687)	(10,021)	(17,020)	(9,381)	(16,518)	(12,105)	(26,645)	(17,676)
Other						1,500		
Net change in plan fiduciary net position	80,901	36,278	7,143	72,309	67,754	70,319	49,618	205,008
Plan fiduciary net position - beginning	375,998	456,899	493,177	500,320	572,629	640,383	710,702	760,320
Plan fiduciary net position - ending	456,899	493,177	500,320	572,629	640,383	710,702	760,320	965,328
Net Pension (Asset) Liability - Ending	\$ <u>165,127</u>	\$ <u>163,512</u>	\$ <u>164,210</u>	\$ <u>106,715</u>	\$ <u>53,978</u>	\$ <u>21,627</u>	\$ <u>(11,125)</u>	\$ <u>(203,442)</u>
Plan fiduciary net position as a percentage of the total pension (asset) liability	73.45%	75.10%	75.29%	84.29%	92.23%	97.05%	101.48%	126.70%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension (asset) liability as a percentage of covered	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF EAST HADDAM, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS - FIREFIGHTERS PENSION PLAN  
LAST TEN FISCAL YEARS\***

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution	\$ 48,417	\$ 28,708	\$ 29,915	\$ 25,415	\$ 23,957	\$ 23,504	\$ 22,767	\$ 22,306	\$ 15,008	\$ 13,849
Contributions in relation to the actuarially determined contribution	<u>35,646</u>	<u>39,705</u>	<u>79,182</u>	<u>64,601</u>	<u>59,739</u>	<u>52,990</u>	<u>59,739</u>	<u>62,182</u>	<u>64,004</u>	<u>59,268</u>
Contribution Deficiency (Excess)	<u>\$ 12,771</u>	<u>\$ (10,997)</u>	<u>\$ (49,267)</u>	<u>\$ (39,186)</u>	<u>\$ (35,782)</u>	<u>\$ (29,486)</u>	<u>\$ (36,972)</u>	<u>\$ (39,876)</u>	<u>\$ (48,996)</u>	<u>\$ (45,419)</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule**

Valuation date: June 30, 2021  
Measurement date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method                   Entry age  
Amortization method                   20-year level dollar amortization method (closed), using 5.5% discount  
Asset valuation method                 Market value  
Inflation                                   2.4%  
Salary increases                         Not applicable  
Investment rate of return               5.50%, net of pension plan investment expense, including inflation  
Retirement age                         100% at age 65

Mortality                                   PubS-2010 mortality Tables projected generationally using MP-2020  
PubS-2010 Disabled mortality Tables, projected generationally using MP-2020  
PubS-2010 Continuing Survivor Mortality Tables, projected generationally using MP-2020

NOTE: The Pension Trust Fund was established in 2012.

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF EAST HADDAM, CONNECTICUT  
 SCHEDULE OF INVESTMENT RETURNS - FIREFIGHTERS PENSION PLAN  
 LAST EIGHT FISCAL YEARS\***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	14.10 %	1.29 %	2.51 %	9.59 %	7.90 %	6.39 %	5.43 %	7.69 %

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF EAST HADDAM, CONNECTICUT  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS RETIREMENT PLAN  
LAST SEVEN FISCAL YEARS\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>23,954,286</u>	<u>25,916,149</u>	<u>32,800,687</u>	<u>31,090,473</u>	<u>30,485,833</u>	<u>39,537,660</u>	<u>43,464,549</u>
Total	<u>\$ 23,954,286</u>	<u>\$ 25,916,149</u>	<u>\$ 32,800,687</u>	<u>\$ 31,090,473</u>	<u>\$ 30,485,833</u>	<u>\$ 39,537,660</u>	<u>\$ 43,464,549</u>
Town's covered payroll	\$ 8,748,161	\$ 9,152,747	\$ 9,490,790	\$ 9,390,729	\$ 9,861,593	\$ 9,861,593	\$ 9,893,630
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%	49.24%

**Notes to Schedule**

Changes in benefit terms  
Changes of assumptions

None

The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019:

- Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%.
- Decrease payroll growth assumption from 3.25% to 3.00%.
- Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

Actuarial cost method  
Amortization method  
Single equivalent amortization period  
Asset valuation method  
Inflation  
Salary increase  
Investment rate of return

Entry age  
Level percent of pay, closed  
30 years  
4-year smoothed market  
2.50%  
3.25% - 6.50%, including inflation  
6.90%, net of investment related expense

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

\*\*The measurement date is one year earlier than the employer's reporting date.

**TOWN OF EAST HADDAM, CONNECTICUT  
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM  
 LAST SEVEN FISCAL YEARS\***

	<b>2015</b> <b>(as Restated)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Town's proportion of the net pension liability	0.24%	0.24%	0.12%	0.12%	0.08%	0.07%	0.04%
Town's proportionate share of the net pension liability	\$ 230,476	\$ 325,104	\$ 392,573	\$ 330,617	\$ 732,302	\$ 721,070	\$ 393,158
Town's covered payroll	\$ 528,067	\$ 512,160	\$ 476,120	\$ 491,605	\$ 515,507	\$ 502,238	\$ 390,547
Plan fiduciary net position as a percentage of the total pension liability	90.48%	92.72%	88.29%	91.68%	73.60%	72.69%	71.18%

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

\*\*The measurement date is one year earlier than the employer's reporting date.



**TOWN OF EAST HADDAM, CONNECTICUT  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS - MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution	\$ 58,770	\$ 60,824	\$ 63,306	\$ 64,594	\$ 54,183	\$ 63,369	\$ 72,861	\$ 71,154	\$ 65,962	\$ 41,020
Contributions in relation to the actuarially determined contribution	57,094	62,612	63,263	61,357	54,183	63,369	72,861	71,154	65,962	41,020
Contribution Deficiency (Excess)	\$ <u>1,676</u>	\$ <u>(1,788)</u>	\$ <u>43</u>	\$ <u>3,237</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 493,889	\$ 531,066	\$ 528,067	\$ 512,160	\$ 476,120	\$ 491,605	\$ 515,507	\$ 502,238	\$ 390,547	\$ 274,380
Contributions as a percentage of covered payroll	11.56%	11.79%	11.98%	11.98%	11.38%	12.89%	14.13%	14.17%	16.89%	14.95%

**Notes to Schedule**

Valuation date: June 30, 2020  
 Measurement date: June 30, 2020

The actuarially determined contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level dollar, closed
Single equivalent amortization period	21 years
Asset valuation method	5 years' smoothed market (20% write up)
Inflation	3.25%
Salary increases	4.25% - 11%, including inflation
Investment rate of return	8%, net of investment related expense
Changes in assumptions:	In 2019, the latest experience study for the System updated most of the actuarial assumptions utilized in the June 30, 2020 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement and salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the experience study for the System for the five-year period ended June 30, 2017.

**TOWN OF EAST HADDAM, CONNECTICUT**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**POST-RETIREMENT MEDICAL PROGRAM**  
**LAST FOUR FISCAL YEARS\***

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability:				
Service cost	\$ 55,672	\$ 54,488	\$ 47,624	\$ 58,089
Interest	43,053	47,870	39,047	33,594
Differences between expected and actual experience		(202,249)		263,441
Changes of assumptions and other inputs	(33,075)	14,409	87,468	148,717
Benefit payments	(41,473)	(32,187)	(32,093)	(36,126)
Net change in total OPEB liability	<u>24,177</u>	<u>(117,669)</u>	<u>142,046</u>	<u>467,715</u>
Total OPEB liability - beginning	<u>1,174,225</u>	<u>1,198,402</u>	<u>1,080,733</u>	<u>1,222,779</u>
Total OPEB Liability - Ending	<u>\$ 1,198,402</u>	<u>\$ 1,080,733</u>	<u>\$ 1,222,779</u>	<u>\$ 1,690,494</u>
Covered-employee payroll	\$ 12,408,419	\$ 12,430,348	\$ 12,483,744	\$ 12,496,283
Total OPEB liability as a percentage of covered-employee payroll	9.66%	8.69%	9.79%	13.50%

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**Notes to Schedule**

The discount rate was changed to 2.19% as of June 30, 2021 from 2.66% as of June 30, 2020.

