

# **Town of East Hampton, Connecticut**



## **Comprehensive Annual Financial Report For the Year Ended June 30, 2020**

**Comprehensive Annual Financial Report**  
**of the**  
**Town of East Hampton, CT**



**For the Year Ended June 30, 2020**

**Prepared by the Finance Department**

**Jeffery M. Jylkka,**  
**Finance Director**



**Town of East Hampton, Connecticut**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2020**

Table of Contents

	<u>Page</u>
<u>RSI</u>	
<u>Required Supplementary Information</u>	
<u>General Fund</u>	
1A Schedule of Revenues and Other Financing Sources - Budget and Actual	72-73
1B Schedule of Expenditures and Other Financing Uses - Budget and Actual	74-75
1C Notes to Required Supplementary Information	76
<u>Retirement Income Plan</u>	
2A Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns	77
2B Schedule of Contributions	78
2C Notes to Required Supplementary Information	79
<u>Connecticut State Teachers' Retirement System</u>	
3A Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions	80
3B Notes to Required Supplementary Information	81
<u>Other Post-Employment Benefit (OPEB) Plan</u>	
4 Schedule of Changes in OPEB Liability and Related Ratios	82
<u>Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan</u>	
5A Schedule of Proportionate Share of the Net OPEB Liability and Schedule of Contributions	83
5B Notes to Required Supplementary Information	84
<u>Schedules</u>	
<u>Supplemental Schedules</u>	
<u>General Fund</u>	
1 Report of Tax Collector	85
2 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	86

**Town of East Hampton, Connecticut**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2020**

Table of Contents

<u>Schedules</u>	<u>Supplemental Schedules (continued)</u>	<u>Page</u>
3	Schedule of Expenditures Compared with Appropriations - Board of Education - General Fund	87
	<u>Other Governmental Funds</u>	
4	Combining Balance Sheet	88-90
5	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	91-93
	<u>Fiduciary Funds</u>	
6	Combining Statement of Fiduciary Net Position	94
7	Combining Statement of Changes in Fiduciary Net Position	95
<u>Tables</u>	<u>Statistical Section</u>	
1	Net Position by Component	96
2	Changes in Net Position	97
3	Fund Balances, Governmental Funds	98
4	Changes in Fund Balances, Governmental Funds	99
5	Assessed and Estimated Actual Value of Taxable Property	100
6	Principal Property Taxpayers	101
7	Tax Rates, Levies and Cash Collections	102
8	Ratios of Outstanding Debt By Type	103
9	Ratios of General Bonded Debt Outstanding	104
10	Schedule of Debt Limitation	105
11	Legal Debt Margin Information	106
12	Demographic and Economic Statistics	107
13	Principal Employers	108
14	Full-Time Equivalent Town Government Employees by Function/Program	109
15	Full-Time Equivalent Employees by Function/Program	110
16	Operating Indicators by Function/Program	111
17	Capital Asset Statistics by Function/Program	112

---

## **Introductory Section**

---

## **Town of East Hampton, Connecticut**

Principal Officials  
June 30, 2020

### **Town Council**

---

Pete Brown, Chairman  
Dean Markham, Vice Chairman  
Tim Feegel  
Derek Johnson  
Barbara Moore  
Mark Philhower  
Kevin Reich

### **Board of Finance**

---

Matthew Bennington, Chairman  
Wesley Jenks, Vice Chairperson  
Richard Brown  
Alannah Coshov  
Robert Hein  
Eric Peterson  
Ted Turner

### **Board of Education**

---

Christopher Goff, Chairperson  
Nancy Oakley, Vice Chairperson  
Amanda Amtmanis  
Nancy Kohler  
Jeff Carlson  
Justine Wagner  
Amy Ordonez  
Jim Radavich  
Martha Wick

Superintendent of Schools

Paul K. Smith

### **East Hampton Administrative Officials**

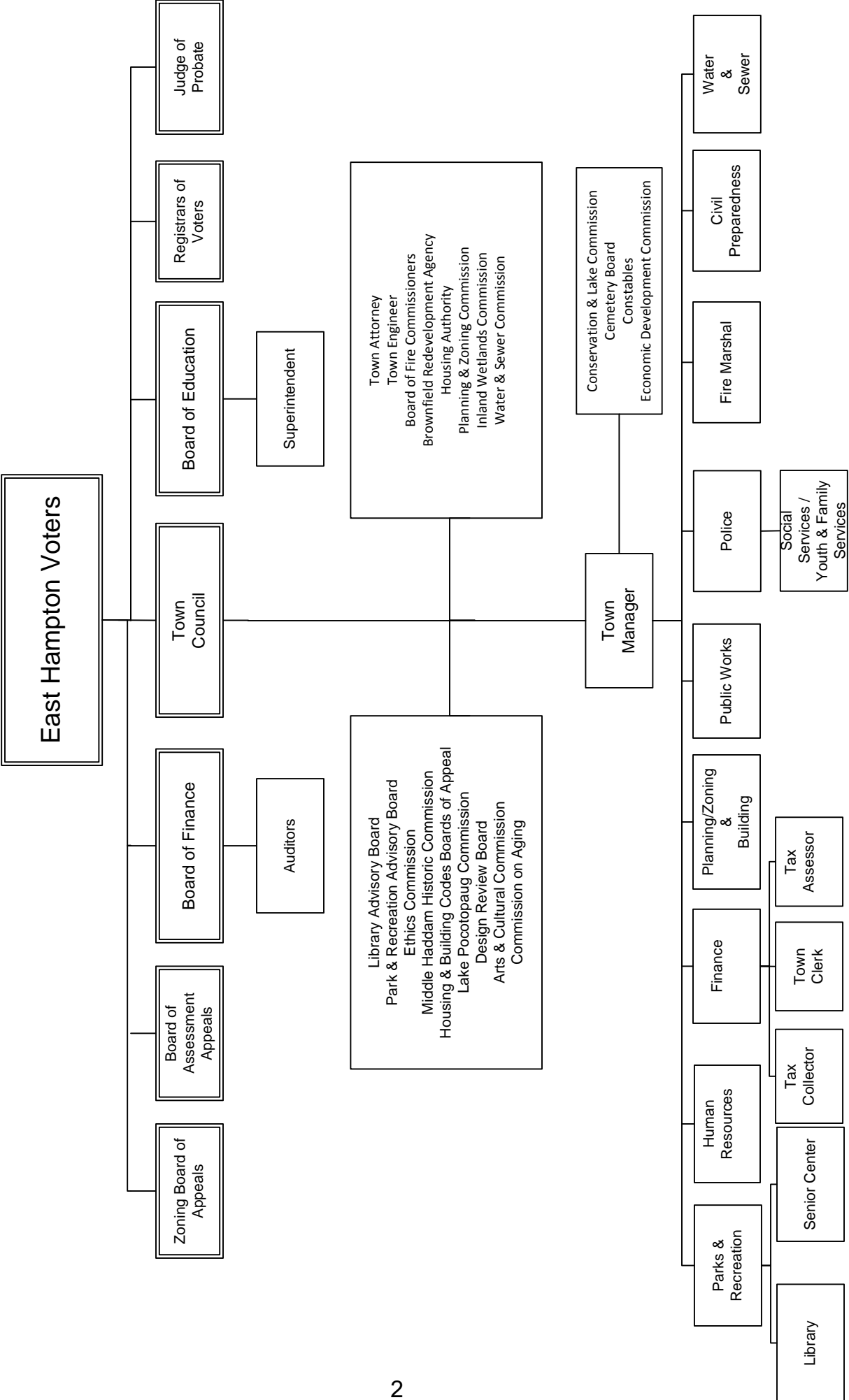
---

David Cox, Town Manager

Library Director  
Planning and Zoning Administrator  
Building Administrator  
Police Chief  
Senior Center Director  
Director of Finance  
Fire Marshal  
Director of Parks & Recreation  
Director of Youth & Family Services  
Public Works Superintendent  
Public Utilities Administrator  
Fire Chief  
Town Clerk

Ellen Paul  
Jeremy DeCarli  
Glen LeConche  
Dennis Woessner  
Jo Ann H. Ewing  
Jeffery M. Jylkka  
Rich Klotzbier  
Jeremy Hall  
Lauren Incognito  
Matt Walsh  
Scott Clayton  
Greg Voelker  
Kelly Bilodeau

Town of East Hampton, Connecticut  
Organizational Chart







**TOWN OF EAST HAMPTON**  
**1 COMMUNITY DRIVE**  
**EAST HAMPTON, CT 06424**

*Office of the FINANCE DIRECTOR*

**JEFFERY JYLKKA, CPA**

[jjylkka@easthamptonct.gov](mailto:jjylkka@easthamptonct.gov)

December 23, 2020

To the Town Manager, Members of the Town Council, Members of the Board of Finance and Citizens of the Town of East Hampton, Connecticut.

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of the Town of East Hampton, Connecticut (Town) for the year ended June 30, 2020. The report includes the independent auditor's report as required by Connecticut Statutes. The report is prepared in conformity with generally accepted accounting principles (GAAP) and standards set forth by the Governmental Accounting Standards Board (GASB).

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 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.

PKF O'Connor Davies, 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 Hampton, Connecticut for the fiscal year ended June 30, 2020, 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 opinion that the Town of East Hampton's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as 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, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports are available in the Town's separately issued Single Audit Report.

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). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the independent auditor's report.

### **Profile of the Town of East Hampton**

The Town covers an area of 36.8 square miles in east central Connecticut and is on the east bank of the Connecticut River, approximately 21 miles south of Hartford. East Hampton's topography is dominated by numerous hills interspersed with winding stream valleys and level wetland areas. The Town is traversed by State Routes 16, 66, 151, and 196. Route 66 provides access to Route 2 and Hartford as well as Middletown. There are approximately 91 miles of Town roads. The State maintains approximately 35 miles of highway in East Hampton. The 2020 population was estimated at 12,800. The Town was originally settled in 1710.

The Town of East Hampton has a Council-Manager form of government with a Town Council consisting of seven elected members serving concurrent two-year terms and a Board of Finance consisting of seven elected regular members serving overlapping four-year terms. Powers and privileges are conferred and granted to the Town by the Connecticut General Statutes and a Charter which was adopted in 1971, effective 1973 and revised in 1987 and 2016. The legislative power of the Town is vested with the Town Council and the Town Meeting, which must approve the annual budget, all special appropriations or expenditures, and all bond and note authorizations. The Town Manager is the chief executive officer and chief administrative officer of the Town and is responsible for the administration of all Town matters with the exception of the education system.

The financial administrator of the Town is the Director of Finance. The Director of Finance serves as Treasurer for the Town and Board of Education and is responsible for the operation and supervision of the Department of Finance. The Director of Finance has full supervisory responsibilities for the keeping of accounts and financial records; the receipt of operating and other revenues; the custody and disbursement of Town and Board of Education funds and money; the control over expenditures and budget functions. The Collector of Revenue, Assessor and Town Clerk work under the supervision of the Director of Finance. The Assessor's Office is responsible for determining equitable property values for real estate, motor vehicle, and personal property as of October 1<sup>st</sup> for the purpose of taxation. The Tax Collector's Office bills, collects, processes and deposits taxes, interest and fees on all taxable property in the Town.

The annual budget serves as the foundation for the Town's financial planning and control. The Town maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the budget referendum. The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. As demonstrated by the budgetary schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management. In addition to budgetary required supplementary information (RSI) schedules, RSI 1A and 1B, and budgetary schedules 2 and 3, RSI 1C describes the budget process used by the Town.

### **Local economy and major initiatives**

East Hampton is a residential community with a light industrial tax base and limited seasonal resorts. Principal industries include manufacture of bells, pharmaceuticals, tools and dies, and forestry. East Hampton has been fortunate that foreclosure rates are below regional, state and national levels. The current worldwide financial downturn that began in March 2020 due to the COVID-19 pandemic is having impacts across the state and local economy. As a result, the Town has seen unemployment rates increase from 3.0% to 8.0%. Fortunately, East Hampton's unemployment rate is lower than the national average of 11.1% and below regional and state levels. East Hampton's existing development has occurred primarily on the major roadways, Routes 16, 151, and particularly, Route 66.

Principal non-residential development has occurred in three historic centers – Cobalt, Middle Haddam, and East Hampton Center. High-density residential development is concentrated around East Hampton Center and Lake Pocotopaug. Approximately 720 acres remain as active farmland, mostly as field crops.

On November 7, 2017, voters approved a \$18,981,000 Town Hall and Police Department facility project that will be financed with bond funds. Construction for the project broke ground in September 2018 and was completed in May 2020. At a Town Meeting held on March 3, 2019 voters approved the following projects that will be financed with bond funds: Fire Engine Acquisition (\$679,000); Police Radio System Upgrades (\$845,000) and Center School Heating System Improvements (\$277,000). The fire engine and Center School heating projects were completed during the fiscal year. The Police radio project is anticipated to be completed in fiscal year 2021.

Residential housing values throughout the Town have increased slightly compared to a year ago. Building permits for residential and commercial development have increased compared to last year.

The Town of East Hampton is well positioned to accept and meet the challenges posed by the 21<sup>st</sup> century. The Town has a moderate debt burden, which is planned for quick retirement; and its pension plans remain at relatively high funding levels. Conservative budgeting practices have enabled the Town to maintain its unassigned fund balance, which represents 11.03% of general fund expenditures and transfers out. These facts are echoed within the municipal credit industry. The Town is rated “AAA” from Standard & Poor's Ratings Services.

### **Long-term financial planning**

The Town, through its Capital Committee, prepares a five-year capital improvement plan for the acquisition, new construction, and repair and replacement of municipal facilities and equipment. The purpose of this plan is to maintain the Town's infrastructure and make improvements to and/or add community facilities to enhance the Town's overall image and services it provides to Town residents.

In September 2019, the town issued \$13,670,000 of general obligation bonds to permanently finance the Town Hall (\$11,500,000), Fuel Island (\$475,000), Fire Engine Acquisition (\$679,000), Police Radio System Upgrades (\$845,000) and Center School Heating System Improvements projects (\$277,000) and issued an additional \$8,181,000 of notes for the High School (\$700,000) and the Town Hall projects (\$7,481,000). In September 2020, the Town issued \$7,810,000 of bonds (series A) for the Town Hall / Police Department facility project (\$7,408,852 and the High School Renovation project (\$401,148) and \$1,225,000 of bonds (series B) to refund G.O. bond issues of 2006 and 2009.

### **Relevant financial policies**

The Town's financial policies have been applied consistently with the prior year and had no notable current year effect on the financial statements. A use of fund balance policy was established by the Board of Finance and Town Council, the overall purpose of which was to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time emergency expenditures. The fund balance policy goal is to maintain General Fund unassigned fund balance between 8-10% of budgeted operating expenditures. An investment policy is also in place. The purpose is to provide guidelines for the prudent and productive investment of funds.

The Town also approved a capital improvement and debt policy to establish parameters and guidance for the Board of Finance and Town Council to make decisions on capital spending and issuance of debt as a means to fund them.

Faced with significant reductions in state aid that were imposed after the budget was approved, the Town launched a proactive effort to reclaim money from 50 of the town's most delinquent accounts. This aggressive action helped eliminate the negative impact of the state's decision.

### **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, 2019, which was the eighth award the Town has received. To be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both GAAP and applicable legal requirements.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department and the support of the Town Manager. Each member has my sincere appreciation for their contributions made in the preparation of this report. I would also like to recognize my Assistant Finance Director, Valerie Hyde, CPA, who provided service above and beyond expectations and at the highest level of professionalism. I also appreciate the professional service and assistance rendered by PKF O'Connor Davies, LLP.

This comprehensive annual financial report reflects a commitment to the citizens of East Hampton, the Town Council, the Board of Finance, and all concerned readers of this report, to provide information in conformance with the highest standards of financial accountability.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeff Jylkka". The signature is fluid and cursive, with the first name "Jeff" and last name "Jylkka" clearly distinguishable.

Jeffery M. Jylkka, CPA  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of East Hampton  
Connecticut**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

---

## **Financial Section**

---

## **Independent Auditors' Report**

**Board of Finance  
Town of East Hampton, 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 Hampton, Connecticut, ("Town") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

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

Page 2

***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 Hampton, Connecticut, as of June 30, 2020, 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.

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

***Supplementary and Other Information***

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

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



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

Page 3

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 23, 2020, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
December 23, 2020



**TOWN OF EAST HAMPTON**  
1 Community Drive  
East Hampton, CT 06424

**David E. Cox**

Town Manager  
860.267.4468

**Jeffery M. Jylkka**

Finance Director  
860.267.7548

## **Management's Discussion and Analysis For the Year Ended June 30, 2020**

---

As management of the Town of East Hampton, Connecticut ("Town"), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020.

### **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 \$93,823,124 (*net position*). Of this amount, unrestricted net position was a deficit balance of \$3,466,076.
- The Town's total net position increased by \$1,591,947. The increase is due to:
  - positive operations of the general fund of \$ 166,713
  - negative operations of the capital initiatives fund (2,701,804)
  - positive operations of the capital reserve fund of 663,889
  - positive operations of the education grant fund of 217,796
  - positive operations of the WPCA joint facilities fund of 391,356

Conversion to accrual basis on Exhibit E:

  - capital outlay net of depreciation expense of 11,866,176
  - disposal of capital assets (193,703)
  - net principal debt activity of (8,014,217)
  - amortization of premium 118,853
  - change in pension liability of (2,755,683)
  - amortization of deferred outflows of resources 1,974,091
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,947,024, a decrease of \$1,401,953 in comparison with the prior year. This decrease is the result of:
  - positive operations of the general fund of 166,713
  - negative operations of the capital initiatives fund (2,701,804)
  - positive operations of the capital reserve fund of 663,889
  - positive operations of the other governmental funds of 469,249

The capital initiatives fund balance decrease was mostly due to timing differences in expenditures related to the town hall project and the related issuance of debt.

- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,142,057, a decrease of \$571,287 in comparison with the prior year. This fund balance represents 11.03% of total fiscal year 2020 budgetary general fund expenditures and transfers out.

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

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

**Government-wide financial statements.** One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The *statement of net position* and *statement of activities* report information about the Town as a whole and about its activities in a way that helps answer this question.

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 the cash is received or paid.

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

You will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

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

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, public works and utilities, culture and recreation, civic and human services, regulatory and education.

**Fund financial statements.** The fund financial statements provide detailed information about the most significant funds; not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town establishes many other funds to help it maintain control and manage money that have been segregated for specific activities or objectives. Funds are also established to ensure and demonstrate compliance with finance related legal requirements for using certain grants. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

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

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

For governmental funds, information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, capital initiatives fund and capital reserve fund all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements in schedules 4 and 5 in this report.

The Town adopts an annual budget for its general fund. Budgetary comparison statements have been provided to demonstrate compliance with the budget (RSI-1A through RSI-1C).

**Fiduciary funds.** The Town is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that, because of a trust agreement, 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 (Exhibits F and G). We exclude these activities 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. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

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

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

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

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 this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	2020	2019
Current and other assets	\$ 19,921,489	\$ 21,571,188
Capital assets, net	146,430,121	134,757,648
Total assets	166,351,610	156,328,836
Deferred outflows of resources	2,999,421	1,025,330
Long-term liabilities outstanding	67,142,325	57,261,418
Other liabilities	7,702,411	7,549,475
Total liabilities	74,844,736	64,810,893
Deferred inflows of resources	683,171	312,096
Net investment in capital assets	94,922,095	90,815,986
Restricted	2,367,105	1,801,621
Unrestricted	(3,466,076)	(386,430)
Total net position	\$ 93,823,124	\$ 92,231,177

The Town's net position increased by \$1,591,947. The increase is due substantially to:

The following table details the revenues and expenditures for the fiscal year, with a comparison to the prior fiscal.

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

	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues:		
Charges for services	\$ 5,074,457	\$ 4,697,965
Operating grants and contributions	14,160,824	14,277,839
Capital grants and contributions	902,980	354,685
General revenues:		
Property taxes	38,583,751	36,855,185
Grants and contributions not restricted to specific programs	185,962	154,988
Income from investments	196,848	279,650
Other	17,144	87,368
Gain on sale of assets	132,979	-
Total revenues	<u>59,254,945</u>	<u>56,707,680</u>
Expenses:		
General government	3,014,783	3,074,835
Public safety	4,620,650	3,794,082
Public works and utilities	6,387,425	5,682,984
Culture and recreation	1,771,647	2,105,434
Health and human services	730,668	500,180
Regulatory	598,751	531,294
Education	39,379,682	39,253,487
Interest	1,159,392	1,107,436
Total expenses	<u>57,662,998</u>	<u>56,049,732</u>
Change in net position	1,591,947	657,948
Net position - July 1	<u>92,231,177</u>	<u>91,573,229</u>
Net position - June 30	<u>\$ 93,823,124</u>	<u>\$ 92,231,177</u>

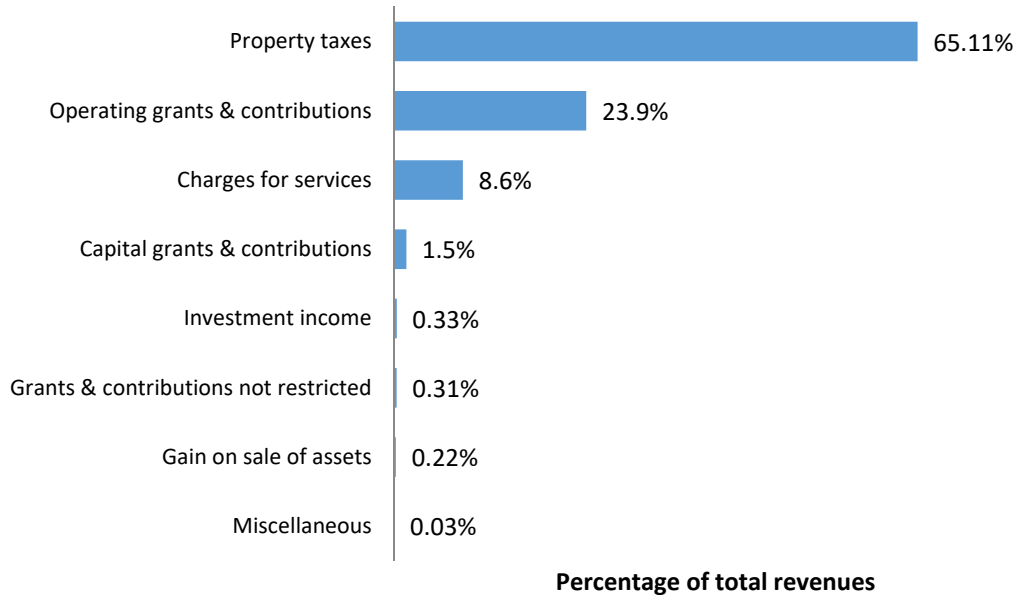
Significant changes in revenues and expenses as compared to the prior year are as follows:

Revenues:

- The \$1,728,566 increase in property taxes was due to increase in the budget and, therefore, the related tax levy.
- Capital grants and contributions increased by \$548,295 substantially due to an increase in the small town economic assistance program (STEAP) of \$220,475 and the local capital improvement program of (LOCIP) \$328,957.

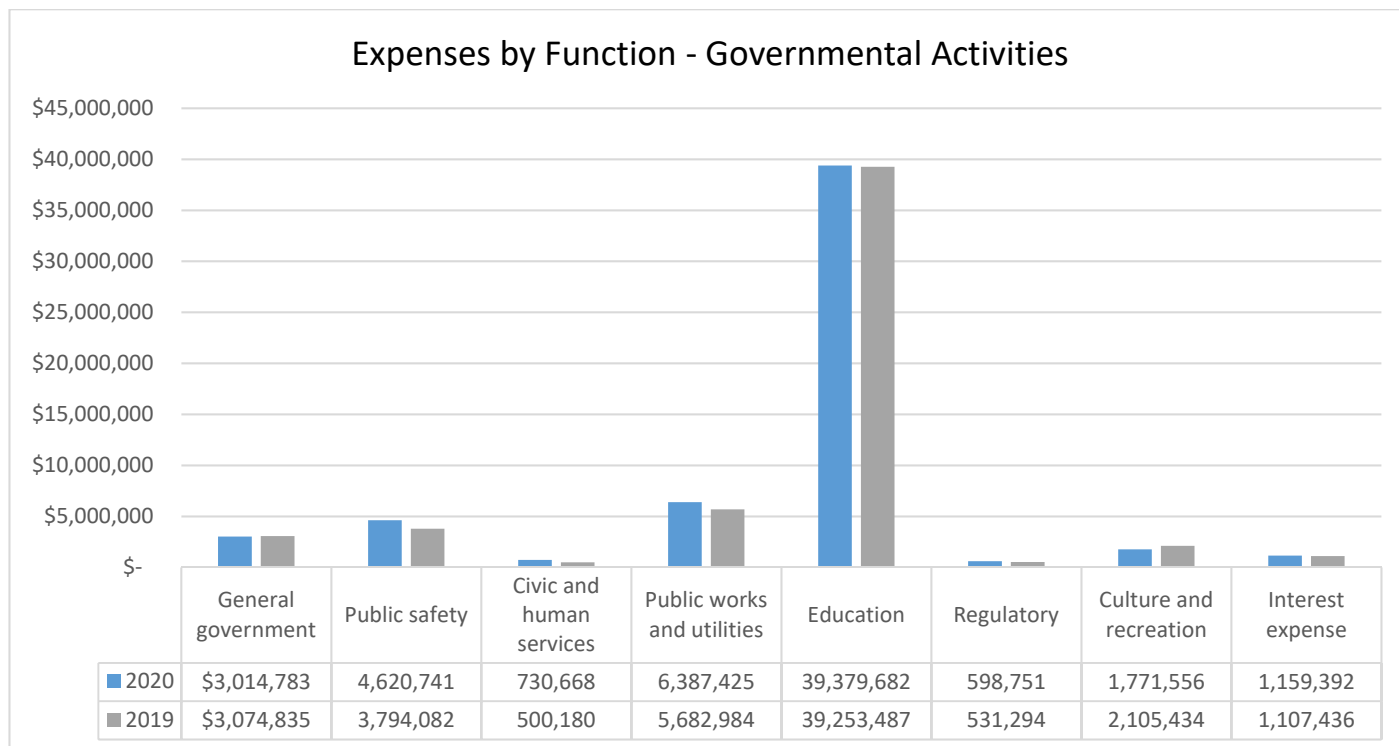
Revenues:

**Revenue by Source - Governmental Activities**



Expenses:

- Public safety expenses increased by \$826,659 as a result of an increase in expenses for police and fire administration capital projects and an increase in pension expense.
- Public works and utilities expenses increased by \$704,441 due to an increase in non-capitalized capital project activity and an increase in employee benefit and pension expenses.



### Financial analysis of the Town's funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,947,024.

Nonspendable	\$ 15,500
Restricted	2,351,605
Committed	6,602,448
Assigned	835,414
Unassigned	5,142,057

The total fund balance, as restated, decreased from \$16,348,977 to \$14,947,024. This decrease is a result of the negative operations of the capital initiatives fund offset. This was due to expenditures for projects in advance of funding by positive operations of the general fund, capital reserve fund, and other governmental funds.

**General Fund.** The general fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,142,057. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 11.03% of total general fund expenditures and transfers out.



### **General fund budgetary highlights**

Significant budget transfers and additional appropriations made during the year were as follows:

- Additional appropriations totaled \$362,592, from additional revenue sources. The most significant sources were:
  - \$181,662 from the education cost sharing grant
  - \$113,882 from transfers in from the capital reserve fund
- Transfers out to the capital reserve fund budget was increased by \$667,181, including \$362,592 from additional appropriations and \$304,589 from transfers from other departments, such as legal defense/fees, general insurance, and employee benefits police regular patrol, firefighting, communications, and public works. Additional details on budget transfers can be found in RSI 1B.

**Capital initiatives fund.** This fund accounts for financial resources to be used for the acquisition of major equipment or construction of facilities. The capital initiatives fund's expenditures and other financing uses exceeded its revenues and other financing sources by \$2,701,804. This is due to expenditures related to the town hall project that will be funded by future bond issuance.

**Capital reserve fund.** This fund accounts for financial resources to be used for capital and non-recurring projects. The primary source of funding is an annual appropriation from the general fund. The capital reserve fund's revenues and other financing sources exceeded its expenditures and other financing uses by \$663,889 as a result of an increase in intergovernmental revenue for the small town economic assistance program, an increase in transfers in, and the sale of 20 East High Street (town hall).

### **Capital assets and debt administration**

**Capital assets.** At year end, the Town's capital assets totaled \$146,430,121, net of accumulated depreciation. This includes land, buildings, land improvements, machinery and equipment, roads, bridges, intangible assets and construction in progress. The increase in the Town's capital assets for the current fiscal year was \$11,672,473 or (8.66%).

Major capital asset events during the current fiscal year included the following:

Land additions of:

- |                 |            |
|-----------------|------------|
| ➤ New town hall | \$ 375,000 |
|-----------------|------------|

Buildings additions from construction in progress:

- |                                  |            |
|----------------------------------|------------|
| ➤ High school renovation project | 49,127,579 |
| ➤ Town hall project              | 18,069,388 |

Machinery and equipment purchases:

- |                                      |         |
|--------------------------------------|---------|
| ➤ Center School heating improvements | 167,801 |
| ➤ Pierce (TC06) enforcer pumper      | 632,000 |
| ➤ New town hall furniture            | 337,309 |
| ➤ Wemco hydrogritter                 | 71,046  |
| ➤ New town hall AV system            | 273,039 |
| ➤ Town Hall - high density storage   | 61,567  |
| ➤ Hurst tools                        | 68,208  |

Infrastructure improvements:

- |                           |         |
|---------------------------|---------|
| ➤ North Main street       | 449,293 |
| ➤ Lake Drive improvements | 110,016 |

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

	<u>2020</u>	<u>2019</u>
Land	\$ 3,052,322	\$ 2,677,322
Intangible assets	698,000	698,000
Construction in progress	2,432,787	59,065,958
Buildings	90,593,265	24,075,871
Improvements other than buildings	306,553	126,123
Machinery and equipment	10,140,990	8,974,930
Infrastructure	<u>39,206,204</u>	<u>39,139,444</u>
Totals	<u>\$ 146,430,121</u>	<u>\$ 134,757,648</u>

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

**Long-term debt.** At the end of the current fiscal year, the Town had total long-term debt of \$49,038,632, an increase of \$7,158,506 as compared to the prior year. The increase is primarily due to the issuance of \$1,695,000 in general obligation bonds, and permanently financing \$7,810,000 in bond anticipation notes offset by principal payments of \$2,346,494. All debt is backed by the full faith and credit of the Town.