Measurement date:	June 30, 2021
Valuation date:	June 30, 2021
Inflation rate:	3.50% per year
Actuarial cost method:	Entry Age Normal
Payroll growth:	3.50% per year for general wage inflation

Healthcare cost trend rates	<u>FYE</u>	<u>Medical/Rx</u>
	2022	8.00%
	2023	7.50%
	2024	7.00%
	2025	6.50%
	2026	6.00%
	2027	5.50%
	2028	5.00%
	2029+	4.50%

**TOWN OF EAST HADDAM, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**TEACHERS RETIREMENT PLAN**  
**LAST FOUR FISCAL YEARS\***

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>8,002,327</u>	<u>6,094,329</u>	<u>6,166,120</u>	<u>6,482,739</u>
Total	<u>\$ 8,002,327</u>	<u>\$ 6,094,329</u>	<u>\$ 6,166,120</u>	<u>\$ 6,482,739</u>
Town's covered payroll	\$ 9,390,729	\$ 9,678,280	\$ 9,861,593	\$ 9,893,630
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%	2.08%	2.50%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	<p>Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2020 was updated to equal the Municipal Bond Index Rate as of June 30, 2020;</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;</p> <p>Long-term health care cost trend rates were updated;</p> <p>The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated based on observed plan experience. Additionally, participants are no longer assumed to migrate from the Medicare Supplement Plan to the Medicare Advantage Plan after selecting an option; and,</p> <p>The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019. The changes in assumptions are summarized below:</p> <ul style="list-style-type: none"> <li>- Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%.</li> <li>- Decrease payroll growth assumption from 3.25% to 3.00%.</li> <li>- Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.</li> </ul>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.75%

\* This schedule is intended to show information for ten years. Additional years' information will be displayed

\*\*The measurement date is one year earlier than the employer's reporting date.

**Supplemental,  
Combining  
and Individual Fund  
Statements and  
Schedules**

# General Fund

## **GENERAL FUND**

To account for the general operations of the Town, except those required to be accounted for in another fund.

TOWN OF EAST HADDAM, CONNECTICUT  
 GENERAL FUND  
 REPORT OF TAX COLLECTOR  
 FOR THE YEAR ENDED JUNE 30, 2021

Grand List	Uncollected Taxes July 1, 2020	Current Year Levy	Assessor's Additions	Assessor's Deductions	Transfers to Suspense	Refunds	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2021
								Taxes	Interest Liens and Other Fees	Total	
2019	\$	\$ 27,396,770	\$ 38,103	\$ (49,539)	\$ (20,928)	\$ 6,229	\$ 27,370,635	\$ 27,132,144	\$ 98,140	\$ 27,230,284	\$ 238,491
2018		341,756	362	(3,385)	(37,164)	2,348	303,917	258,418	61,799	320,217	45,499
2017		67,977	104	(684)	(738)	684	67,343	67,296	19,807	87,103	47
2016		2,669			(908)		1,761	1,761	359	2,120	-
	\$	<u>412,402</u>	<u>38,569</u>	<u>(53,608)</u>	<u>(59,738)</u>	<u>9,261</u>	<u>27,743,656</u>	27,459,619	180,105	27,639,724	<u>\$ 284,037</u>

Suspense collections:

2019	2,296	474	2,770
2018	6,316	1,956	8,272
2017	6,821	2,884	9,705
2016	2,472	1,427	3,899
2015	1,714	1,129	2,843
2014	806	824	1,630
2013	599	681	1,280
2012	104	151	255
2011	140	208	348
2006	51	122	173
2005	139	450	589
Total	\$ 27,481,077	\$ 190,411	\$ 27,671,488

**Nonmajor  
Governmental  
Funds**



## **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for proceeds of several revenue sources that are legally restricted to expenditures for specific purposes. The Town's special revenue funds are:

### **WPCA Sewer**

To account for the activities of the Water Pollution Control Authority and the waste treatment facility.

### **Senior Transportation**

To account for and support the transportation of elderly and disabled citizens.

### **Recreation Activity**

To account for and promote the recreational programs for the Town.

### **Regional Animal Control**

To account for the operations of the Regional Animal Control.

### **Senior Center Donations**

To account for donations received to promote and support the Senior Center.

### **Records Preservation**

To account for grants and fees for historic document preservation in the Town Clerk's office.

### **Educational Grants**

To account for grant funds received by the Board of Education.

### **Student Activities**

To account for funds received to promote and support student related clubs and activities.

### **Food Services**

To account for the school district's food service program.

### **Ray School Corporation**

To account for funds received from the Ray School Corporation to promote and support vocational education.

### **BOE Special Revenue Fund**

To account for revenue received from other communities for educating their students who reside in East Haddam or revenues and expenses for education services and programs offered by East Haddam that other communities choose to utilize.

### **Green Committee**

To account for and support environmentally friendly practices in our community.

### **Transfer Station**

To account for receipts at the Transfer Station.

### **Forestry Management**

To account for stewardship responsibilities of the Conservation Commission with minimal cost to the taxpayers through a self-sustaining Forest Management program via harvesting of trees for marketable timber.

### **Music on the River**

To account for and support the Music on the River series.

**Disc Golf**

To account for and support the Disc Golf course and programs.

**Agriculture Commission**

To account for and promote farming and agriculture on designated Town-owned property and throughout the community.

**Library Donations**

To account for donations received to promote and support the Library System.

**Police Services**

To account for police services that are provided outside of the scope of regular police duties.

**Miscellaneous Town Grants**

To account for funds received by the State for various purposes.

**CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for capital expenditures that are funded by grants, donations or endowment funds.

**Capital Grants**

To account for capital expenditures that are fully funded by grants and/or donations.

**William F. Palmer Fund**

To account for funds received from the W.F. Palmer Fund to support Town road improvements.

**PERMANENT FUNDS**

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

**Cemetery**

To account for funds that provide financial support for the upkeep of cemeteries.

**Trust Scholarship Fund**

To account for various donations for trusts and scholarships.

**TOWN OF EAST HADDAM, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<b>Special Revenue Funds</b>							
	<b>WPCA Sewer</b>	<b>Senior Transportation</b>	<b>Recreation Activity</b>	<b>Regional Animal Control</b>	<b>Senior Center Donations</b>	<b>Records Preservation</b>	<b>Educational Grants</b>	<b>Student Activities</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 158,153	\$ 20,704	\$ -	\$	\$	\$	\$ -	\$ 180,002
Investments								
Accounts receivable	12,249						11,083	
Due from other funds			183,662	107,124	42,243	16,042	78,942	
Inventory								
<b>Total Assets</b>	<b>\$ 170,402</b>	<b>\$ 20,704</b>	<b>\$ 183,662</b>	<b>\$ 107,124</b>	<b>\$ 42,243</b>	<b>\$ 16,042</b>	<b>\$ 90,025</b>	<b>\$ 180,002</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts and other payables	\$ 61,165	\$ -	\$ 18,260	\$ 5,686	\$ 2,888	\$ 2	\$ 349	\$
Due to other funds	752	12,183						
Unearned revenue			58,113				89,676	
<b>Total liabilities</b>	<b>61,917</b>	<b>12,183</b>	<b>76,373</b>	<b>5,686</b>	<b>2,888</b>	<b>2</b>	<b>90,025</b>	
Fund Balances:								
Nonspendable								
Restricted	108,485	8,521		101,438	39,355		-	180,002
Committed			107,289			16,040		
Unassigned							-	
<b>Total fund balances</b>	<b>108,485</b>	<b>8,521</b>	<b>107,289</b>	<b>101,438</b>	<b>39,355</b>	<b>16,040</b>	<b>-</b>	<b>180,002</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 170,402</b>	<b>\$ 20,704</b>	<b>\$ 183,662</b>	<b>\$ 107,124</b>	<b>\$ 42,243</b>	<b>\$ 16,042</b>	<b>\$ 90,025</b>	<b>\$ 180,002</b>

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**TOWN OF EAST HADDAM, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	Special Revenue Funds							
	Food Services	Ray School Corporation	BOE Special Revenue Fund	Green Committee	Transfer Station	Forestry Management	Music on the River	Disc Golf
<b>ASSETS</b>								
Cash and cash equivalents	\$ 11,819	\$ 150,021	\$ -	\$	\$ 8,732	\$	\$	\$
Investments								
Accounts receivable	95,678		21,229					
Due from other funds			38,024	580		29,923	20,663	108
Inventory	10,615							
<b>Total Assets</b>	<b>\$ 118,112</b>	<b>\$ 150,021</b>	<b>\$ 59,253</b>	<b>\$ 580</b>	<b>\$ 8,732</b>	<b>\$ 29,923</b>	<b>\$ 20,663</b>	<b>\$ 108</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts and other payables	\$ 3,696	\$	\$ 343	\$	\$ 8,732	\$ 1,199	\$ -	\$
Due to other funds	365							
Unearned revenue	8,372	150,021						
<b>Total liabilities</b>	<b>12,433</b>	<b>150,021</b>	<b>343</b>	<b>-</b>	<b>8,732</b>	<b>1,199</b>	<b>-</b>	<b>-</b>
Fund Balances:								
Nonspendable	10,615							
Restricted	95,064			580		28,724		
Committed			58,910				20,663	108
Unassigned								
<b>Total fund balances</b>	<b>105,679</b>	<b>-</b>	<b>58,910</b>	<b>580</b>	<b>-</b>	<b>28,724</b>	<b>20,663</b>	<b>108</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 118,112</b>	<b>\$ 150,021</b>	<b>\$ 59,253</b>	<b>\$ 580</b>	<b>\$ 8,732</b>	<b>\$ 29,923</b>	<b>\$ 20,663</b>	<b>\$ 108</b>

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**TOWN OF EAST HADDAM, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	Special Revenue				Capital Project Funds		Permanent Funds		Total Nonmajor Governmental Funds
	Agriculture Commission	Library Donations	Police Services	Misc Town Grants	Capital Grants	William F. Palmer Fund	Cemetery	Trust Scholarship Fund	
<b>ASSETS</b>									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$ 143,732	\$ -	\$	\$ 673,163
Investments						853,224	266,720	9,053	1,128,997
Accounts receivable		-	-		-		-		140,239
Due from other funds	3,509	9,841		15,000			-	11,037	556,698
Inventory									10,615
<b>Total Assets</b>	<b>\$ 3,509</b>	<b>\$ 9,841</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>\$ 996,956</b>	<b>\$ 266,720</b>	<b>\$ 20,090</b>	<b>\$ 2,509,712</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts and other payables	\$ -	\$	\$	\$ 15,000	\$ -	\$	\$	\$ -	\$ 117,320
Due to other funds			7,587	-	9,772	-			30,659
Unearned revenue					236				306,418
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>7,587</b>	<b>15,000</b>	<b>10,008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>454,397</b>
Fund Balances:									
Nonspendable							35,587	4,206	50,408
Restricted	3,509	9,841				996,956	231,133	15,884	1,819,492
Committed									203,010
Unassigned			(7,587)	-	(10,008)				(17,595)
<b>Total fund balances</b>	<b>3,509</b>	<b>9,841</b>	<b>(7,587)</b>	<b>-</b>	<b>(10,008)</b>	<b>996,956</b>	<b>266,720</b>	<b>20,090</b>	<b>2,055,315</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,509</b>	<b>\$ 9,841</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>\$ 996,956</b>	<b>\$ 266,720</b>	<b>\$ 20,090</b>	<b>\$ 2,509,712</b>

**TOWN OF EAST HADDAM, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds							
	WPCA Sewer	Senior Transportation	Recreation Activity	Regional Animal Control	Senior Center Donations	Records Preservation	Educational Grants	Student Activities
Revenues:								
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,500	\$ 305,760	\$ -
Charges for sales and services	205,390	-	103,445	49,902	-	3,000	-	91,924
Income on investments	123	30	-	-	-	-	-	15
Unrealized Gain/Loss	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Donations and gifts	-	933	-	-	36,870	-	-	-
Total revenues	<u>205,513</u>	<u>963</u>	<u>103,445</u>	<u>49,902</u>	<u>36,870</u>	<u>8,500</u>	<u>305,760</u>	<u>91,939</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	7,851	-	-
Public safety	-	-	-	79,677	-	-	-	-
Public works	181,252	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	26,335	-	-	-
Recreation and leisure	-	-	92,456	-	-	-	-	-
Education	-	-	-	-	-	-	305,760	117,313
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>181,252</u>	<u>-</u>	<u>92,456</u>	<u>79,677</u>	<u>26,335</u>	<u>7,851</u>	<u>305,760</u>	<u>117,313</u>
Excess (Deficiency) of Revenues over Expenditures	<u>24,261</u>	<u>963</u>	<u>10,989</u>	<u>(29,775)</u>	<u>10,535</u>	<u>649</u>	<u>-</u>	<u>(25,374)</u>
Other Financing Sources (Uses):								
Transfers in	-	-	9,500	50,000	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>9,500</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	24,261	963	20,489	20,225	10,535	649	-	(25,374)
Fund Balances at Beginning of Year	<u>84,224</u>	<u>7,558</u>	<u>86,800</u>	<u>81,213</u>	<u>28,820</u>	<u>15,391</u>	<u>-</u>	<u>205,376</u>
Fund Balances at End of Year	<u>\$ 108,485</u>	<u>\$ 8,521</u>	<u>\$ 107,289</u>	<u>\$ 101,438</u>	<u>\$ 39,355</u>	<u>\$ 16,040</u>	<u>\$ -</u>	<u>\$ 180,002</u>

(Continued on next page)

**TOWN OF EAST HADDAM, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds							
	Food Services	Ray School Corporation	BOE Special Revenue Fund	Green Committee	Transfer Station	Forestry Management	Music on the River	Disc Golf
Revenues:								
Intergovernmental revenues	\$ 359,732	\$ 300,215	\$ -	\$ -	\$ -	\$ 550	\$ 6,820	\$ -
Charges for sales and services	1,756							
Income on investments								
Unrealized Gain/Loss								
Other								
Donations and gifts								
Total revenues	<u>361,488</u>	<u>300,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550</u>	<u>6,820</u>	<u>-</u>
Expenditures:								
Current:								
General government								
Public safety								
Public works								
Health and welfare								
Recreation and leisure								
Education	428,156	300,215	31,878			8,869	333	3,000
Capital outlay								
Total expenditures	<u>428,156</u>	<u>300,215</u>	<u>31,878</u>	<u>-</u>	<u>-</u>	<u>8,869</u>	<u>333</u>	<u>3,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(66,668)</u>	<u>-</u>	<u>(31,878)</u>	<u>-</u>	<u>-</u>	<u>(8,319)</u>	<u>6,487</u>	<u>(3,000)</u>
Other Financing Sources (Uses):								
Transfers in	100,000					22,100		
Transfers out								
Total other financing sources (uses)	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,100</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	33,332	-	(31,878)	-	-	13,781	6,487	(3,000)
Fund Balances at Beginning of Year	<u>72,347</u>	<u>-</u>	<u>90,788</u>	<u>580</u>	<u>-</u>	<u>14,943</u>	<u>14,176</u>	<u>3,108</u>
Fund Balances at End of Year	<u>\$ 105,679</u>	<u>\$ -</u>	<u>\$ 58,910</u>	<u>\$ 580</u>	<u>\$ -</u>	<u>\$ 28,724</u>	<u>\$ 20,663</u>	<u>\$ 108</u>

(Continued on next page)