**Outstanding Debt**  
**Long-Term Obligations**  
**June 30,**

	<u>2020</u>	<u>2019</u>
General obligation bonds	\$ 40,915,000	\$ 29,325,000
Permanently financed bond anticipation notes	7,810,000	11,975,000
Notes	<u>313,632</u>	<u>580,126</u>
Totals	<u>\$ 49,038,632</u>	<u>\$ 41,880,126</u>

The Town maintains a bond rating of "AAA" from Standard and Poor's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including interest and lien fees. The current debt limitation for the Town is \$260,041,817, which is significantly in excess of the Town's outstanding general obligation debt.

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

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

- The unemployment rate for the Town at June 30 was 8.0%. This was lower than both the state's average unemployment rate of 10.1% and the Hartford Labor Market rate of 9.9%. The Town is below the national average of 11.1%.
- According to the Bureau of Census American Community Survey 5-Year Estimates, 2015-2019, per capita income in East Hampton was \$42,900, slightly lower than Middlesex County (\$46,023) and the State (\$44,496). Median family income was \$113,670 versus \$110,020 for the county and \$100,418 for the State. The percent of families below poverty level was 3.7% for the Town. The county percentage was 4.3% and the State's was 6.8%.
- The net taxable grand list for fiscal year 2020 increased approximately 0.86%. This increase was driven by growth in all segments of the grand list.
- Funding for formulary grants from the State of Connecticut continues to decline. Since 2011, the percent of total general fund revenue from state grants has decreased from 21.4% to 16.3%. This downward trend has been factored into our intergovernmental revenue estimates.
- The total number of building permits for fiscal year 2020 decreased from 1,129 to 1,102 or 2.4% over last fiscal year. The value of permits issued decreased by 39%. The significant decrease in the value of permits was due to the new Town Hall project for which permits were taken out in the previous year. Excluding this project, overall permit values increased slightly and as a result our revenue estimates have been adjusted upward accordingly.
- Debt service payments remain unchanged compared to 2019-2020.
- The potential impact of the pandemic on the local economy, businesses and Town revenues is being closely monitored. The July 2020 collections were in line with the prior year. Any impact on the property tax revenues is expected to occur with the January 2021 semi-annual payment, if at all. The State of Connecticut through the Governor's executive order, required local governments to offer taxpayers/rate payers one or both of the following programs: interest rate reduction program and/or the payment deferral program through October 1, 2020. The Town implemented the interest rate reduction program. For the collection period ended July 31, 2020, collections were in line with the prior year.

All of these factors were considered in preparing the Town's budget for the 2021 fiscal year.

**Requests for information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director's Office, Town of East Hampton, 1 Community Drive, East Hampton, CT 06424.

---

# **Basic Financial Statements**

---

**Town of East Hampton, Connecticut**

**Statement of Net Position**  
**Governmental Activities**  
**June 30, 2020**

Assets

Current assets:	
Cash	\$ 9,387,769
Investments	8,558,465
Receivables (net):	
Property taxes	312,332
Assessment and use charges	147,266
Intergovernmental	426,454
Other	283,865
Other assets	32,930
Total current assets	19,149,081
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	68,342
Permanently restricted	
Cash	15,500
Total restricted assets	83,842
Receivables (net):	
Property taxes	337,037
Assessment and use charges	169,872
Loans	181,657
Total receivables (net)	688,566
Capital assets (net of accumulated depreciation and amortization)	
Land	3,052,322
Intangible assets (net)	698,000
Construction in progress	2,432,787
Buildings	90,593,265
Improvements other than buildings	306,553
Machinery and equipment	10,140,990
Infrastructure	39,206,204
Total capital assets (net of accumulated depreciation and amortization)	146,430,121
Total noncurrent assets	147,202,529
Total assets	166,351,610

Deferred Outflows of Resources

Pension related	2,404,915
OPEB related	594,506
Total deferred outflows of resources	2,999,421

(Continued)

The notes to financial statements are an integral part of these statements.

**Town of East Hampton, Connecticut**

**Statement of Net Position**  
**Governmental Activities**  
**June 30, 2020**

Liabilities

Current liabilities:

Accounts payable	\$ 2,047,961
Retainage payable	780,390
Accrued liabilities	441,525
Accrued payroll	182,596
Unearned revenue	145,026
Accrued interest payable	514,988
Bond anticipation notes	371,000
Bonds and notes payable	3,023,957
Capital lease payable	28,067
Compensated absences	145,882
Environmental obligation	21,019
Total current liabilities	<u>7,702,411</u>

Noncurrent liabilities:

Developer bonds	66,660
Bonds, notes and related liabilities	48,085,002
Compensated absences	1,285,103
Net pension liability	13,236,323
OPEB liability	4,337,410
Environmental obligation	131,827
Total noncurrent liabilities	<u>67,142,325</u>

Total liabilities	<u>74,844,736</u>
-------------------	-------------------

Deferred Inflows of Resources

Pension related	133,238
OPEB related	549,933
Total deferred inflows of resources	<u>683,171</u>

Net Position

Net investment in capital assets	94,922,095
Restricted for:	
Endowments:	
Expendable	1,682
Nonexpendable	15,500
Housing rehabilitation	215,424
Public works	2,035,287
Education	99,212
Unrestricted	(3,466,076)
Total net position	<u>\$ 93,823,124</u>

(Concluded)

The notes to financial statements are an integral part of these statements.

**Town of East Hampton, Connecticut**

**Statement of Activities  
Governmental Activities  
For The Year Ended June 30, 2020**

Functions/Programs	Expenses	Program revenues			Net expenses and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	
General government	\$ 3,014,783	\$ 369,005	\$ 170,766	\$ 233,817	\$ (2,241,195)
Public safety	4,620,650	223,831	930	-	(4,395,889)
Public works and utilities	6,387,425	3,215,053	125	669,163	(2,503,084)
Culture and recreation	1,771,647	263,933	275,314	-	(1,232,400)
Health and human services	730,668	600	15,650	-	(714,418)
Regulatory	598,751	202,731	-	-	(396,020)
Education	39,379,682	799,304	13,698,039	-	(24,882,339)
Interest	1,159,392	-	-	-	(1,159,392)
Total	<u>\$57,662,998</u>	<u>\$5,074,457</u>	<u>\$14,160,824</u>	<u>\$ 902,980</u>	<u>(37,524,737)</u>
General revenues:					
Property taxes					38,583,751
Grants and contributions not restricted to specific programs					185,962
Income from investments					196,848
Other					17,144
Gain on sale of assets					<u>132,979</u>
Total general revenues					<u>39,116,684</u>
Change in net position					1,591,947
Net position - July 1, 2019					<u>92,231,177</u>
Net position - June 30, 2020					<u>\$93,823,124</u>

The notes to financial statements are an integral part of these statements.

**Town of East Hampton, Connecticut**

**Balance Sheet  
Governmental Funds  
June 30, 2020**

	General	Capital Initiatives	Capital Reserve	Other Governmental Funds	Total
<u>Assets</u>					
Cash	\$ 4,102,976	\$ 79,613	\$ 1,175,326	\$ 4,047,036	\$ 9,404,951
Restricted cash	66,660	-	-	-	66,660
Investments	4,777,099	3,391,512	-	389,854	8,558,465
Receivables:					
Property taxes	603,862	-	-	-	603,862
Assessment and use charges	-	-	-	279,822	279,822
Intergovernmental	29,895	-	-	396,559	426,454
Loans	-	-	-	208,857	208,857
Other	78,549	-	-	141,074	219,623
Due from other funds	538,271	1,686,631	1,357,809	263,025	3,845,736
Other	18,952	-	-	13,978	32,930
Total assets	<u>\$ 10,216,264</u>	<u>\$ 5,157,756</u>	<u>\$ 2,533,135</u>	<u>\$ 5,740,205</u>	<u>\$ 23,647,360</u>
<u>Liabilities</u>					
Accounts payable	\$ 1,329,363	\$ 334,756	\$ 140,093	\$ 243,749	\$ 2,047,961
Retainage payable	-	780,390	-	-	780,390
Accrued liabilities	343,626	97,899	-	-	441,525
Accrued payroll	182,596	-	-	-	182,596
Bond anticipation notes payable	-	371,000	-	-	371,000
Due to other funds	1,810,100	1,458,365	-	513,029	3,781,494
Developer bonds	66,660	-	-	-	66,660
Unearned revenue	-	-	-	145,026	145,026
Total liabilities	<u>3,732,345</u>	<u>3,042,410</u>	<u>140,093</u>	<u>901,804</u>	<u>7,816,652</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenues:					
Property taxes	603,862	-	-	-	603,862
Water charges	-	-	-	20,389	20,389
Assessment and use charges	-	-	-	259,433	259,433
Total deferred inflows of resources	<u>603,862</u>	<u>-</u>	<u>-</u>	<u>279,822</u>	<u>883,684</u>
<u>Fund Balances</u>					
Nonspendable	-	-	-	15,500	15,500
Restricted	-	-	-	2,351,605	2,351,605
Committed	-	2,115,346	2,393,042	2,094,060	6,602,448
Assigned	738,000	-	-	97,414	835,414
Unassigned	5,142,057	-	-	-	5,142,057
Total fund balances	<u>5,880,057</u>	<u>2,115,346</u>	<u>2,393,042</u>	<u>4,558,579</u>	<u>14,947,024</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,216,264</u>	<u>\$ 5,157,756</u>	<u>\$ 2,533,135</u>	<u>\$ 5,740,205</u>	<u>\$ 23,647,360</u>

(Continued)

The notes to financial statements are an integral part of these statements.



**Town of East Hampton, Connecticut**  
**Reconciliation of Fund Balance**  
**to Net Position of Governmental Activities**  
**June 30, 2020**

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

Total fund balance (Exhibit C, page 1)	\$ 14,947,024
--	---------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets	134,757,648
Current capital asset additions (net of construction in progress decreases)	14,368,834
Depreciation expense	(2,502,658)
Disposal and sale of capital assets	(193,703)

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

Property tax and sewer assessment interest and lien accrual	142,942
Allowance for doubtful accounts	(87,319)
Deferred outflows of resources related to pensions	2,404,915
Deferred outflows of resources related to OPEB	594,506

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

Property tax, water charges, sewer assessment and use charges - accrual basis change	883,684
--	---------

Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(49,038,632)
Premiums	(2,070,327)
Capital lease	(28,067)
Compensated absences	(1,430,985)
Net pension liability	(13,236,323)
OPEB liability	(4,337,410)
Environmental obligation	(152,846)
Accrued interest payable	(514,988)
Deferred inflows of resources related to pensions	(133,238)
Deferred inflows of resources related to OPEB	(549,933)
	<hr/>

Net position of governmental activities (Exhibit A)	<u><u>\$ 93,823,124</u></u>
---	-----------------------------

(Concluded)

The notes to financial statements are an integral part of these statements.

## Town of East Hampton, Connecticut

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For The Year Ended June 30, 2020**

	General	Capital Initiatives	Capital Reserve	Other Governmental Funds	Total
Revenues:					
Property taxes	\$ 38,345,305	\$ -	\$ -	\$ -	\$ 38,345,305
Intergovernmental	12,723,261	-	328,957	2,166,177	15,218,395
Charges for services	592,311	-	5,115	4,398,050	4,995,476
Income from investments	96,090	81,940	6,907	11,911	196,848
Contributions and donations	-	-	-	31,371	31,371
Other	16,707	437	-	-	17,144
Total revenues	51,773,674	82,377	340,979	6,607,509	58,804,539
Expenditures:					
Current:					
General government	4,213,302	11,472,326	31,433	326,166	16,043,227
Public safety	2,548,536	1,316,002	242,248	185,542	4,292,328
Public works and utilities	2,130,373	13,316	657,399	2,815,428	5,616,516
Culture and recreation	1,017,562	-	140,576	539,202	1,697,340
Health and human services	417,175	-	-	214,660	631,835
Regulatory	408,543	-	-	-	408,543
Education	36,251,870	70,571	288,333	2,066,969	38,677,743
Debt service	3,223,383	299,497	-	30,293	3,553,173
Total expenditures	50,210,744	13,171,712	1,359,989	6,178,260	70,920,705
Excess (deficiency) of revenues over expenditures	1,562,930	(13,089,335)	(1,019,010)	429,249	(12,116,166)
Other financing sources (uses):					
Issuance of debt	-	9,505,000	-	-	9,505,000
Premium	-	882,531	-	-	882,531
Sale of assets	29,642	-	297,040	-	326,682
Transfers in	113,822	-	1,499,681	40,000	1,653,503
Transfers out	(1,539,681)	-	(113,822)	-	(1,653,503)
Total other financing sources (uses)	(1,396,217)	10,387,531	1,682,899	40,000	10,714,213
Net change in fund balances	166,713	(2,701,804)	663,889	469,249	(1,401,953)
Fund balances - July 1, 2019	5,713,344	4,817,150	1,729,153	4,089,330	16,348,977
Fund balances - June 30, 2020	\$ 5,880,057	\$ 2,115,346	\$ 2,393,042	\$ 4,558,579	\$ 14,947,024

The notes to financial statements are an integral part of these statements.

**Town of East Hampton, Connecticut**

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to Statement of Activities  
For The Year Ended June 30, 2020**

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to:

Net change in fund balances - Total Governmental Funds (Exhibit D)	<u>\$ (1,401,953)</u>
--	-----------------------

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

Capital outlay	14,368,834
Depreciation expense	<u>(2,502,658)</u>
Total	<u>11,866,176</u>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase/decrease net position. In the Statement of Activities, only the *loss* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

Disposal of capital assets	<u>(193,703)</u>
----------------------------	------------------

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 Fund Financial Statements are not recognized in the Statement of Activities:

Change in property tax, water charges, sewer assessment, and use charges - accrual basis change	184,301
Change in property tax and sewer assessment interest and lien revenue	(46,874)
Change in property tax and sewer assessment allowance for doubtful accounts	<u>180,000</u>
Total	<u>317,427</u>

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

Debt issued or incurred:	
General obligation bonds and notes	(9,505,000)
Premium	(882,531)
Principal repayments:	
General obligation bonds and notes	2,346,494
Capital lease	<u>26,820</u>
Total	<u>(8,014,217)</u>

(Continued)

The notes to financial statements are an integral part of these statements.