**TOWN OF EAST HADDAM, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds			Capital Project Funds				Total Nonmajor Governmental Funds	
	Agriculture Commission	Library Donations	Police Services	Misc Town Grants	Capital Grants	William F. Palmer Fund	Cemetery		Trust Scholarship Fund
Revenues:									
Intergovernmental revenues	\$	\$	\$	\$	\$	-	\$	\$	971,757
Charges for sales and services									462,237
Income on investments						5,370	34,209	1,500	41,247
Unrealized Gain/Loss						175,106			175,106
Other	1,500		60,185		-				61,685
Donations and gifts		6,775						109	44,687
Total revenues	<u>1,500</u>	<u>6,775</u>	<u>60,185</u>	<u>-</u>	<u>-</u>	<u>180,476</u>	<u>34,209</u>	<u>1,609</u>	<u>1,756,719</u>
Expenditures:									
Current:									
General government									7,851
Public safety			67,772						147,449
Public works					25,000				206,252
Health and welfare						610	5,287		32,232
Recreation and leisure	1,795	3,181							109,634
Education								100	1,183,422
Capital outlay				-	-				-
Total expenditures	<u>1,795</u>	<u>3,181</u>	<u>67,772</u>	<u>-</u>	<u>25,000</u>	<u>610</u>	<u>5,287</u>	<u>100</u>	<u>1,686,840</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(295)</u>	<u>3,594</u>	<u>(7,587)</u>	<u>-</u>	<u>(25,000)</u>	<u>179,866</u>	<u>28,922</u>	<u>1,509</u>	<u>69,879</u>
Other Financing Sources (Uses):									
Transfers in	-				-			-	181,600
Transfers out			(5,256)			(33,389)		-	(38,645)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(5,256)</u>	<u>-</u>	<u>-</u>	<u>(33,389)</u>	<u>-</u>	<u>-</u>	<u>142,955</u>
Net Change in Fund Balances	(295)	3,594	(12,843)	-	(25,000)	146,477	28,922	1,509	212,834
Fund Balances at Beginning of Year	<u>3,804</u>	<u>6,247</u>	<u>5,256</u>	<u>-</u>	<u>14,992</u>	<u>850,479</u>	<u>237,798</u>	<u>18,581</u>	<u>1,842,481</u>
Fund Balances at End of Year	<u>\$ 3,509</u>	<u>\$ 9,841</u>	<u>\$ (7,587)</u>	<u>\$ -</u>	<u>\$ (10,008)</u>	<u>\$ 996,956</u>	<u>\$ 266,720</u>	<u>\$ 20,090</u>	<u>\$ 2,055,315</u>



# **Debt Payment Schedule**

**TOWN OF EAST HADDAM, CONNECTICUT  
DEBT PAYMENT SCHEDULE  
JUNE 30, 2021**

Fiscal Year	November 3, 2015 Refunding		December 3, 2020 Refunding		December 3, 2020 Open Space Bonds		September 26, 2013 Open Space Loan		Gross Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 950,000	\$ 193,575	\$ 960,000	\$ 1,033,113	\$ 50,000	\$ 9,743	\$ 195,000	\$ 9,813	\$ 2,155,000	\$ 1,246,244
2023	950,000	155,575	990,000	645,950	45,000	5,962	155,000	5,438	2,140,000	812,925
2024	890,000	117,575	1,025,000	605,650	45,000	5,513	140,000	1,750	2,100,000	730,488
2025	890,000	90,875	1,055,000	558,775	45,000	5,063			1,990,000	654,713
2026	875,000	68,625	1,105,000	504,775	45,000	4,613			2,025,000	578,013
2027	855,000	46,750	1,005,000	452,025	45,000	3,949			1,905,000	502,724
2028	845,000	23,238	1,050,000	400,650	45,000	3,071			1,940,000	426,959
2029			980,000	349,900	45,000	2,194			1,025,000	352,094
2030			1,025,000	304,900	45,000	1,316			1,070,000	306,216
2031			1,015,000	264,100	45,000	439			1,060,000	264,539
2032			845,000	226,900					845,000	226,900
2033			880,000	196,800					880,000	196,800
2034			905,000	170,025					905,000	170,025
2035			930,000	142,500					930,000	142,500
2036			955,000	114,225					955,000	114,225
2037			950,000	85,650					950,000	85,650
2038			985,000	56,625					985,000	56,625
2039			1,010,000	26,700					1,010,000	26,700
2040			190,000	8,700					190,000	8,700
2041			195,000	2,925					195,000	2,925
	<u>\$ 6,255,000</u>	<u>\$ 696,213</u>	<u>\$ 18,055,000</u>	<u>\$ 6,150,888</u>	<u>\$ 455,000</u>	<u>\$ 41,863</u>	<u>\$ 490,000</u>	<u>\$ 17,001</u>	<u>\$ 25,255,000</u>	<u>\$ 6,905,965</u>

# **Statistical Section**

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

<b>Contents</b>	<b>Page</b>
Financial Trends	
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	84-87
Revenue Capacity	88-90
These schedules contain information to help the reader assess the Town's most significant local revenue source, property taxes	
Debt Capacity	91-94
These schedules present information to help the reader assess the affordability of the Town's current level of outstanding debt and the Town's ability to issue additional debt in the future.	
Demographic and Economic Information	95-96
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	
Operating Information	97-99
These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	

**TOWN OF EAST HADDAM, CONNECTICUT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
Net investment in capital assets	\$ 51,404,744	\$ 53,699,262	\$ 57,015,743	\$ 59,760,942	\$ 62,128,420	\$ 63,151,698	\$ 64,367,142	\$ 64,551,151	\$ 68,853,560	\$ 70,767,622
Restricted	440,287	439,793	439,793	439,793	439,793	439,793	439,793	445,181	439,793	11,797,421
Unrestricted	<u>15,285,171</u>	<u>15,718,829</u>	<u>15,904,786</u>	<u>15,630,447</u>	<u>15,230,572</u>	<u>17,047,749</u>	<u>16,226,216</u>	<u>17,820,367</u>	<u>17,706,108</u>	<u>8,661,363</u>
Total Governmental Activities Net Position	<u>\$ 67,130,202</u>	<u>\$ 69,857,884</u>	<u>\$ 73,360,322</u>	<u>\$ 75,831,182</u>	<u>\$ 77,798,785</u>	<u>\$ 80,639,240</u>	<u>\$ 81,033,151</u>	<u>\$ 82,816,699</u>	<u>\$ 86,999,461</u>	<u>\$ 91,226,406</u>