**Town of East Hampton, Connecticut**

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to Statement of Activities  
For The Year Ended June 30, 2020**

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

Amortization of premium	\$ 118,853
Change in:	
Compensated absences	50,271
Net pension liability	(2,755,683)
OPEB liability	(133,667)
Environmental obligation	233,813
Accrued interest payable	(98,386)
Amortization of deferred outflows of resources	1,974,091
Amortization of deferred inflows of resources	<u>(371,075)</u>
Total	<u>(981,783)</u>
Change in net position (Exhibit B)	<u><u>\$ 1,591,947</u></u>
	(Concluded)

The notes to financial statements are an integral part of these statements.

**Town of East Hampton, Connecticut****Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2020**

	Pension Trust Fund	Custodial Funds
	<u>                    </u>	<u>                    </u>
<u>Assets</u>		
Cash	\$ -	\$ 510,787
Investments:		
Mutual funds:		
Equity	18,175,231	1,126,030
U.S. government bonds	5,213,524	202,447
Corporate bonds	4,561,689	-
International bonds	1,994,718	-
Money market	443,324	-
Real estate limited partnership	1,855,555	-
	<u>                    </u>	<u>                    </u>
Total investments	32,244,041	1,328,477
	<u>                    </u>	<u>                    </u>
Total assets	32,244,041	1,839,264
	<u>                    </u>	<u>                    </u>
<u>Liability</u>		
Due to other funds	52,696	11,546
	<u>                    </u>	<u>                    </u>
<u>Net Position</u>		
Restricted for:		
Pensions	32,191,345	-
Individuals and organizations	-	1,827,718
	<u>                    </u>	<u>                    </u>
Total net position	\$ 32,191,345	\$ 1,827,718
	<u>                    </u>	<u>                    </u>

The notes to financial statements are an integral part of these statements.

**Town of East Hampton, Connecticut**

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For The Year Ended June 30, 2020**

	Pension Trust Fund	Custodial Funds
	<u>                    </u>	<u>                    </u>
Additions:		
Contributions:		
Employer	\$ 1,165,982	\$ 19,745
Plan members	387,156	-
	<u>1,553,138</u>	<u>19,745</u>
Total contributions		
	<u>1,553,138</u>	<u>19,745</u>
Activities fees	<u>-</u>	<u>626,016</u>
Investment income (loss):		
Net change in fair value of investments	(87,402)	(26,771)
Interest and dividends	841,401	31,627
	<u>753,999</u>	<u>4,856</u>
Total investment income (loss)		
	<u>753,999</u>	<u>4,856</u>
Less investment expenses	<u>(24,599)</u>	<u>-</u>
Net investment income (loss)	<u>729,400</u>	<u>4,856</u>
Total additions	<u>2,282,538</u>	<u>650,617</u>
Deductions		
Benefits	2,206,017	18,499
Administration	78,905	-
Scholarship awards	-	5,200
Activities and events	-	623,759
	<u>2,284,922</u>	<u>647,458</u>
Total deductions		
	<u>2,284,922</u>	<u>647,458</u>
Change in net position	(2,384)	3,159
Net position - July 1, 2019	<u>32,193,729</u>	<u>1,824,559</u>
Net position - June 30, 2020	<u><u>\$ 32,191,345</u></u>	<u><u>\$ 1,827,718</u></u>

The notes to financial statements are an integral part of these statements.

## Town of East Hampton, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2020****History and organization**

The Town operates under a Charter which became effective in November 1973 and was last revised in November 2016. The form of government includes an elected seven-member Town Council, which elects a chairman, an elected nine-member Board of Education and an elected seven-member Board of Finance. The legislative power of the Town is vested with the Town Council and the Town Meeting. The Town Council may enact, amend or repeal ordinances and resolutions. The administration of Town offices and agencies, with the exception of the Board of Education, is the responsibility of the Town Manager, who is appointed by the Town Council. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes and is responsible for presenting fiscal operating budgets to the Town Council for Town Meeting approval.

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

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

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

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

Expenditure reimbursement type grants, charges for services, and certain intergovernmental revenues, 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 by the Town.

The Town reports the following major governmental funds:

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

The Capital Initiatives Fund is used to account for various capital projects and equipment purchases.

The *Capital Reserve Fund* is used for various capital and nonrecurring projects.

Additionally, the Town reports the following fund types:

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

The *Debt Service Fund* is used to account for and report resources and expenditures that are assigned for the repayment of debt.

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

The *Permanent Fund* is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs.

The *Pension Trust Fund* accounts for the activities of the East Hampton Employee Retirement System which accumulates resources for pension benefit payments to qualified employees.

The *Custodial Funds* account for monies held on behalf of students and for the volunteer firemen awards program.



## Town of East Hampton, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2020****B. Measurement focus, basis of accounting and financial statement presentation (continued)**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are 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.

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

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

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

**b. Investments**

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

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

The Town's pension fund has adopted a formal investment policy that defines allowable investments, prohibited investments, prohibited transactions, asset allocation guidelines, diversification guidelines and fixed income and cash guidelines.

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

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

The Town's pension plan investment policy targets are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Equities	56.00%
Fixed income	39.00%
Real estate (REITS)	5.00%

The pension trust fund allows for investments in certain alternative investments and commingled funds. Such investments may include private equity partnerships, hedge and absolute return funds for which there may be no readily available market to determine fair value.

**c. Method used to value investments**

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

Certain pension investments are valued using the most recent valuation available from the external fund manager and is based on net asset value. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a readily available market for the securities existed.

**Fair value of investments**

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

- Level 1:* Quoted prices for identical investments in active markets;
- Level 2:* Quoted prices for identical investments in markets that are not active; and
- Level 3:* Unobservable inputs.

**d. Risk policies**

**Interest rate risk** – Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town has an investment policy that would minimize interest rate risk by structuring investments to mature to meet cash requirements thereby avoiding the need to sell securities prior to maturity and investing operating funds primarily in shorter term securities, money market mutual funds or investment pools.

**Credit risk** – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has an investment policy that would minimize credit risk by limiting its investment choices to the safest types of securities, pre-qualifying the financial institutions and advisors with which the Town will do business, and diversifying the investment portfolio.

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

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

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

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

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

**2. Receivables and payables****a. Interfunds**

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

**b. Property taxes and other receivables**

In the government-wide financial statements, property tax, sewer use and assessment and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 3% to 13% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, all property taxes and sewer use and assessments receivable at June 30, which have not been collected by June 30, have been recorded as a deferred inflow of resources since they are not considered to be available to finance expenditures of the current year.

Loans receivable consist of Community Development Block Grant loans. The Town provides low interest loans for residential rehabilitation as well as loans to local businesses for facility improvements.

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

**3. Restricted assets**

The restricted assets for the Town are restricted for developer bonds and endowments. Developer bonds are restricted until the monies are returned to the vendor after satisfactory completion of contract or the Town calls the bond for nonperformances. The trust agreement restricts the expenditure of the investment income only for the designated purpose.

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****4. 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 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 for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Intangible assets include a permanent easement, which is not amortized.

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

Assets	Years
Intangible assets	5-10
Buildings	20-95
Improvements other than buildings	10-25
Machinery and equipment	3-40
Infrastructure	20-65

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

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

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

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

## Town of East Hampton, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2020****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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

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

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

**6. Compensated absences**

The Town allows employees to accumulate earned but unused vacation and sick pay benefits. The rate that these benefits are earned and accumulate varies by bargaining unit. Upon severance from employment with the Town, employees are paid by a prescribed formula for these accrued absences. All compensated absences are accrued when incurred in the government-wide financial statements.

Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources. Compensated absences are only reported in governmental funds if they are due and payable to an employee who has resigned or retired before or at fiscal year end.

**7. Long-term obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****8. Fund equity and net position**

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

Net investment in capital assets

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

Restricted net position

This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted net position

This category presents the net position of the Town which is not restricted.

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

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

Nonspendable

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

Restricted

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

Committed

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

**Town of East Hampton, Connecticut**

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2020**

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

Assigned

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

Unassigned

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

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

**Minimum fund balance policy**

The Town Council adopted a minimum fund balance policy for the General Fund. The policy requires the Town to strive to maintain an unassigned general fund balance of not less than 8% nor more than 10% of current year budgeted general fund operating expenditures.

**9. Use of estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the mitigation responses. Any such differences are not expected to be material for the year ended June 30, 2020.

**10. Reclassifications**

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

**II. Stewardship, compliance and accountability**

**A. Basis of budgeting**

Only the General Fund has a legally adopted annual budget.

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

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**B. Capital projects authorizations**

The following is a summary of the project status for current Capital Projects:

Project Name	Project Authorization	Cumulative Expenditures	Project Balance
Road Projects			
2012 Public Works Road Project	\$ 3,720,000	\$ 3,240,953	\$ 479,047
Brewer Road Pavement Rehabilitation	408,500	513,470	(104,970)
Christopher Brook Culvert Replacement	771,240	1,111,418	(340,178)
Total Road Projects	4,899,740	4,865,841	33,899
High School Renovation Project - Phase I	200,080	183,148	16,932
High School Renovation Project - Phase II	51,695,000	50,798,999	896,001
Memorial School Oil Tank	150,000	139,276	10,724
Memorial School Roof	3,290,000	2,762,216	527,784
Public Safety Dispatch	557,210	533,989	23,221
Oakum Dock Water Easement	790,500	733,487	57,013
Water Tower Demo	200,000	193,994	6,006
Fuel Island	475,000	469,049	5,951
Town Hall Project	18,981,000	18,735,064	245,936
Public Works Paver	177,000	177,000	-
Public Works Dump Truck	170,000	170,000	-
Community Center Roof Repairs	313,250	313,250	-
Rescue Pumper	679,000	674,907	4,093
Public Safety Radio System	845,000	641,095	203,905
Center School Heating Improvements	277,000	167,081	109,919
Total	<u>\$ 83,699,780</u>	<u>\$ 81,558,396</u>	<u>\$ 2,141,384</u>

The Brewer Road and Christopher Brook projects are over expended due to unexpected engineering oversight costs related to grant compliance. On April 5, 2016, the Town approved increasing the bonding authorization for road projects to \$3,720,000 and to add to the scope to cover the Brewer Road and Christopher Brook projects. Total road project expenditures are below the authorized amount.

**C. Donor-restricted endowments**

The Town has received certain endowments for library operations purposes. The amounts are reflected in net position as restricted for the library. Investment income (including appreciation) is approved for expenditure by the library director.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation. At year end, there is no appreciation available for appropriation.



## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

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

At year end, the Town's bank balance was \$17,093,534 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 10,920,940
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>4,223,648</u>
Total amount subject to custodial credit risk	<u>\$ 15,144,588</u>

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

**2. Investments**

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

Type of Investment	Fair Value	Investment Maturities (In Years)			
		N/A	Less Than 1	1-5 Years	5-10 Years
Mutual funds					
Equity	\$ 19,301,261	\$ 19,301,261	\$ -	\$ -	\$ -
U.S. government bonds	5,415,971	-	-	202,448	5,213,523
Corporate bonds	4,561,689	-	-	-	4,561,689
International bonds	1,994,718	-	-	1,994,718	-
Money market	443,324	-	443,324	-	-
Bank money market funds	6,863,019	-	6,863,019	-	-
Pooled fixed income	1,695,446	-	1,695,446	-	-
Real estate limited partnership	1,855,555	1,855,555	-	-	-
Total	<u>\$ 42,130,983</u>	<u>\$ 21,156,816</u>	<u>\$9,001,789</u>	<u>\$ 2,197,166</u>	<u>\$ 9,775,212</u>

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

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

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

Investments by fair value level	Amount	Quoted Market Prices in Active Markets Level 1	Significant Observable Inputs Level 2
Mutual funds:			
Equity	\$ 19,301,261	\$ 19,301,261	\$ -
U.S. government bonds	5,415,971	-	5,415,971
Corporate bonds	4,561,689	4,561,689	-
International bonds	1,994,718	1,994,718	-
Money market	443,324	443,324	-
Total investments by fair value level	31,716,963	\$ 26,300,992	\$ 5,415,971
Investments measured at net asset value (NAV)			
Real estate limited partnership	1,855,555		
Other investments			
Bank money market funds	6,863,019		
Pooled fixed income	1,695,446		
Total other investments	8,558,465		
Total investments	\$ 42,130,983		

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

Level 2: Observable inputs other than quoted prices for identical securities in markets that are not active.

The fair value was determined based on quoted prices in less active, dealer or broker markets.

Fair values are primarily obtained from third party pricing services for identical or comparable assets.

**c. Investments measured at the net asset value (NAV)**

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The Town values these investments based on the partnerships’ audited financial statements. If June 30 statements are available, those values are used preferentially.

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

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

<u>Investment Description</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Real estate limited partnership	\$ 1,855,555	\$ -	Quarterly	90 days

*Real estate limited partnership.* This limited partnership invests primarily in stabilized, income producing, equity in U.S. commercial real estate. The fund permits redemptions quarterly with 90 days notice. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Town's ownership interest in net assets.

**d. The Town's investments subject to credit risk had average ratings by Standard & Poor's as follows:**

<u>Average Rating</u>	<u>Mutual funds</u>				<u>Pooled Fixed Income</u>
	<u>U.S. Government Bonds</u>	<u>Corporate Bonds</u>	<u>International Bonds</u>	<u>Money Market</u>	
AAA	<u>\$ 5,415,971</u>	<u>\$ 4,561,689</u>	<u>\$ 1,994,718</u>	<u>\$ 443,324</u>	<u>\$ 1,695,446</u>

**e. Custodial credit risk**

The investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds. The Town does not have any investments subject to custodial credit risk since the investments held are pooled investments or are held in the Town's name.

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**B. Receivables**

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

	Property Taxes		
	Taxes	Interest and Liens	Total
Current portion	<u>\$ 298,006</u>	<u>\$ 14,326</u>	<u>\$ 312,332</u>
Long-term portion	\$ 305,856	\$ 81,181	\$ 387,037
Less allowance for uncollectibles	<u>(40,000)</u>	<u>(10,000)</u>	<u>(50,000)</u>
Net long-term portion	<u>\$ 265,856</u>	<u>\$ 71,181</u>	<u>\$ 337,037</u>
Totals	<u>\$ 563,862</u>	<u>\$ 85,507</u>	<u>\$ 649,369</u>

	Sewer Use and Assessments			CDBG Loans
	Use	Interest and Liens	Total	
Current portion	<u>\$ 125,920</u>	<u>\$ 21,346</u>	<u>\$ 147,266</u>	<u>\$ -</u>
Long-term portion	\$ 153,902	\$ 26,089	\$ 179,991	\$ 208,857
Less allowance for uncollectibles	<u>(7,815)</u>	<u>(2,304)</u>	<u>(10,119)</u>	<u>(27,200)</u>
Net long-term portion	<u>\$ 146,087</u>	<u>\$ 23,785</u>	<u>\$ 169,872</u>	<u>\$ 181,657</u>
Totals	<u>\$ 272,007</u>	<u>\$ 45,131</u>	<u>\$ 317,138</u>	<u>\$ 181,657</u>

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

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

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General fund			
Capital initiatives	N/A	\$ -	\$ 1,686,631
Public safety	N/A	-	20,820
Culture and recreation	N/A	15,280	-
School cafeteria	N/A	42,863	-
Education grant	N/A	6,233	-
Community development	N/A	233,817	-
Miscellaneous grants	N/A	-	102,649
WPCA joint facilities	N/A	19,324	-
WPCA operating	N/A	57,549	-
Debt service	N/A	98,963	-
Pension trust fund	N/A	52,696	-
Volunteer firemen award fund	N/A	11,546	-
Total general fund		<u>538,271</u>	<u>1,810,100</u>
Capital initiatives fund			
General fund	N/A	1,686,631	-
Capital reserve	N/A	-	1,357,809
Public works	N/A	-	100,556
Total capital initiatives fund		<u>1,686,631</u>	<u>1,458,365</u>
Capital reserve fund			
Capital initiatives	N/A	<u>1,357,809</u>	<u>-</u>

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**C. Interfund accounts (continued)**

	Corresponding Fund	Due From	Due To
Other governmental funds			
Public safety	General fund	\$ 20,820	\$ -
Culture and recreation	General fund	-	15,280
School cafeteria	Education grant	39,000	-
School cafeteria	General fund	-	42,863
Education grant	General fund	-	6,233
Education grant	School cafeteria	-	39,000
Public works	Capital initiatives	100,556	-
Community development	General fund	-	233,817
Miscellaneous grants	General fund	102,649	-
WPCA joint facilities	General fund	-	19,324
WPCA operating	General fund	-	57,549
Debt service	General fund	-	98,963
Total other governmental funds		<u>263,025</u>	<u>513,029</u>
Fiduciary funds			
Pension trust fund	General fund	-	52,696
Volunteer firemen award fund	General fund	-	11,546
Total fiduciary funds		<u>-</u>	<u>64,242</u>
Grand total		<u>\$ 3,845,736</u>	<u>\$ 3,845,736</u>

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

**2. Interfund transfers**

A summary of interfund transfers is as follows:

	Corresponding Fund	Transfers In	Transfers Out
General fund			
Capital reserve	N/A	\$ 113,822	\$ 1,499,681
Debt service	N/A	-	40,000
Total general fund		<u>113,822</u>	<u>1,539,681</u>
Capital reserve fund			
General fund	N/A	1,499,681	113,822
Debt service fund	General fund	40,000	-
Grand total		<u>\$ 1,653,503</u>	<u>\$ 1,653,503</u>

Transfers are used to account for the financing by the general fund of various programs and activities in the capital reserve and debt service funds.

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**D. Capital assets**

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
<u>Capital Assets, Not Being Depreciated:</u>				
Land	\$ 2,677,322	\$ 375,000	\$ -	\$ 3,052,322
Intangible assets	698,000	-	-	698,000
Construction in progress	59,065,958	12,493,621	69,126,792	2,432,787
Total Capital Assets, Not Being Depreciated	62,441,280	12,868,621	69,126,792	6,183,109
<u>Capital Assets, Being Depreciated:</u>				
Buildings	49,308,805	67,640,657	345,247	116,604,215
Intangible assets	60,000	-	-	60,000
Improvements other than buildings	226,937	195,125	-	422,062
Machinery and equipment	17,085,698	2,168,982	396,912	18,857,768
Infrastructure	48,754,156	622,241	-	49,376,397
Total Capital Assets, Being Depreciated	115,435,596	70,627,005	742,159	185,320,442
Total Capital Assets	177,876,876	83,495,626	69,868,951	191,503,551
<u>Less Accumulated Depreciation For:</u>				
Buildings	25,232,934	993,327	215,311	26,010,950
Intangible assets	60,000	-	-	60,000
Improvements other than buildings	100,814	14,695	-	115,509
Machinery and equipment	8,110,768	939,155	333,145	8,716,778
Infrastructure	9,614,712	555,481	-	10,170,193
Total Accumulated Depreciation	43,119,228	2,502,658	548,456	45,073,430
Total Capital Assets, Being Depreciated, Net	72,316,368	68,124,347	193,703	140,247,012
Capital Assets, Net	\$134,757,648	\$ 80,992,968	\$69,320,495	\$146,430,121

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

General government	\$ 99,620
Public safety	266,794
Public works and utilities	1,158,747
Health and human services	6,102
Culture and recreation	115,100
Education	856,295
Total depreciation expense	\$ 2,502,658

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**E. Construction commitments**

The Town had the following construction commitments:

Town Hall and Police Renovation	\$ 202,539
Lake Pocotopaug - Watershed Improvements	<u>255,038</u>
Total	<u>\$ 457,577</u>

**F. Short-term obligations - bond anticipation notes**

The Town uses Bond Anticipation Notes (BANs) during the construction period of various projects prior to the issuance of the bonds at the completion of the project.

Short-term activity for the fiscal year was as follows:

Project	Balance July 1, 2019	Additions	Deductions	Permanently Financed	Balance June 30, 2020
High school renovation project	\$ 700,000	\$ 700,000	\$700,000	\$ 401,148	\$ 298,852
Town hall	<u>-</u>	<u>7,481,000</u>	<u>-</u>	<u>7,408,852</u>	<u>72,148</u>
Total	<u>\$ 700,000</u>	<u>\$8,181,000</u>	<u>\$700,000</u>	<u>\$ 7,810,000</u>	<u>\$ 371,000</u>

In September 2020, the Town issued \$7,810,000 of general obligation bonds, which permanently financed a portion of the bond anticipation notes outstanding at fiscal year end. These bonds mature through 2041 and carry interest rates of 1.00-4.00%.



## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**G. Changes in long-term obligations****1. Summary of changes**

Description	Date of Issue	Date of Maturity	Interest Rate	Amount of Original Issue	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Current Portion	Long Term Portion
<b>Bonds:</b>										
General obligation	2/1/2006	2/1/2021	3.40-5.00%	\$3,175,000	\$ 300,000	\$ -	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
General obligation	4/15/2009	7/15/2028	2.50-4.50%	2,985,000	1,550,000	-	155,000	1,395,000	155,000	1,240,000
General obligation	8/7/2013	8/15/2033	2.00-4.00%	3,885,000	2,835,000	-	210,000	2,625,000	210,000	2,415,000
General obligation	12/18/2015	7/15/2035	2.00-4.00%	21,225,000	18,045,000	-	1,060,000	16,985,000	1,060,000	15,925,000
General obligation	9/14/2017	9/1/2037	2.00-5.00%	6,700,000	6,595,000	-	505,000	6,090,000	505,000	5,585,000
General obligation	9/12/2019	9/12/2039	1.96-2.44%	13,670,000	11,975,000	1,695,000	-	13,670,000	765,000	12,905,000
Total bonds				51,640,000	41,300,000	1,695,000	2,080,000	40,915,000	2,845,000	38,070,000
Bond anticipation notes (permanently financed)					-	7,810,000	-	7,810,000	-	7,810,000
<b>Notes:</b>										
<b>Clean water notes:</b>										
Sewer 480-C	6/30/2002	12/31/2021	2.00%	503,694	73,810	-	29,082	44,728	29,669	15,059
<b>Equipment financing notes:</b>										
Boiler	7/24/2015	7/30/2020	1.66%	886,500	273,686	-	181,702	91,984	91,984	-
Vehicle	5/23/2016	7/17/2022	1.82%	175,506	101,307	-	24,645	76,662	25,094	51,568
Vehicle	1/17/2017	1/17/2023	2.99%	172,349	99,829	-	23,864	75,965	24,578	51,387
Technology equipment	2/12/2019	2/12/2023	2.13%	40,579	31,494	-	7,201	24,293	7,632	16,661
Total notes				1,778,628	580,126	-	266,494	313,632	178,957	134,675
Total bonds and notes					41,880,126	9,505,000	2,346,494	49,038,632	3,023,957	46,014,675
Premium					1,306,649	882,531	118,853	2,070,327	-	2,070,327
Total bonds, notes and related liabilities					43,186,775	10,387,531	2,465,347	51,108,959	3,023,957	48,085,002
Capital lease	8/7/2017	8/7/2020	4.55%	109,887	54,887	-	26,820	28,067	28,067	-
Compensated absences					1,481,256	576,444	626,715	1,430,985	145,882	1,285,103
Net pension liability					10,480,640	4,959,316	2,203,633	13,236,323	-	13,236,323
OPEB liability					4,203,743	795,128	661,461	4,337,410	-	4,337,410
Environmental obligation					386,659	-	233,813	152,846	21,019	131,827
Total long-term obligations					\$ 59,793,960	\$ 16,718,419	\$ 6,217,789	\$ 70,294,590	\$ 3,218,925	\$ 67,075,665

All long-term liabilities listed above are liquidated by the General Fund except clean water notes which are paid out of the WPCA Joint Facilities Fund and certain compensated absences paid from the debt service fund.

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**G. Changes in long-term obligations (continued)**

The following is a summary of bond and note maturities:

Fiscal Year Ended June 30,	Bond Principal	Notes Principal	Total Interest
2021	\$ 2,845,000	\$ 178,957	\$ 1,321,524
2022	2,700,000	74,013	1,199,102
2023	2,695,000	60,662	1,080,225
2024	2,490,000	-	965,919
2025	2,490,000	-	863,494
2026	2,490,000	-	765,897
2027	2,490,000	-	669,456
2028	2,490,000	-	588,822
2029	2,490,000	-	521,482
2030	2,295,000	-	453,416
2031	2,125,000	-	389,850
2032	2,130,000	-	330,425
2033	2,130,000	-	270,925
2034	2,130,000	-	211,425
2035	1,970,000	-	154,750
2036	1,965,000	-	100,581
2037	900,000	-	62,069
2038	900,000	-	39,531
2039	595,000	-	21,197
2040	595,000	-	7,066
Totals	<u>\$ 40,915,000</u>	<u>\$ 313,632</u>	<u>\$10,017,156</u>

**2. Assets pledged as collateral**

The Town's outstanding equipment financing notes of \$268,904 are secured with collateral of the equipment purchased.

**3. Statutory debt limitations**

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 83,584,870	\$ 25,718,000	\$ 57,866,870
Schools	167,169,740	23,378,000	143,791,740
Sewer	139,308,116	-	139,308,116
Urban renewal	120,733,701	-	120,733,701
Pension deficit	111,446,493	-	111,446,493

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**G. Changes in long-term obligations (continued)**

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year taxation, \$260,041,817.

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

**4. Authorized/unissued bonds**

The amount of authorized, unissued bonds is as follows:

Ambulance Facility	\$ 18,500
High School Athletic Facilities Improvements	2,000
Water System Initial Water Supply	866,000
Capital Improvements 2004-2005	454,400
Land Purchase	7,100
Flanders Roadway Improvements	2,000
Pine Brook Culvert Repair	400,000
Memorial School Roof and Oil Tank	613,350
High School Renovation	1,284,582
Town Hall/Police Facility	7,481,000
Center School Heating System Improvements	106,000
	<hr/>
Total	<u><u>\$ 11,234,932</u></u>

**5. Capital leases**

The Town is committed under a capital lease for technology equipment. This lease agreement qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term) and; therefore, has been recorded at the present value of the future minimum lease payments as of the date of their inception.

Technology equipment totaling \$109,887, net of accumulated depreciation of \$65,932, are recorded under the capital lease. This year, \$21,977 was included in depreciation expense.

The following is a schedule of the future minimum lease payments under this capital lease and the present value of the net minimum lease payments:

Year Ending	
June 30,	
2021	\$ 29,371
Less amount representing interest	<u>(1,304)</u>
Total	<u><u>\$ 28,067</u></u>

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**G. Changes in long-term obligations (continued)****6. Environmental obligation**

The property has an estimated cost of a site assessment and corrective measures feasibility study of \$750,000. Based upon the expenditures and progress made addressing the remediation during the year, the total estimated environmental obligation of the Town has been reduced to \$152,846.

The estimate is subject to change due to price changes, technology changes or other changes. The pollution remediation liability does not reflect any recovery of outlays because the Town does not anticipate that it will be able to recover remediation costs from other parties.

**H. Fund balance classifications**

Fund Balance Component	General Fund	Capital Initiatives	Capital Reserve	Other Governmental Funds	Total
Nonspendable					
Culture and recreation					
Library programs	\$ -	\$ -	\$ -	\$ 15,500	\$ 15,500
Restricted					
Public works					
Sewer operations	-	-	-	1,839,014	1,839,014
Water operations	-	-	-	196,273	196,273
Health and welfare					
Housing rehabilitation	-	-	-	215,424	215,424
Culture and recreation					
Library programs	-	-	-	1,682	1,682
Education					
School cafeteria operations	-	-	-	99,212	99,212
Total restricted	-	-	-	2,351,605	2,351,605
Committed					
General government programs	-	-	-	66,299	66,299
Public safety programs	-	-	-	59,291	59,291
Public works projects	-	-	-	100,556	100,556
Culture and recreation programs	-	-	-	114,255	114,255
Education programs	-	-	-	349,274	349,274
Sewer capital projects	-	-	-	1,349,660	1,349,660
Approved capital projects	-	2,115,346	2,393,042	54,725	4,563,113
Total committed	-	2,115,346	2,393,042	2,094,060	6,602,448
Assigned					
Subsequent year's budget	738,000	-	-	-	738,000
Debt service	-	-	-	97,414	97,414
Total assigned	738,000	-	-	97,414	835,414
Unassigned	5,142,057	-	-	-	5,142,057
Total	\$ 5,880,057	\$ 2,115,346	\$ 2,393,042	\$ 4,558,579	\$ 14,947,024

The amount of restricted net position, which is restricted by enabling legislation, totaled \$1,938,226.

## Town of East Hampton, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2020****IV. Other information****A. Risk management**

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

The Town is currently a member in Connecticut Interlocal Risk Management Agency ("CIRMA") an unincorporated association of Connecticut local public agencies which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-47-a et. seq. of the Connecticut General Statutes.

The Town is a member of CIRMA's Liability-Automobile-Property Pool a risk sharing pool. The Town paid CIRMA for provisions of general liability, personal and advertising injury, automobile liability, employee benefit liability, law enforcement liability, public officials liability, school leaders liability, and property coverage. The premium is subject to these coverages and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

**B. Commitments and litigation**

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

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

**C. Intermunicipal agreement**

The Town is party to an intermunicipal agreement for septage waste disposal. The Town has agreed to accept septage from five area towns. The Town originally borrowed \$837,030 from the State of Connecticut Clean Water Fund to finance improvements to its plant to accommodate septage from the other towns. In fiscal year 2002, the Town borrowed an additional \$503,694 for a nitrogen reduction project. Each Town is committed to paying a portion of the cost of improvements over 20 years. Additionally, operating costs and a use fee will also be charged.