\* Restated for GASB 69

**TOWN OF EAST HADDAM, CONNECTICUT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 2,329,396	\$ 2,716,521	\$ 3,345,573	\$ 3,341,914	\$ 2,752,660	\$ 3,488,285	\$ 3,696,758	\$ 3,818,352	\$ 4,068,371	\$ 4,437,837
Public safety	1,000,380	968,500	965,776	957,856	1,165,174	1,295,996	1,265,893	1,249,282	1,509,982	2,179,816
Public works	2,375,922	2,568,999	2,638,216	3,085,314	3,432,111	3,825,994	2,915,173	3,362,747	3,582,682	2,589,499
Health and welfare	366,356	403,314	434,565	452,148	486,859	459,689	519,306	527,949	553,709	690,299
Recreation and leisure	388,905	431,952	596,262	647,851	794,088	741,039	669,532	719,627	826,077	726,996
Education	22,264,244	22,194,577	23,055,364	22,823,332	23,583,437	25,067,078	25,684,644	23,224,124	26,423,043	29,334,607
Interest on long-term debt	867,245	705,794	666,005	667,794	679,735	484,687	666,844	964,912	485,694	830,602
Total Governmental Activities Expenses	<u>29,592,448</u>	<u>29,989,657</u>	<u>31,701,761</u>	<u>31,976,209</u>	<u>32,894,064</u>	<u>35,362,768</u>	<u>35,418,150</u>	<u>33,866,993</u>	<u>37,449,558</u>	<u>40,789,656</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	458,925	388,948	434,726	338,063	436,593	436,169	410,105	397,962	436,614	617,595
Public safety	10,329	17,852	138,165	122,008	157,225	219,710	252,233	360,296	237,040	262,640
Public works	213,987	222,847	219,128	213,121	199,821	210,224	235,423	251,408	270,625	273,385
Health and welfare	200	5,782	1,298	5,033	1,504	12,082	10,979	14,015	37,713	38,544
Recreation and leisure	91,177	207,727	161,498	187,069	194,950	179,152	174,630	191,019	199,801	176,863
Education	267,852	239,850	233,423	274,953	290,945	188,453	184,566	195,224	367,343	205,512
Operating grants and contributions:										
General government	9,500	10,000	4,300	5,870	975	4,625	34,684	5,275	57,275	266,919
Public safety	4,100	26,848	30,949	8,541	4,269	4,800	4,307	25,124	25,479	29,013
Public works	-	-	-	-	-	-	-	-	-	-
Health and Welfare	44,853	39,959	21,207	20,958	24,228	20,942	86,544	21,217	2,485	933
Recreation and leisure	10,939	413	5,230	12,390	22,746	17,091	8,357	5,674	22,705	15,100
Education	7,270,646	7,248,506	7,393,238	7,378,496	6,993,423	8,540,306	8,331,438	6,078,069	9,002,129	11,414,010
Interest on long-term debt	12,167	3,585	-	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	-	-	-	28,380	260,677	314,350	73,078	156,096	41,059	-
Public safety	36,450	-	-	-	-	-	-	-	-	-
Public works	792,663	766,863	974,200	1,531,683	1,174,939	1,250,177	498,290	1,121,710	2,431,492	1,991,704
Health and Welfare	-	15,000	-	-	-	-	-	-	-	-
Recreation and leisure	-	-	1,827,153	5,000	-	-	-	-	-	-
Education	-	554,161	215,170	218,603	-	-	-	-	242,312	-
Total Governmental Activities Revenues	<u>9,223,788</u>	<u>9,748,341</u>	<u>11,659,685</u>	<u>10,350,168</u>	<u>9,762,295</u>	<u>11,398,081</u>	<u>10,304,634</u>	<u>8,823,089</u>	<u>13,374,072</u>	<u>15,292,218</u>
Total Governmental Activities Net Expense	<u>(20,368,660)</u>	<u>(20,241,316)</u>	<u>(20,042,076)</u>	<u>(21,626,041)</u>	<u>(23,131,769)</u>	<u>(23,964,687)</u>	<u>(25,113,516)</u>	<u>(25,043,904)</u>	<u>(24,075,486)</u>	<u>(25,497,438)</u>
General Revenues and Other:										
Changes in Net Position:										
Governmental activities:										
Property taxes	20,853,520	21,443,465	22,147,613	23,847,928	24,628,234	25,428,365	25,636,943	26,160,226	27,043,814	27,547,396
Grants and contributions not restricted to specific programs	355,326	568,632	130,551	147,562	100,910	102,546	97,218	27,240	26,493	26,354
Unrestricted investment earnings	4,690	812,340	1,053,226	494,451	291,015	987,137	655,949	548,839	1,095,099	2,410,082
Other general revenues, net	112,078	144,561	213,124	97,983	119,972	287,094	131,586	91,147	92,842	87,072
Total Primary Government	<u>21,325,614</u>	<u>22,968,998</u>	<u>23,544,514</u>	<u>24,587,924</u>	<u>25,140,131</u>	<u>26,805,142</u>	<u>26,521,696</u>	<u>26,827,452</u>	<u>28,258,248</u>	<u>30,070,904</u>
Change in Net Position:										
Total Governmental Activities	\$ <u>956,954</u>	\$ <u>2,727,682</u>	\$ <u>3,502,438</u>	\$ <u>2,961,883</u>	\$ <u>2,008,362</u>	\$ <u>2,840,455</u>	\$ <u>1,408,180</u>	\$ <u>1,783,548</u>	\$ <u>4,182,762</u>	\$ <u>4,573,466</u>

**TOWN OF EAST HADDAM, CONNECTICUT  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)**

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Nonspendable	\$ 85,612	\$	\$	\$	\$	\$	\$	\$	\$	\$
Committed	19,629									
Assigned	1,716,211	669,928	556,482	276,601	441,480	173,885	164,554	175,562	139,180	169,492
Unassigned	<u>4,011,990</u>	<u>4,010,730</u>	<u>3,865,022</u>	<u>4,468,215</u>	<u>4,152,163</u>	<u>4,427,429</u>	<u>4,941,533</u>	<u>4,979,266</u>	<u>5,527,924</u>	<u>5,704,710</u>
Total General Fund	<u>\$ 5,833,442</u>	<u>\$ 4,680,658</u>	<u>\$ 4,421,504</u>	<u>\$ 4,744,816</u>	<u>\$ 4,593,643</u>	<u>\$ 4,601,314</u>	<u>\$ 5,106,087</u>	<u>\$ 5,154,828</u>	<u>\$ 5,667,104</u>	<u>\$ 5,874,202</u>
All other governmental funds:										
Nonspendable	\$ 440,287	\$ 445,111	\$ 443,519	\$ 444,574	\$ 444,046	\$ 445,495	\$ 443,946	\$ 445,181	\$ 449,174	\$ 450,408
Restricted	6,216,092	6,720,248	7,311,194	7,410,363	7,275,147	7,860,113	8,007,421	8,118,743	8,775,815	11,705,620
Committed	3,537,300	4,037,780	5,018,101	4,935,324	5,278,905	5,529,660	6,134,525	6,242,643	4,994,716	3,779,894
Assigned	26,550	96,081	142,504	45,257	71,238	121,437	150,509	174,251	172,001	-
Unassigned	<u>(1,006,027)</u>	<u>(394,331)</u>	<u>(259,140)</u>	<u>(293,651)</u>	<u>(493,315)</u>	<u>(3,943,997)</u>	<u>(17,014,944)</u>	<u>(4,064,597)</u>	<u>(5,049,639)</u>	<u>(17,595)</u>
Total All Other Governmental Funds	<u>\$ 9,214,202</u>	<u>\$ 10,904,889</u>	<u>\$ 12,656,178</u>	<u>\$ 12,541,867</u>	<u>\$ 12,576,021</u>	<u>\$ 10,012,708</u>	<u>\$ (2,278,543)</u>	<u>\$ 10,916,221</u>	<u>\$ 9,342,067</u>	<u>\$ 15,918,327</u>