## Town of East Hampton, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2020****D. Contingencies***Coronavirus*

In March 2020, the United States declared the outbreak of Coronavirus a national emergency. Similarly, the Governor of the State of Connecticut declared a state of emergency and has since issued over 70 executive orders regarding the pandemic. One of the most significant executive orders required local governments to offer taxpayers/rate payers one or both of the following programs: interest rate reduction program and payment deferral program. The interest rate reduction program reduced the interest rate charged on delinquent taxes/user fees from 18% to 3% for the period April 1, 2020 through October 1, 2020. The payment deferral program also was effective April 1, 2020 for local governments with quarterly payments and July 1, 2020 for those with semi-annual payments. This program allowed taxpayers/rate payers to defer payment of amounts due without incurring any penalty interest until October 1, 2020. The Town implemented the interest rate reduction program. The impact of this program on property tax and user fee revenues and delinquent interest collections was not significant during this period.

The state of emergency has had a negative impact on the Town's economically sensitive revenues such as park and recreation program fees, interest earnings and certain other charges for services for the last quarter of the fiscal year and the impact continues into the 2021 fiscal year. On the expenditure side, expenditures for health and safety measures, including additional personnel costs, technology and supplies are expected to increase and may exceed adopted budgets. There continues to be uncertainty related to the duration, possible reemergence and future severity of the pandemic, as well as to what actions may be taken by the Federal government, the State of Connecticut and health care authorities to contain or mitigate its effects. This includes the nature and extent of any financial support.

The Town is continuously monitoring its financial condition and will take proactive measures as necessary to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the complete impact on the Town's future financial position at this time.

**V. Pensions and other post-employment benefit ("OPEB") plans****A. Pension plan****1. Plan description****a. Plan administration**

The Town administers the Town of East Hampton Retirement Income Plan - a single-employer Public Employee Retirement System ("PERS") that provides pension benefits for eligible employees of the Town. The Pension Plan Article XV grants the authority to establish and amend the benefit terms to the Town Council. The plan is considered to be a part of the Town's financial reporting entity and is included in the Town's financial statements as a pension trust fund. The plan does not issue stand-alone financial statements. In addition, the Town established a single-employer defined contribution plan for all non-police employees hired after September 2013. Management of the plan is vested in the Town Council.

The plan is closed to employees hired after July 1, 2015.

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**A. Pension plan (continued)****b. Plan membership**

At July 1, 2019, pension plan membership consisted of the following:

Active members	115
Terminated employees entitled to benefits	104
Retirees, disabled employees, and beneficiaries receiving benefits	<u>137</u>
Total	<u><u>356</u></u>

**2. Benefit provisions**

Normal retirement	Town - Age 62 with 5 years of service Police - Age 55 with 10 years of service
Benefit calculation	Town - 2.25% final average salary times years of service Police - 2.5% final average salary times years of service
Early retirement service requirement	Town - 100% vested after 10 years of continuous service Police - 20 years of service
Disability benefit amount	Determined in the same manner as retirement benefits but are payable immediately without actuarial reduction
Disability benefit service requirement	10 years of service
Pre-retirement death benefit requirement	Pre-retirement and post-retirement death benefits are to be paid in accordance with the plan documents
Cost of living increases	Benefit terms provide for cost-of-living adjustments (COLAs) which may be applied periodically to the retirement benefits under the plan. The timing and manner of which such COLAs may be applied shall be determined by the employer

**3. Contributions**

Required contribution to the plan are as follows:

Police hired prior to July 1, 2017	5.50% of after tax earnings
Police hired after July 1, 2017	8.00% of after tax earnings
All other employees	6.00% of pre tax earnings
Average active member contribution rate	5.50% of annual base compensation
Town's average contribution rate	17.21% of annual payroll

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**A. Pension plan (continued)****4. Investments****a. Investment policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee by a majority vote of its members. It is the policy of the Town's 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 following was the Committee's adopted asset allocation policy:

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. core fixed income	34.00%
U.S. inflation indexed bonds	5.00%
U.S. equity market	33.50%
Global equity	22.50%
Real estate (REITS)	5.00%

**b. Concentrations**

The Town places no limit on the amount the Town may invest in any one issuer. At fiscal year end, the Town had 5.75% of the Town's total pension plan investments invested in a real estate limited partnership.

**c. Rate of return**

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 (see the discussion of the pension plan's investment policy) are as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. core fixed income	2.28%
U.S. inflation indexed bonds	1.27%
U.S. equity market	4.73%
Global equity	5.41%
Real estate (REITS)	3.95%

The weighted average expected rate of return is 6.875%.



## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**A. Pension plan (continued)****d. Annual money-weighted rate of return**

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.18%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**5. Net pension liability**

The components of the net pension liability were as follows:

Total pension liability	\$45,427,668
Plan fiduciary net position	<u>32,191,345</u>
Net pension liability	<u>\$ 13,236,323</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70.86%</u>

**6. Actuarial assumptions**

The net pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2019
Actuarial cost method	Entry age normal
Inflation rate	2.75%
Salary increases	Age based
Investment rate of return	6.875%
Cost of living adjustments	None
Mortality table	PubG-2010 Mortality Table (PubS-2010 for Police) with generational projection per the MP Ultimate Scale

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

The mortality table used changed from RP-2000 Combined Healthy Mortality with generational projection per Scale AA to PubG-2010 Mortality Table (PubS-2010 for Police) with generational projection per MP Ultimate Scale.

**b. Changes in benefit terms**

There were no changes to benefit terms.

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**A. Pension plan (continued)****8. Discount rate**

The discount rate used to measure the total pension liability was 6.875%.

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 the 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.

**9. Changes in the net pension liability**

The Town's 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 as of July 1, 2019. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2019	\$ 42,674,369	\$ 32,193,729	\$ 10,480,640
Service cost	730,035	-	730,035
Interest	2,909,482	-	2,909,482
Differences between expected and actual experience	(162,390)	-	(162,390)
Changes in assumptions	1,482,189	-	1,482,189
Contributions - employer	-	1,165,982	(1,165,982)
Contributions - member	-	387,156	(387,156)
Net investment income	-	729,400	(729,400)
Benefit payments, including refunds of member contributions	(2,206,017)	(2,206,017)	-
Administrative expenses	-	(78,905)	78,905
Net change	2,753,299	(2,384)	2,755,683
Balance at June 30, 2020	\$ 45,427,668	\$ 32,191,345	\$ 13,236,323

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**A. Pension plan (continued)****10. Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability, calculated using the discount rate of 6.875% 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 or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount	1% Increase
Net pension liability	<u>\$19,033,229</u>	<u>\$ 13,236,323</u>	<u>\$ 9,347,332</u>

**11. Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions**

During the year, the Town recognized pension expense of \$2,320,155. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 66,801	\$ (133,238)	\$ (66,437)
Changes in assumptions	1,070,442	-	1,070,442
Net difference between projected and actual earnings on pension plan investments	<u>1,267,672</u>	<u>-</u>	<u>1,267,672</u>
Total	<u>\$ 2,404,915</u>	<u>\$ (133,238)</u>	<u>\$ 2,271,677</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive, which was 2.5 years.

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**A. Pension plan (continued)**

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

Year Ending June 30,	
2021	\$ 897,779
2022	671,700
2023	404,800
2024	<u>297,398</u>
Total	<u>\$ 2,271,677</u>

**12. Defined contribution retirement savings plan**

As of September 2013, Town employees and certain Board of Education employees not covered by the Town's defined benefit plan are eligible to participate in the East Hampton Money Purchase Plan administered by the Town. Town Council has the authority to establish and amend the plan. There were 65 employees eligible to participate in the plan. The Town and employees are both required to contribute 5% of earnings. During the year the Town recognized pension expense of \$139,902 and employee contributions totaled \$160,085.

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

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

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**B. Connecticut state teachers' retirement system (continued)****2. Benefit provisions**

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

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

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

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

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

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

**Employees**

Each teacher is required to contribute 7% of their salary for the pension benefit.

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

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>65,777,196</u>
Total	<u>\$ 65,777,196</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net pension liability.

During the year the Town recognized pension expense and revenue of \$4,978,983 for on-behalf amounts for contributions to the plan by the State.

**5. Actuarial assumptions**

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

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

## Town of East Hampton, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2020****B. Connecticut state teachers' retirement system (continued)**

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5.00% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

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

**Changes in assumptions and inputs**

- The inflation assumption was decreased from 2.75% to 2.50%.
- The investment rate of return was decreased from 8.00% to 6.90%.

**Long-term expected rate of return**

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

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity - U.S. equity	20.00%	8.10%
Public equity - international developed equity	11.00%	8.50%
Public equity - emerging markets equity	9.00%	10.40%
Fixed income - core fixed income	16.00%	4.60%
Fixed income - inflation linked bonds	5.00%	3.60%
Fixed income - high yield	6.00%	6.50%
Fixed income - emerging market debt	5.00%	5.20%
Private equity	10.00%	9.80%
Real estate	10.00%	7.00%
Alternative investments - real assets	4.00%	8.20%
Alternative investments - hedge funds	3.00%	5.40%
Liquidity fund	1.00%	2.90%
Total	<u>100.00%</u>	

**6. Discount rate**

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

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

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

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.



## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**C. Other post-employment benefit plan****1. Plan description****a. Plan administration**

The Town administers one single-employer, post retirement healthcare plan for the Board of Education, the Town of East Hampton Other Post-Employment Benefit ("OPEB") Plan. The Board of Education plan provides medical and dental benefits to eligible retirees and their spouses. The plan does not issue stand-alone financial reports. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

**b. Plan membership**

The plan's membership as of July 1, 2019 consisted of:

Active members	166
Retirees, disabled employees, and beneficiaries receiving benefits	<u>11</u>
Total	<u><u>177</u></u>

**2. Benefit provisions**

The Board of Education plan provides medical and dental benefits for all Board of Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations. Administration costs are financed from investment earnings.

**a. Employer contributions**

The Town's contributions are actuarially determined on an annual basis using the entry age normal method. The Board of Education's total plan contribution was \$151,439.

**b. Employee contributions**

There are no employee contributions to the plan.

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

**3. OPEB Liability**

The Town's OPEB liability of \$4,337,410 was measured as of June 30, 2020 and was determined by an actuarial valuation as July 1, 2019.

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**C. Other post-employment benefit plan (continued)****4. Actuarial methods and significant assumptions**

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

Valuation date	July 1, 2019
Actuarial cost method	Entry age normal
Discount rate	2.21%
Healthcare inflation rate	
Initial	5.70%
Ultimate	4.10%
Inflation rate	2.75%
Mortality table	CT State Teachers Retirement System mortality table as of June 30, 2018

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

**5. Change in the OPEB Liability**

Balance at July 1, 2019	<u>\$ 4,203,743</u>
Service cost	129,439
Interest	149,034
Differences between expected and actual experience	(510,022)
Changes in assumptions	516,655
Benefit payments, including refunds of member contributions	<u>(151,439)</u>
Net change	<u>133,667</u>
Balance at June 30, 2020	<u><u>\$ 4,337,410</u></u>

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

The following presents the total OPEB liability, calculated using the discount rate of 2.21% as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
OPEB Liability	<u>\$ 4,795,593</u>	<u>\$ 4,337,410</u>	<u>\$ 3,930,189</u>

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

**C. Other post-employment benefit plan (continued)****7. Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate.**

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
OPEB Liability	<u>\$ 3,789,704</u>	<u>\$ 4,337,410</u>	<u>\$ 4,992,722</u>

**8. OPEB Expense and Deferred Outflows of Resources Related to OPEB**

For the fiscal year, the Town recognized OPEB expense of \$283,600. The Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ -	\$ (463,231)	\$ (463,231)
Changes in assumptions	<u>594,506</u>	<u>(86,702)</u>	<u>507,804</u>
Total	<u>\$ 594,506</u>	<u>\$ (549,933)</u>	<u>\$ 44,573</u>

Differences between expected and actual experience and changes in assumptions are amortized over 10.9 years.

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

<u>Year Ending June 30,</u>	
2021	\$ 5,127
2022	5,127
2023	5,127
2024	5,127
2025	5,127
Thereafter	<u>18,938</u>
Total	<u>\$ 44,573</u>

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

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

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

**2. Benefit provisions**

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

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

**Retiree health care coverage**

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

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

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

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

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

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

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

**Survivor health care coverage**

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

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

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

**Employer (school districts)**

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

**Employees**

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

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

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

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>10,258,325</u>
Total	<u><u>\$ 10,258,325</u></u>

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

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

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$136,080 for on-behalf amounts for contributions to the plan by the State.

**5. Actuarial methods and significant assumptions**

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

Investment rate of return	3.00%
Inflation	2.50%
Health care cost trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.
Year fund net position will be depleted	2020

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

**Changes in assumptions and inputs**

- The discount rate was decreased from 3.87% to 3.50% to reflect the change in the Municipal Bond Index rate.

Additionally, expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019. Further, the expected rate of inflation was decreased and the Real Wage Growth assumption was increased.

**Long-term expected rate of return**

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

## Town of East Hampton, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2020**

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

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

**6. Discount rate**

The discount rate used to measure the total OPEB liability was 3.50%. The Municipal Bond Index Rate was used in the determination in the discount rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that no future employer contributions were assumed to be made.

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

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

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.

**VI. Fund reclassifications**

The internal service fund has been reclassified from a proprietary fund to part of other governmental funds. As a result, the other governmental funds fund balance increased by \$163,414.

\*\*\*\*\*

# Required Supplementary Information

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



**Town of East Hampton, Connecticut**

**Required Supplementary Information**

**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budget and Actual**  
**For The Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Additional Appropriations and Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Property taxes					
Current taxes	\$ 37,614,178	\$ -	\$ 37,614,178	\$ 37,364,030	\$ (250,148)
Back taxes	275,000	-	275,000	287,147	12,147
Telephone access share line	22,000	-	22,000	20,012	(1,988)
Supplemental motor vehicles	350,000	-	350,000	428,474	78,474
Housing authority reimbursement	15,000	-	15,000	22,206	7,206
Interest	150,000	-	150,000	221,140	71,140
Liens	3,500	-	3,500	2,296	(1,204)
Total property taxes	<u>38,429,678</u>	<u>-</u>	<u>38,429,678</u>	<u>38,345,305</u>	<u>(84,373)</u>
Intergovernmental					
General government:					
Town aid road	320,960	-	320,960	321,263	303
Grants for municipal projects	18,943	-	18,943	18,943	-
Department of youth services	15,911	-	15,911	15,650	(261)
State-owned property	19,217	-	19,217	19,217	-
Disability tax relief	1,100	-	1,100	1,486	386
Veterans' exemption	4,250	-	4,250	4,781	531
Mashantucket Pequot/Mohegan grant	6,742	-	6,742	6,742	-
Other federal and state grants	120,397	-	120,397	153,736	33,339
Total general government	<u>507,520</u>	<u>-</u>	<u>507,520</u>	<u>541,818</u>	<u>34,298</u>
Education					
Education cost sharing	6,865,219	181,662	7,046,881	7,046,881	-
Adult education	19,075	-	19,075	19,499	424
Total education	<u>6,884,294</u>	<u>181,662</u>	<u>7,065,956</u>	<u>7,066,380</u>	<u>424</u>
Total intergovernmental	<u>7,391,814</u>	<u>181,662</u>	<u>7,573,476</u>	<u>7,608,198</u>	<u>34,722</u>

(Continued)

Town of East Hampton, Connecticut

Required Supplementary Information

General Fund  
Schedule of Revenues and Other Financing Sources  
Budget and Actual  
For The Year Ended June 30, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Charges for services					
Finance department	\$ 25,795	\$ -	\$ 25,795	\$ 17,882	\$ (7,913)
Assessor department	600	-	600	361	(239)
Animal control	-	-	-	5	5
Police department	5,900	-	5,900	6,496	596
Town clerk	239,550	-	239,550	275,084	35,534
Planning, zoning and buildings	176,600	-	176,600	202,401	25,801
Transfer station fees/stickers	31,050	-	31,050	47,463	16,413
Lease of town property	32,850	-	32,850	32,851	1
Sears Park rent	700	-	700	600	(100)
Library	6,000	-	6,000	5,040	(960)
Community room rental	150	-	150	100	(50)
Sears park stickers	3,000	-	3,000	3,353	353
Blasting permits	90	-	90	330	240
Public works	480	-	480	345	(135)
Total charges for services	522,765	-	522,765	592,311	69,546
Income from investments	52,500	40,001	92,501	96,090	3,589
Other					
Collector of revenue	1,000	-	1,000	1,406	406
Parks and recreation	1,500	-	1,500	1,823	323
Public works	-	-	-	13,253	13,253
Middle Haddam historic district	150	-	150	225	75
Total other	2,650	-	2,650	16,707	14,057
Total revenues	46,399,407	221,663	46,621,070	46,658,611	37,541
Other financing sources					
Sale of equipment	-	27,107	27,107	29,642	2,535
Transfers in					
Capital reserve fund	-	113,822	113,822	113,822	-
Total other financing sources	-	140,929	140,929	143,464	2,535
Total revenues and other financing sources	\$ 46,399,407	\$ 362,592	\$ 46,761,999	\$ 46,802,075	\$ 40,076

(Concluded)

**Town of East Hampton, Connecticut**

**Required Supplementary Information**

**General Fund**  
**Schedule of Expenditures and Other Financing Uses**  
**Budget and Actual**  
**For The Year Ended June 30, 2020**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government					
Town manager	\$ 362,079	\$ -	\$ 362,079	\$ 361,587	\$ 492
Council special programs	25,168	12,900	38,068	37,981	87
Legal defense/fees	127,000	(44,300)	82,700	82,632	68
Town hall and annex	120,468	65,185	185,653	185,651	2
New town hall/police/BOE	141,249	(55,550)	85,699	85,533	166
Finance and accounting	471,323	-	471,323	471,070	253
Collector of revenue	165,498	-	165,498	161,412	4,086
Assessor's office	186,973	(11,000)	175,973	171,680	4,293
Town clerk's office	173,104	-	173,104	172,575	529
Registrars/elections	43,682	(12,700)	30,982	29,253	1,729
General insurance	394,250	(42,000)	352,250	350,516	1,734
Probate court	17,000	-	17,000	16,732	268
Employee benefits	1,932,708	(65,640)	1,867,068	1,867,066	2
Information technology	120,159	-	120,159	119,614	545
Contingency	20,000	(20,000)	-	-	-
CNG community contribution	100,000	-	100,000	100,000	-
Total general government	4,400,661	(173,105)	4,227,556	4,213,302	14,254
Public safety					
Police administration	332,941	-	332,941	325,550	7,391
Police regular patrol	1,617,711	(25,000)	1,592,711	1,590,388	2,323
Lake patrol	1,723	-	1,723	100	1,623
Animal control	48,950	-	48,950	48,400	550
Firefighting	261,953	(23,000)	238,953	219,114	19,839
Fire Marshal	51,886	8,425	60,311	60,306	5
Town center fire system	8,050	-	8,050	3,241	4,809
Ambulance association	15,000	-	15,000	14,106	894
Civil preparedness	5,100	15,935	21,035	21,033	2
Communications	239,775	(20,000)	219,775	214,970	4,805
Street lighting	57,500	(6,000)	51,500	51,328	172
Total public safety	2,640,589	(49,640)	2,590,949	2,548,536	42,413
Public works and utilities					
Public works	1,420,278	(28,000)	1,392,278	1,391,931	347
Engineering	50,000	-	50,000	49,867	133
Town garage	67,863	(19,791)	48,072	40,110	7,962
Town wide motor fuel	114,920	(8,000)	106,920	104,958	1,962
Road materials	365,925	-	365,925	365,923	2
Transfer station	159,597	14,715	174,312	174,308	4
Septage disposal	2,600	676	3,276	3,276	-
Total public works and utilities	2,181,183	(40,400)	2,140,783	2,130,373	10,410

(Continued)

**Town of East Hampton, Connecticut**

**Required Supplementary Information**

**General Fund**  
**Schedule of Expenditures and Other Financing Uses**  
**Budget and Actual**  
**For The Year Ended June 30, 2020**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Regulatory					
Planning, zoning and buildings	\$ 355,156	\$ 11,016	\$ 366,172	\$ 366,171	\$ 1
Economic development commission	5,302	-	5,302	1,790	3,512
Conservation and lake commission	40,277	-	40,277	39,172	1,105
Redevelopment agency	1,480	-	1,480	939	541
Middle Haddam historic district	800	-	800	471	329
Total regulatory	403,015	11,016	414,031	408,543	5,488
Health and human services:					
Chatham health district	152,877	-	152,877	152,877	-
Human services	112,153	(16,900)	95,253	94,796	457
Senior center	124,023	(12,150)	111,873	111,262	611
Transportation	53,500	-	53,500	47,850	5,650
Cemetery care	5,000	-	5,000	4,900	100
Commission on aging	1,200	-	1,200	30	1,170
Community services	5,725	-	5,725	5,460	265
Total health and human services	454,478	(29,050)	425,428	417,175	8,253
Culture and recreation:					
Park and recreation	410,949	2,575	413,524	413,521	3
Arts and cultural commission	2,000	-	2,000	650	1,350
Community center	163,011	1,915	164,926	164,923	3
Library	461,442	(27,900)	433,542	433,468	74
Middle Haddam library	5,000	-	5,000	5,000	-
Total culture and recreation	1,042,402	(23,410)	1,018,992	1,017,562	1,430
Education	31,176,193	-	31,176,193	31,136,807	39,386
Debt service	3,228,386	-	3,228,386	3,223,383	5,003
Total expenditures	45,526,907	(304,589)	45,222,318	45,095,681	126,637
Other financing uses:					
Transfers out:					
Capital reserve fund	832,500	667,181	1,499,681	1,499,681	-
Debt service fund	40,000	-	40,000	40,000	-
Total other financing uses	872,500	667,181	1,539,681	1,539,681	-
Total expenditures and other financing uses	\$ 46,399,407	\$ 362,592	\$ 46,761,999	\$ 46,635,362	\$ 126,637

(Concluded)

## Town of East Hampton, Connecticut

## Notes to Required Supplementary Information

**Budgets and Budgetary Accounting  
For the Year Ended June 30, 2020**

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

This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

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

<u>Reconciliation to Exhibit D</u>	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI-1	\$ 46,658,611	\$ 45,095,681
State Teachers' pension on behalf amount	4,978,983	4,978,983
State Teachers' OPEB on behalf amount	<u>136,080</u>	<u>136,080</u>
GAAP Basis - Exhibit D	<u>\$ 51,773,674</u>	<u>\$ 50,210,744</u>

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

The Town Council submits to the Board of Finance a policy statement outlining its annual budget goals and objectives for the ensuing fiscal year. The Town Manager compiles preliminary estimates for all departments and agencies for submission of a Town Government budget to the Board of Finance. The Board of Education submits its budget directly to the Board of Finance. The Board of Finance holds public meetings for presentation of the proposed budgets.

The Board of Finance compiles separate budgets for the Town Government and Board of Education based upon the Town Council's policy statement and the financial availability of Town funds, holds one or more public hearings on the proposed annual budgets and presents recommended budgets to the Town Council no later than April 15th. After making alterations or reductions, the Town Charter provides the manner and timetable by which the budget process is initiated for approval by Town Meeting. The call of the Annual Budget Meeting shall present, as separate resolutions, the Town Government budget and the Board of Education budget. The ballot questions provide for separate approval/disapproval of the Town Government budget and the Board of Education budget. In the event that either or both of the Town Government budget and/or Board of Education budget shall fail to pass at the referendum, such budget(s) which did not pass shall be revised and submitted for consideration at additional annual budget meetings, each of which shall likewise be adjourned for referendum, until such time as each budget shall have been adopted.

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

The Board of Finance reviews and makes recommendations regarding all requests for additional appropriations to be submitted to the Town Council. Additional appropriations from fund balance that exceed \$25,000 must be approved by Town Meeting. Additional appropriations from fund balance below \$25,000, as well as additional appropriations from revised revenue, must be approved by Town Council.

The Board of Education is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education approval and then the Board of Finance reviews and makes recommendations regarding all requests for additional appropriations to be submitted to the Town Council. Additional appropriations from fund balance that exceed \$25,000 must be approved by Town Meeting.

During the year, there were additional appropriations funded by additional revenues of \$362,592.

## Town of East Hampton, Connecticut

## Required Supplementary Information

Retirement Income Plan  
Last Seven Years (1)

	2020	2019	2018	2017	2016	2015	2014
<b>Schedule of Changes in Net Pension Liability and Related Ratios</b>							
Total pension liability:							
Service cost	\$ 730,035	\$ 769,708	\$ 760,805	\$ 778,005	\$ 805,799	\$ 763,446	\$ 819,627
Interest	2,909,482	2,812,145	2,750,141	2,616,836	2,516,844	2,337,307	2,242,374
Changes of benefit terms	-	(13,855)	-	-	-	-	-
Differences between expected and actual experience	(162,390)	200,401	(572,855)	-	831,035	302,268	-
Changes in assumptions	1,482,189	543,389	-	555,753	487,376	456,503	-
Benefit payments, including refunds of member contributions	(2,206,017)	(2,047,792)	(2,074,206)	(1,985,377)	(1,751,356)	(1,594,194)	(1,465,203)
Net change in total pension liability	2,753,299	2,263,996	863,885	1,965,217	2,889,698	2,265,330	1,596,798
Total pension liability - July 1	42,674,369	40,410,373	39,546,488	37,581,271	34,691,573	32,426,243	30,829,445
Total pension liability - June 30 (a)	<u>\$ 45,427,668</u>	<u>\$ 42,674,369</u>	<u>\$ 40,410,373</u>	<u>\$ 39,546,488</u>	<u>\$ 37,581,271</u>	<u>\$ 34,691,573</u>	<u>\$ 32,426,243</u>
Plan fiduciary net position:							
Contributions - employer	\$ 1,165,982	\$ 1,131,502	\$ 1,148,318	\$ 1,026,712	\$ 960,000	\$ 982,321	\$ 953,000
Contributions - member	387,156	381,870	374,910	398,344	421,156	419,210	413,838
Other	-	13,800	-	-	-	-	-
Net investment income	729,400	1,649,103	2,090,823	3,127,767	11,189	653,723	3,455,656
Benefit payments, including refunds of member contributions	(2,206,017)	(2,047,792)	(2,074,206)	(1,985,377)	(1,751,356)	(1,594,194)	(1,465,203)
Administration expenses	(78,905)	(72,182)	(72,770)	(24,717)	(57,552)	(48,049)	(52,123)
Net change in plan fiduciary net position	(2,384)	1,056,301	1,467,075	2,542,729	(416,563)	413,011	3,305,168
Plan fiduciary net position - July 1	32,193,729	31,137,428	29,670,353	27,127,624	27,544,187	27,131,176	23,826,008
Plan fiduciary net position - June 30 (b)	<u>\$ 32,191,345</u>	<u>\$ 32,193,729</u>	<u>\$ 31,137,428</u>	<u>\$ 29,670,353</u>	<u>\$ 27,127,624</u>	<u>\$ 27,544,187</u>	<u>\$ 27,131,176</u>
Net pension liability (asset) - June 30 (a)-(b)	<u>\$ 13,236,323</u>	<u>\$ 10,480,640</u>	<u>\$ 9,272,945</u>	<u>\$ 9,876,135</u>	<u>\$ 10,453,647</u>	<u>\$ 7,147,386</u>	<u>\$ 5,295,067</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70.86%</u>	<u>75.44%</u>	<u>77.05%</u>	<u>75.03%</u>	<u>72.18%</u>	<u>79.40%</u>	<u>83.67%</u>
Covered payroll	<u>\$ 6,776,648</u>	<u>\$ 6,677,666</u>	<u>\$ 7,030,552</u>	<u>\$ 7,177,458</u>	<u>\$ 7,202,832</u>	<u>\$ 7,300,421</u>	<u>\$ 7,621,801</u>
Net pension liability as a percentage of covered payroll	<u>195.32%</u>	<u>156.95%</u>	<u>131.89%</u>	<u>137.60%</u>	<u>145.13%</u>	<u>97.90%</u>	<u>69.47%</u>
<b>Schedule of Investment Returns</b>							
Annual money weighted rate of return, net of investment expense	<u>2.18%</u>	<u>5.20%</u>	<u>6.89%</u>	<u>11.51%</u>	<u>-0.04%</u>	<u>2.36%</u>	<u>14.14%</u>

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

**Town of East Hampton, Connecticut**

**Required Supplementary Information**

**Retirement Income Plan  
Schedule of Contributions  
Last Ten Years**

	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Actuarially determined contributions	\$ 1,165,982	\$ 1,095,521	\$ 1,115,081	\$ 1,020,204	\$ 957,490	\$ 980,548	\$ 952,198	\$ 815,329	\$ 749,829	\$ 787,261
Contributions in relation to the actuarially determined contribution	<u>1,165,982</u>	<u>1,131,502</u>	<u>1,148,318</u>	<u>1,026,712</u>	<u>960,000</u>	<u>982,321</u>	<u>953,000</u>	<u>829,183</u>	<u>809,304</u>	<u>847,761</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ 35,981</u>	<u>\$ 33,237</u>	<u>\$ 6,508</u>	<u>\$ 2,510</u>	<u>\$ 1,773</u>	<u>\$ 802</u>	<u>\$ 13,854</u>	<u>\$ 59,475</u>	<u>\$ 60,500</u>
Covered payroll	<u>\$ 6,776,648</u>	<u>\$ 6,677,666</u>	<u>\$ 7,030,552</u>	<u>\$ 7,177,458</u>	<u>\$ 7,202,832</u>	<u>\$ 7,300,421</u>	<u>\$ 7,621,801</u>	<u>\$ 7,372,236</u>	<u>\$ 7,317,009</u>	<u>\$ 6,613,882</u>
Contributions as a percentage of covered payroll	<u>17.21%</u>	<u>16.94%</u>	<u>16.33%</u>	<u>14.30%</u>	<u>13.33%</u>	<u>13.46%</u>	<u>12.50%</u>	<u>11.25%</u>	<u>11.06%</u>	<u>12.82%</u>

## Town of East Hampton, Connecticut

## Notes to Required Supplementary Information

**Retirement Income Plan  
Schedule of Contributions  
Last Seven Years (1)**

	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2016	July 1, 2015	July 1, 2013	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	Age based scale ranging from 2.75% for employees over 50 to 4.25% for employees under 26	Age based scale ranging from 2.75% for employees over 50 to 4.25% for employees under 26	Age based scale ranging from 2.75% for employees over 50 to 4.25% for employees under 26	Age based scale ranging from 2.75% for employees over 50 to 4.25% for employees under 26	Age based scale ranging from 2.75% for employees over 50 to 4.25% for employees under 26	Age based scale ranging from 2.75% for employees over 50 to 4.25% for employees under 26	Age based scale ranging from 2.75% for employees over 50 to 4.25% for employees under 26
Investment Rate of Return (net)	6.88%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Mortality Rate	RP-2000 Combined Healthy Mortality Table, Male and Female, with generational projection of future mortality improvements per Scale AA.	RP-2000 Combined Healthy Mortality Table, Male and Female, with generational projection of future mortality improvements per Scale AA.	RP-2000 Combined Healthy Mortality Table, Male and Female, with generational projection of future mortality improvements per Scale AA.	RP-2000 Combined Healthy Mortality Table, Male and Female, with generational projection of future mortality improvements per Scale AA.	RP-2000 Combined Healthy Mortality Table, Male and Female, with generational projection of future mortality improvements per Scale AA.	RP-2000 Combined Healthy Mortality Table, Male and Female, with generational projection of future mortality improvements per Scale AA.	RP-2000 Combined Healthy Mortality Table, Male and Female, with generational projection of future mortality improvements per Scale AA.