**TOWN OF EAST HADDAM, CONNECTICUT**  
**REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
**(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Property taxes	\$ 20,738,239	\$ 21,408,513	\$ 22,029,161	\$ 23,870,943	\$ 24,855,533	\$ 25,356,687	\$ 25,801,748	\$ 26,126,126	\$ 26,916,972	\$ 27,699,710
Intergovernmental	8,303,723	8,850,225	8,367,734	8,904,190	8,418,563	10,283,209	8,945,989	7,196,538	10,542,975	8,646,957
Charges for services	1,052,142	1,083,006	1,188,238	1,067,385	1,294,038	1,235,171	1,246,055	1,299,739	1,239,542	1,383,414
Income on investments	4,674	812,340	1,053,226	494,451	291,015	987,137	655,949	548,839	1,095,099	2,410,082
Miscellaneous	568,234	613,829	614,984	620,213	280,292	267,727	327,126	451,279	367,623	349,394
Total revenues	<u>30,667,012</u>	<u>32,767,913</u>	<u>33,253,343</u>	<u>34,957,182</u>	<u>35,139,441</u>	<u>38,129,931</u>	<u>36,976,867</u>	<u>35,622,521</u>	<u>40,162,211</u>	<u>40,489,557</u>
Expenditures:										
Current:										
General government	2,161,971	2,527,447	3,177,644	3,336,793	3,263,610	3,346,678	3,537,652	3,613,127	3,848,280	4,364,425
Public safety	893,913	844,944	885,982	900,656	1,057,757	1,185,275	1,162,533	1,244,459	1,328,088	1,468,765
Public works	1,751,412	1,961,196	2,052,211	2,462,238	2,786,513	2,927,791	2,188,060	2,297,645	2,233,610	2,611,300
Health and welfare	356,304	377,625	405,725	415,502	445,175	469,288	564,349	485,150	501,377	521,258
Recreation and leisure	375,849	419,962	537,005	575,169	666,744	683,056	637,976	638,142	712,274	660,048
Education	21,713,064	21,635,705	22,428,624	22,272,455	22,601,130	24,627,112	24,964,582	22,555,806	24,525,881	24,764,171
Capital outlay	2,866,960	2,470,127	2,372,228	2,776,793	2,489,433	1,808,342	13,695,365	3,407,595	5,338,955	2,735,790
Debit service:	2,041,687	1,993,004	2,296,789	2,008,575	2,078,153	5,638,031	2,012,828	1,932,588	2,766,688	2,846,954
Total expenditures	<u>32,161,160</u>	<u>32,230,010</u>	<u>34,156,208</u>	<u>34,748,181</u>	<u>35,388,515</u>	<u>40,685,573</u>	<u>48,763,345</u>	<u>36,174,512</u>	<u>41,255,153</u>	<u>39,972,711</u>
Deficiency of Revenues over Expenditures	<u>(1,494,148)</u>	<u>537,903</u>	<u>(902,865)</u>	<u>209,001</u>	<u>(249,074)</u>	<u>(2,555,642)</u>	<u>(11,786,478)</u>	<u>(551,991)</u>	<u>(1,092,942)</u>	<u>516,846</u>
Other Financing Sources:										
Proceeds from bond refunding					9,165,000					18,055,000
Premium on refunding					660,674					2,981,458
Payments to escrow agents					(9,693,619)					(14,978,767)
Proceeds from bonds issued			2,395,000					13,795,496		455,000
Transfers in	1,210,666	1,763,435	1,263,979	1,892,495	2,751,333	2,404,726	1,846,418	2,429,899	1,340,717	1,589,270
Transfers out	<u>(1,210,666)</u>	<u>(1,763,435)</u>	<u>(1,263,979)</u>	<u>(1,892,495)</u>	<u>(2,751,333)</u>	<u>(2,404,726)</u>	<u>(1,846,418)</u>	<u>(2,429,899)</u>	<u>(1,309,653)</u>	<u>(1,589,270)</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>2,395,000</u>	<u>-</u>	<u>132,055</u>	<u>-</u>	<u>-</u>	<u>13,795,496</u>	<u>31,064</u>	<u>6,512,691</u>
Net Change in Fund Balances	<u>(1,494,148)</u>	<u>537,903</u>	<u>1,492,135</u>	<u>209,001</u>	<u>(117,019)</u>	<u>(2,555,642)</u>	<u>(11,786,478)</u>	<u>13,243,505</u>	<u>(1,061,878)</u>	<u>7,029,537</u>
Fund Balance at Beginning of Year	<u>16,541,792</u>	<u>15,047,644</u>	<u>15,585,547</u>	<u>17,077,682</u>	<u>17,286,683</u>	<u>17,169,664</u>	<u>14,614,022</u>	<u>2,827,544</u>	<u>16,071,049</u>	<u>14,762,992</u> *
Fund Balance at End of Year	<u>\$ 15,047,644</u>	<u>\$ 15,585,547</u>	<u>\$ 17,077,682</u>	<u>\$ 17,286,683</u>	<u>\$ 17,169,664</u>	<u>\$ 14,614,022</u>	<u>\$ 2,827,544</u>	<u>\$ 16,071,049</u>	<u>\$ 15,009,171</u>	<u>\$ 21,792,529</u>
Debt Service as a Percentage to Noncapital Expenditures	7.45%	7.13%	7.78%	6.72%	6.74%	18.98%	6.10%	6.18%	8.18%	8.22%
Total Debt Service Noncapital Expenditures	\$ 2,041,687	\$ 1,993,004	\$ 2,296,789	\$ 2,008,575	\$ 2,078,153	\$ 5,638,031	\$ 2,012,828	\$ 1,932,588	\$ 2,766,688	\$ 2,846,954
	27,399,251	27,937,912	29,516,962	29,868,064	30,813,611	29,701,037	33,015,058	31,263,920	33,806,781	34,627,193

\*Fund Balance was restated on July 1, 2020 for the implementation of GASB 84.



**TOWN OF EAST HADDAM, CONNECTICUT  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Personal Property</u>	<u>Motor Vehicle</u>	<u>Less Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>
2021	\$ 739,410,490	\$ 36,786,560	\$ 42,008,365	\$ 75,910,120	\$ 4,671,820	\$ 894,795,125	30.44	\$ 1,278,278,750
2020	737,934,480	39,529,420	31,277,147	74,785,030	4,381,157	878,105,629	30.44	1,255,261,057
2019	735,299,780	40,499,540	29,301,370	73,098,640	5,926,415	872,252,915	29.66	1,246,075,592
2018	728,554,170	42,001,080	25,669,490	72,013,410	10,131,278	858,106,872	29.58	1,225,866,960
2017 <sup>(1)</sup>	727,760,360	41,326,890	22,755,510	70,834,550	5,861,991	856,815,319	29.35	1,224,021,884
2016	724,327,670	41,544,230	21,389,365	72,383,130	6,888,381	852,756,014	28.68	1,218,222,877
2015	721,726,720	41,953,240	19,626,384	72,059,680	6,781,494	848,584,530	27.90	1,212,263,614
2014	719,855,430	41,930,770	18,486,410	71,392,447	7,789,542	843,905,515	26.01	1,205,579,307
2013	858,988,496	48,367,160	17,554,110	71,157,854	7,998,029	988,069,591	21.52	1,411,527,987
2012 <sup>(1)</sup>	855,970,770	45,816,680	17,305,600	68,206,685	7,445,532	983,347,543	21.10	1,404,782,204

Source: East Haddam Assessor's Office

<sup>(1)</sup> Revaluation

Note: By state law, property is assessed at 70% of actual value with periodic revaluation of real property.

TABLE 6

**TOWN OF EAST HADDAM, CONNECTICUT  
PRINCIPAL TAXPAYERS  
CURRENT FISCAL YEAR AND NINE YEARS AGO**

Taxpayer	Nature of Business	2021			2012		
		Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Connecticut Light & Power Company	Public Utility	\$ 32,141,700	1	3.59%	\$ 9,385,160	1	0.95%
Fox Hopyard Golf Club LLC	Recreational	3,123,920	2	0.35%	4,709,560	2	0.48%
RMD Properties LLC	Real Estate	2,472,370	3	0.28%			
Banner Country Club	Recreational	2,228,370	4	0.25%	2,120,870	9	0.22%
Healthcare Holdings LLC	Nursing and Rehabilitation	2,092,790	5	0.23%	1,943,320	10	0.20%
Igelsia Ni Cristo Church of Christ	Religious	1,776,530	6	0.20%			
Wildwood Inc.	Real Estate	1,573,740	7	0.18%	2,447,410	6	
RMD Land Development LLC	Real Estate	1,473,780	8	0.16%			
Fox Hopyard Realty LLC	Real Estate	1,384,970	9	0.15%	3,500,660	4	0.36%
Goodspeed Real Estate LLC	Real Estate	1,339,170	10	0.15%			
Hadlyme Hills LLC	Education				4,063,690	3	0.41%
Consumers Union of US Inc	Test Track Consumers Rpt				3,153,235	5	0.32%
MJABC LLC	Resort (inactive)				2,387,750	7	0.24%
Goodspeed Airport LLC	Airport						
Banner Lodge Enterprises LLC	Real Estate				2,179,220	8	0.22%
	<b>Total</b>	<b>\$ 49,607,340</b>		<b>5.54%</b>	<b>\$ 35,890,875</b>		<b>3.40%</b>

Source: East Haddam Assessor's Office  
2021 - October 1, 2019 Assessment  
2012 - October 1, 2010 Assessment

**TOWN OF EAST HADDAM, CONNECTICUT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Tax Rate (In Mills)</u>	<u>Grand List of October 1</u>	<u>Adjusted Levy</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
				<u>Amount</u>	<u>Percent of Adjusted Levy</u>		<u>Amount</u>	<u>Percent of Adjusted Levy</u>
2021	30.44	2019	\$ 27,370,635	\$ 27,132,143	99.13%	\$ 327,475	\$ 27,459,618	100.33%
2020	30.44	2018	26,879,936	26,538,180	98.73%	226,557	26,764,737	99.57%
2019	29.66	2017	25,983,688	25,720,236	98.99%	227,598	25,947,834	99.86%
2018	29.58	2016	25,488,028	25,241,194	99.03%	346,175	25,587,369	100.39%
2017	29.35	2015	25,263,753	24,913,369	98.61%	245,762	25,159,130	99.59%
2016	28.68	2014	24,498,985	24,228,119	98.89%	343,198	24,571,317	100.30%
2015	27.90	2013	23,667,569	23,379,316	98.78%	300,140	23,679,456	100.05%
2014	26.01	2012	21,965,908	21,638,139	98.51%	209,640	21,847,779	99.46%
2013	21.52	2011	21,253,861	21,013,583	98.87%	242,045	21,255,628	100.01%
2012	21.10	2010	20,680,064	20,458,313	98.93%	141,377	20,599,689	99.61%

Source: East Haddam Collector of Revenue

Note: There is no overlapping of tax rates.

Note: Tax levy is per \$1,000 of assessed value of taxable property.

TABLE 8

**TOWN OF EAST HADDAM, CONNECTICUT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u> <sup>(1)</sup>	<u>Clean Water Fund Bonds</u>	<u>Bond Anticipation Notes</u>	<u>Total Debt</u>	<u>Ratio of Debt to Estimated Taxable Value of Property</u>	<u>Debt Per Capita</u>
2021	\$ 25,255,000	\$	\$	\$ 25,255,000	1.98%	\$ 2,807
2020	23,443,906		5,900,000	29,343,906	2.34%	3,265
2019	25,295,496	-	5,400,000	30,695,496	2.46%	3,415
2018	12,880,000	-	19,200,000	32,080,000	2.62%	3,550
2017	14,210,000	-	17,800,000	32,010,000	2.62%	3,548
2016	15,530,000	-	-	15,530,000	1.27%	1,710
2015	16,655,000	82,174	-	16,737,174	1.38%	1,834
2014	17,895,000	164,351	-	18,059,351	1.50%	1,974
2013	17,025,000	246,528	1,445,000	18,716,528	1.33%	2,044
2012	18,220,000	328,705	1,530,000	20,078,705	1.43%	2,195

Source: East Haddam Finance Department

<sup>(1)</sup> Town only issues general obligation bonds and has no overlapping debt.

**TOWN OF EAST HADDAM, CONNECTICUT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Assessed Value of Property</b>	<b>Net General Bonded Debt</b>	<b>Ratio of Debt to Estimated Assessed Value of Property</b>	<b>Debt Per Capita</b>
2021	8,997	\$ 894,795,125	\$ 25,255,000	2.82%	\$ 2,807
2020	8,988	878,105,629	29,343,906	3.34%	3,265
2019	8,988	872,252,915	30,695,496	3.52%	3,415
2018	9,036	858,106,872	32,080,000	3.74%	3,550
2017	9,023	856,815,319	32,010,000	3.74%	3,548
2016	9,081	852,756,014	15,530,000	1.82%	1,710
2015	9,127	848,584,530	16,737,174	1.97%	1,834
2014	9,147	843,905,515	18,059,351	2.14%	1,974
2013	9,158	988,069,591	18,716,528	1.89%	2,044
2012	9,146	983,347,543	20,078,705	2.04%	2,195

Source: East Haddam Finance Department

<sup>(1)</sup> Connecticut State Department of Public Health

**TOWN OF EAST HADDAM, CONNECTICUT**  
**STATEMENT OF DEBT LIMITATION**  
**JUNE 30, 2021**  
(in Thousands)

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Total tax collections (including interest and lien fees) received by Treasurer for year ended June 30, 2020					\$ <u>26,937,000</u>
Debt limitation:					
2-1/4 times base	\$ 60,608,250	\$	\$	\$	\$
4-1/2 times base		121,216,500			
3-3/4 times base			101,013,750		
3-1/4 times base				87,545,250	
3 times base					80,811,000
Total debt limitation	<u>60,608,250</u>	<u>121,216,500</u>	<u>101,013,750</u>	<u>87,545,250</u>	<u>80,811,000</u>
Indebtedness:					
Bonds and notes payable	17,201,000	8,054,000			
Bonds authorized - unissued	<u>2,110,000</u>	<u>265,000</u>			
Total indebtedness	<u>19,311,000</u>	<u>8,319,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 41,297,250</u>	<u>\$ 112,897,500</u>	<u>\$ 101,013,750</u>	<u>\$ 87,545,250</u>	<u>\$ 80,811,000</u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$188,559).

**TOWN OF EAST HADDAM, CONNECTICUT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS (IN THOUSANDS)**

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 347,446	\$ 358,852	\$ 368,685	\$ 399,572	\$ 416,038	\$ 424,362	\$ 424,362	\$ 431,748	\$ 440,123	\$ 451,195,000
Total net debt applicable to limit	<u>21,010</u>	<u>19,596</u>	<u>19,276</u>	<u>17,954</u>	<u>18,087</u>	<u>36,475</u>	<u>35,659</u>	<u>34,225</u>	<u>32,174</u>	<u>27,630,000</u>
Legal Debt Limit	<u>\$ 326,436</u>	<u>\$ 339,256</u>	<u>\$ 349,409</u>	<u>\$ 381,618</u>	<u>\$ 397,951</u>	<u>\$ 387,887</u>	<u>\$ 388,703</u>	<u>\$ 397,523</u>	<u>\$ 407,949</u>	<u>\$ 423,565,000</u>
Total net debt applicable to the limit as a percentage of debt limit	6.05%	5.46%	5.23%	4.49%	4.35%	8.60%	8.40%	7.93%	7.31%	6.12%

**TOWN OF EAST HADDAM, CONNECTICUT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Year</b>	<b>Population</b> <sup>(1)</sup>	<b>Per Capita Personal Income</b> <sup>(2)</sup>	<b>Median Age</b> <sup>(3)</sup>	<b>Education Bachelor's Degree or Higher</b> <sup>(2)</sup>	<b>School Enrollment</b> <sup>(4)</sup>	<b>Unemployment Rate</b> <sup>(5)</sup>
2021	8,997	\$ 48,181	48.2	38.1%	963	5.0%
2020	8,997	45,802	49	33.4%	948	8.4%
2019	8,988	45,802	49	33.4%	997	3.3%
2018	8,988	45,802	45	33.4%	1,007	3.6%
2017	9,036	45,802	43	33.4%	1,018	4.5%
2016	9,023	45,802	43	33.4%	1,024	4.7%
2015	9,081	45,802	43	33.4%	1,061	5.2%
2014	9,127	45,802	49	33.4%	1,125	6.0%
2013	9,147	39,539	49	36.6%	1,186	6.7%
2012	9,158	39,539	45	36.6%	1,244	7.6%

<sup>(1)</sup> Connecticut State Department of Public Health

<sup>(2)</sup> US Census Bureau, American Community Survey's 5-Year Estimates

<sup>(3)</sup> Connecticut Economic Resource Center, Town Profiles

<sup>(4)</sup> Town of East Haddam Board of Education

<sup>(5)</sup> Connecticut Department of Labor, Labor Force Monthly Data with Annual Averages by Town (Benchmarked 2020)



TABLE 13

**TOWN OF EAST HADDAM, CONNECTICUT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	Nature of Business	2021			2012		
		Employees	Rank	Percentage of Total Town Employment	Rank	Percentage of Total Town Employment	
Town of East Haddam	Municipality/School District	263	1	18.05%	239	1	16.42%
Chesthelm Convalescent Hospital, Inc.	Convalescent home	113	2	7.76%	144	2	9.90%
Goodspeed Opera House	Opera house/theater	84	3	5.77%	85	3	5.84%
Franklin Academy	Private school	50	4	3.43%	50	4	3.44%
Dutch Oil, Propane and Landscaping	Oil/propane supplier and landscaping	43	5	2.95%	34	6	2.34%
Shagbark Lumber & Farm Supplies	Lumber/farm supply retailer	42	6	2.88%	49	5	3.37%
Consumer Reports, Inc.	Testing facility	32	7	2.20%	32	7	2.20%
Fox Hopyard Golf Club	Golf course and restaurant	30	8	2.06%	26	8	1.79%
New England Propeller	Airplane propeller maintenance	23	9	1.58%	23	9	1.58%
RA Parady and Sons	Roofing and siding contractor	14	10	0.96%	14	10	0.96%
Total		<u>694</u>		47.63%	<u>696</u>		47.83%

Source: East Haddam Finance Department and Economic Development

**TOWN OF EAST HADDAM, CONNECTICUT**  
**FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR <sup>(1)</sup>									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government:										
Assessor's Office	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Board and Commission Clerks	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Collector of Revenue	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.1	1.6
Economic Development Commission	0.4	0.4	0.4	0.4	0.4	0.2	0.3	0.3	0.3	0.3
Elections/Registrar of Voters	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Finance Office	1.0	1.0	1.0	1.0	1.0	1.0	1.0 <sup>(2)</sup>	0.9	1.9	1.9
Land Use	1.9	1.9	1.9	1.9	1.9	1.9	2.4	2.4	2.4	2.4
Municipal Office Complex	1.4	1.4	1.4 <sup>(3)</sup>	1.3						
Selectmen's Office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Shared Services	5.8	5.8	5.3	5.3	5.3 <sup>(2)</sup>	5.3	1.0 <sup>(2)</sup>	1.0		
Town Clerk's Office	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Treasurer's Office							0.3 <sup>(2)</sup>	0.3	0.3	0.3
Public Safety										
Animal Control	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Building Department	1.6	1.6	1.6	1.4	1.9	1.9	1.9	1.9	1.9	1.9
Fire Department	4.3	4.3	3.2	2.8	2.0	2.0	2.0	2.0	2.0	2.0
Fire Marshal	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Police	5.0	5.0	5.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
Public Works										
General Highways	11.8	11.8	11.8	11.8	11.8	11.8	11.6	11.6	11.5	11.5
Transfer Station	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Culture and Recreation										
Grounds Maintenance	1.0	1.0	1.0	1.0	1.0 <sup>(4)</sup>	0.5				
Libraries	6.8	6.8	6.8	6.8	7.6	7.6	7.6	7.6 <sup>(5)</sup>	7.6	n/a
Recreation	1.5	1.5	1.5	1.5	1.5	1.3	1.3	1.0	0.9	0.9
Senior Services	2.2	2.2	2.2	2.2	2.2	2.0	2.0	2.0	1.7	1.7
Education										
Administrators	7.0	7.0	7.0	7.0	7.0	7.0	7.5	8.0	8.0	10.0
Certified	111.9	115.2	112.8	112.6	118.2	113.0	115.0	123.0	120.0	123.0
Non-Certified	88.4	81.0	82.5	87.5 <sup>(6)</sup>	79.5 <sup>(2)</sup>	67.5	68.5	81.0	68.0	68.0
<b>Total</b>	<b>263.8</b>	<b>259.1</b>	<b>256.6</b>	<b>259.6</b>	<b>256.6</b>	<b>238.2</b>	<b>236.4</b>	<b>257.3</b>	<b>241.0</b>	<b>238.9</b>

Source: East Haddam Finance Department

Source: East Haddam Board of Education

Note: FTE equals 40 hours per week

<sup>(1)</sup> Budgeted

<sup>(2)</sup> Formation of Shared Service Department (Town/BOE)

<sup>(3)</sup> Opening of Municipal Office Complex

<sup>(4)</sup> Grounds keeping transitioned from purchased services to employees

<sup>(5)</sup> Formation of East Haddam Library System from two separate private libraries

<sup>(6)</sup> Food Services transitioned from purchased services to employees

**TOWN OF EAST HADDAM, CONNECTICUT  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b><u>Police</u></b>										
Burglary	4	5	1	4	8	7	15	14	60	45
Larceny	21	40	45	41	41	50	49	56	73	77
Motor vehicle accidents	87	82	96	115	109	86	87	123	114	104
Disturbances	39	31	31	42	44	42	48	54	56	110
Assist citizens	419	367	281	388	429	422	358	422	423	398
<b><u>Building Department</u></b>										
Permits issued	908	709	904	744	731	659	654	707	684	776
<b><u>Fire Department</u></b>										
Calls for service	356	235	199	231	278	297	219	248	244	261
Assist EMS	149	268	255	223 *	n/a *	n/a *	n/a *	n/a *	n/a *	n/a
<b><u>Public Works</u></b>										
Snow routes	12	12	12	12	12	12	12	12	12	12
Miles of road plowed	130	130	130	130	130	130	130	130	130	130
Miles of roads maintained	119	119	119	119	119	119	119	119	119	119
Catch basins cleaned	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
<b><u>Senior Services</u></b>										
Senior Center activity participants	12,135	21,002	24,755	24,426	24,388	24,474	21,321	16,493	11,914	n/a
<b><u>Parks and Recreation</u></b>										
Athletic fields maintained	4	4	4	4	4	4	4	4	4	4
<b><u>Public Libraries</u></b>										
Total Circulation	50,005	44,470	60,162	54,824	57,503	58,776	51,151	51,420	48,444	52,748

Source: East Haddam Finance Department

\* Information not available

**TOWN OF EAST HADDAM, CONNECTICUT  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>FISCAL YEAR</b>									
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Education</b>										
Schools	3	3	3	3	3	3	3	3	3	3
<b>Open Space</b>										
Acres	1,721	1,721	1,721	1,721	1,721	1,721	1,721	1,495	1,495	1,162
Conservation easements and parcels	16	16	16	16	16	16	16	14	14	12
<b>Parks &amp; Recreation</b>										
Athletic fields	4	4	4	4	4	4	4	4	4	4
Parks and recreational areas	7	7	7	7	4	3	3	3	3	2
Playgrounds	2	2	2	2	2	2	2	2	2	2
Public swimming area	1	1	1	1	1	1	1	1	1	1
<b>Public Libraries</b>										
Libraries	2	2	2	2	2	2	2	2	2	2
<b>Public Safety</b>										
<i>Ambulance:</i>										
Ambulance	1	1	1	1	1	1	1	1	1	
<i>Animal Control:</i>										
Vehicle	1	1	1	1	1	1	1	1	1	1
<i>Fire:</i>										
Stations	3	3	3	3	3	3	3	3	3	3
Vehicles	13	13	13	13	13		12	12	12	12
Marine apparatus	3	3	3	3	3	3	3	3	3	3
Fire Marshal Vehicle	1	1	1	1	1	1	1	1	1	1
<i>Police:</i>										
Vehicles	6	6	5	5	5	5	4	3	3	3
Marine apparatus	-	1	1	1	1	1	1	1	1	1
<b>Public Works</b>										
Vehicles/Equipment	33	33	31	31	31	31	31	31	31	31
Streets (miles)	119	119	119	119	119	119	119	119	119	119
<b>Senior Services</b>										
Senior Center	1	1	1	1	1	1	1	1	1	1
Senior mini-buses	1	1	1	1	1	1	1	2	2	2
Medical vehicle	1	1	1	1	1	1	1	1	1	1

Source: East Haddam Finance Department

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