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



## Town of East Hampton, Connecticut

## Required Supplementary Information

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Schedule of Proportionate Share of the Net Pension Liability</u></b>						
Town's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>65,777,196</u>	<u>50,718,039</u>	<u>48,810,812</u>	<u>51,495,781</u>	<u>38,984,952</u>	<u>36,033,775</u>
Total	<u>\$ 65,777,196</u>	<u>\$ 50,718,039</u>	<u>\$ 48,810,812</u>	<u>\$ 51,495,781</u>	<u>\$ 38,984,952</u>	<u>\$ 36,033,775</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

**Schedule of Contributions**

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

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

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

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

## Town of East Hampton, Connecticut

## Notes to Required Supplementary Information

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

	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	17.6 years	17.6 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Investment Rate of Return (net)	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale .	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.	RP-2000 Combined Mortality Table projected 19 years using scale AA.	RP-2000 Combined Mortality Table projected 19 years using scale AA.

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

## Town of East Hampton, Connecticut

## Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plan  
Last Three Years (1)Schedule of Changes in OPEB Liability and Related Ratios

	<u>2020</u>	<u>2019</u>	<u>2018</u>
OPEB liability			
Service cost	\$ 129,439	\$ 187,451	\$ 191,004
Interest	149,034	153,456	139,502
Difference between expected and actual experience	(510,022)	-	-
Changes in assumptions	516,655	155,433	(118,421)
Benefit payments, including refunds of member contributions	<u>(151,439)</u>	<u>(139,518)</u>	<u>(140,508)</u>
Net change in OPEB liability	133,667	356,822	71,577
OPEB liability - July 1	<u>4,203,743</u>	<u>3,846,921</u>	<u>3,775,344</u>
OPEB liability - June 30 *	<u>\$ 4,337,410</u>	<u>\$ 4,203,743</u>	<u>\$ 3,846,921</u>
Covered payroll	<u>N/A</u>	<u>\$14,985,214</u>	<u>\$ 14,271,707</u>
Total OPEB liability as a percentage of covered payroll	<u>N/A</u>	<u>28.05%</u>	<u>26.95%</u>

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

N/A - Not available

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

## Town of East Hampton, Connecticut

## Required Supplementary Information

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>Schedule of Proportionate Share of the Net OPEB Liability</u></b>			
Town's proportion of the net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>10,258,325</u>	<u>10,138,874</u>	<u>12,563,334</u>
Total	<u>\$ 10,258,325</u>	<u>\$ 10,138,874</u>	<u>\$ 12,563,334</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

**Schedule of Contributions**

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

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

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

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

## Town of East Hampton, Connecticut

## Notes to Required Supplementary Information

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

	2020	2019	2018
Changes of Benefit Terms	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:			
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percentage, open	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years	30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	2.75%
Healthcare Inflation Rate	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return	3.00%	3.00%	4.25%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

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

---

## **Supplemental Schedules**

---

---

# General Fund

---

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

## Town of East Hampton, Connecticut

**Report of Tax Collector  
For The Year Ended June 30, 2020**

Grand List	Uncollected Taxes July 1, 2019	Current Tax Levy	Lawful Corrections		Transferred To Suspense	Net Amount Collectible	Collections			Uncollected Taxes June 30, 2020
			Additions	Deductions			Taxes	Interest and Liens	Total	
2018	\$ -	\$ 38,401,869	\$ 36,708	\$ 89,643	\$ 31,862	\$ 38,317,072	\$ 37,881,573	\$ 103,280	\$ 37,984,853	\$ 435,499
2017	317,093	-	2,702	8,794	15,154	295,847	162,514	47,563	210,077	133,333
2016	91,585	-	378	412	20,077	71,474	47,064	20,412	67,476	24,410
2015	35,411	-	7,305	88	12,803	29,825	21,644	14,605	36,249	8,181
2014	20,600	-	317	-	3,521	17,396	16,197	9,060	25,257	1,199
2013	12,887	-	-	-	3,451	9,436	9,371	7,684	17,055	65
2012	5,828	-	-	-	2,033	3,795	3,795	3,050	6,845	-
2011	3,610	-	-	-	1,939	1,671	1,034	1,372	2,406	637
2010	3,477	-	-	-	1,918	1,559	1,021	1,541	2,562	538
2009	3,028	-	-	-	1,987	1,041	1,041	1,604	2,645	-
2008	1,910	-	-	-	240	1,670	1,670	3,351	5,021	-
2007	1,894	-	-	-	-	1,894	1,894	3,689	5,583	-
2006	1,853	-	-	-	-	1,853	1,853	3,544	5,397	-
	<u>\$ 499,176</u>	<u>\$38,401,869</u>	<u>\$47,410</u>	<u>\$ 98,937</u>	<u>\$ 94,985</u>	<u>\$38,754,533</u>	<u>\$38,150,671</u>	<u>\$220,755</u>	<u>\$38,371,426</u>	<u>\$ 603,862</u>



## Town of East Hampton, Connecticut

**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For The Year Ended June 30, 2020**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>					
Property taxes	\$ 38,429,678	\$ -	\$ 38,429,678	\$ 38,345,305	\$ (84,373)
Intergovernmental	7,391,814	181,662	7,573,476	7,608,198	34,722
Charges for services	522,765	-	522,765	592,311	69,546
Income from investments	52,500	40,001	92,501	96,090	3,589
Other	2,650	-	2,650	16,707	14,057
<b>Total revenues</b>	<b>46,399,407</b>	<b>221,663</b>	<b>46,621,070</b>	<b>46,658,611</b>	<b>37,541</b>
<b>Expenditures</b>					
Current					
General government	4,400,661	(173,105)	4,227,556	4,213,302	14,254
Public safety	2,640,589	(49,640)	2,590,949	2,548,536	42,413
Public works and utilities	2,181,183	(40,400)	2,140,783	2,130,373	10,410
Culture and recreation	1,042,402	(23,410)	1,018,992	1,017,562	1,430
Regulatory	403,015	11,016	414,031	408,543	5,488
Health and human services	454,478	(29,050)	425,428	417,175	8,253
Education	31,176,193	-	31,176,193	31,136,807	39,386
Debt service	3,228,386	-	3,228,386	3,223,383	5,003
<b>Total expenditures</b>	<b>45,526,907</b>	<b>(304,589)</b>	<b>45,222,318</b>	<b>45,095,681</b>	<b>126,637</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>872,500</b>	<b>526,252</b>	<b>1,398,752</b>	<b>1,562,930</b>	<b>164,178</b>
<b>Other financing sources (uses)</b>					
Sale of equipment	-	27,107	27,107	29,642	2,535
Transfers in	-	113,822	113,822	113,822	-
Transfers out	(872,500)	(667,181)	(1,539,681)	(1,539,681)	-
<b>Net other financing sources (uses)</b>	<b>(872,500)</b>	<b>(526,252)</b>	<b>(1,398,752)</b>	<b>(1,396,217)</b>	<b>2,535</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>166,713</b>	<b>\$ 166,713</b>
<b>Fund balance - July 1, 2019</b>				<b>5,713,344</b>	
<b>Fund balance - June 30, 2020</b>				<b>\$ 5,880,057</b>	

## Town of East Hampton, Connecticut

**General Fund**  
**Board of Education**  
**Schedule of Expenditures Compared with Appropriations**  
**For The Year Ended June 30, 2020**

	Original Appropriation	Additional Appropriations and Transfers	Final Appropriation	Expenditures	Variance with Final Budget
Certified salaries	\$ 15,721,367	\$ -	\$ 15,721,367	\$ 15,615,468	\$ 105,899
Classified salaries	4,549,827	-	4,549,827	4,546,208	3,619
Employee benefits:					
Medical and dental	4,529,723	-	4,529,723	4,444,368	85,355
Unemployment compensation	22,800	-	22,800	38,955	(16,155)
Social security	305,702	-	305,702	292,974	12,728
Medicare	274,198	-	274,198	279,194	(4,996)
Pension	465,621	-	465,621	465,621	-
DC plan contribution	88,739	-	88,739	79,616	9,123
Workers' compensation	132,601	-	132,601	125,992	6,609
Life insurance	41,740	-	41,740	41,296	444
Other	2,000	-	2,000	7,870	(5,870)
Tuition	873,236	-	873,236	680,428	192,808
Pupil transportation	1,299,253	-	1,299,253	1,256,458	42,795
Other transportation	41,600	-	41,600	28,963	12,637
Computer consulting services	212,000	-	212,000	280,934	(68,934)
Meetings and conferences	20,800	-	20,800	23,135	(2,335)
Professional/technical services	778,904	-	778,904	701,094	77,810
Public utilities	59,304	-	59,304	59,446	(142)
Building, equipment maintenance and repairs	171,927	-	171,927	320,557	(148,630)
Heating, ventilation maintenance and repairs	39,553	-	39,553	43,172	(3,619)
Security system maintenance and repairs	29,500	-	29,500	39,617	(10,117)
Vehicle maintenance and repairs	3,100	-	3,100	4,240	(1,140)
Supplies, materials and minor equipment	286,000	-	286,000	504,688	(218,688)
Fire protection	10,000	-	10,000	2,000	8,000
Refuse removal	27,300	-	27,300	30,222	(2,922)
Water and underground tank testing	5,000	-	5,000	-	5,000
Pest control	11,700	-	11,700	5,480	6,220
Tile and carpet replacement	5,000	-	5,000	-	5,000
Equipment rental	91,082	-	91,082	88,474	2,608
Property and liability insurance	113,922	-	113,922	115,653	(1,731)
Staff travel	11,480	-	11,480	3,003	8,477
Communications	69,191	-	69,191	47,135	22,056
Newspaper advertising	650	-	650	1,560	(910)
Printing and binding	14,708	-	14,708	8,345	6,363
Other purchased services	34,528	-	34,528	39,550	(5,022)
Natural gas	172,625	-	172,625	132,822	39,803
Motor fuel	121,380	-	121,380	71,439	49,941
Electricity	443,100	-	443,100	368,175	74,925
Textbooks	60,000	-	60,000	145,308	(85,308)
Library books/periodicals	18,720	-	18,720	12,849	5,871
Other supplies and materials	37,232	-	37,232	29,257	7,975
Dues and fees	43,680	-	43,680	47,476	(3,796)
Technology software	-	-	-	13,088	(13,088)
Equipment	10,400	-	10,400	94,556	(84,156)
Other	-	-	-	121	(121)
Special items	(75,000)	-	(75,000)	-	(75,000)
Total expenditures - Schedule 2	<u>\$ 31,176,193</u>	<u>\$ -</u>	<u>\$ 31,176,193</u>	<u>\$ 31,136,807</u>	<u>\$ 39,386</u>

# Other Governmental Funds

## Special Revenue Funds

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

<b>Fund</b>	<b>Funding Source</b>	<b>Function</b>
Water System	User fees	Water operations
Public Safety	Fees	Police outside services
Culture and Recreation	User fees and grants	Recreation programs
School Cafeteria	Sale of lunches and grants	Cafeteria operations
Education Grant	Federal and State grants	Education related programs
Public Works	Federal and State grants and income from investments	Public works projects
Community Development	Federal grants	Town development programs
Miscellaneous Grants	Federal and State grants	Civic and human services and general government purposes
WPCA Joint Facilities	Member town fees	Regional sewer facility operations
WPCA Operating	User fees	Sewer operations

## Debt Service Fund

The debt service fund is used to account for and report resources for the payment of future debt service payments funded by the operating budget.

## Capital Projects Funds

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

<b>Fund</b>	<b>Funding Source</b>	<b>Function</b>
WPCA Development	Charges for services and income from investments	Acquisition and construction related to the WPCA operations
WPCA	Income from investments	Acquisition and construction related to the WPCA
WPCA Joint Facilities	Income from investments	Acquisition and construction related to WPCA Joint Facilities
Public Water System	Grants	Construction related to the development of a public water system

# Other Governmental Funds

## Permanent Funds

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

Fund	Funding Source	Function
Library Trust	Income from investments	Support and benefit of the Town's library

**Town of East Hampton, Connecticut**

**Other Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2020**

**Special Revenue Funds**

	Water System	Public Safety	Culture and Recreation	School Cafeteria	Education Grant	Public Works
<u>Assets</u>						
Cash	\$ 200,389	\$ 38,471	\$ 168,825	\$ 3,350	\$ 298,324	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Assessments and use charges	20,389	-	-	-	-	-
Intergovernmental	-	-	-	98,771	63,971	-
Loans	-	-	-	-	-	-
Other	-	-	-	-	37,610	-
Due from other funds	-	20,820	-	39,000	-	100,556
Other	-	-	-	13,978	-	-
Total assets	<u>\$ 220,778</u>	<u>\$ 59,291</u>	<u>\$ 168,825</u>	<u>\$ 155,099</u>	<u>\$ 399,905</u>	<u>\$ 100,556</u>
<u>Liabilities</u>						
Accounts payable	\$ 4,116	\$ -	\$ 11,441	\$ 13,024	\$ 4,548	\$ -
Due to other funds	-	-	15,280	42,863	45,233	-
Unearned revenue	-	-	27,849	-	850	-
Total liabilities	<u>4,116</u>	<u>-</u>	<u>54,570</u>	<u>55,887</u>	<u>50,631</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenues:						
Water charges	20,389	-	-	-	-	-
Sewer assessment and use charges	-	-	-	-	-	-
Total deferred inflows of resources	<u>20,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>						
Nonspendable	-	-	-	-	-	-
Restricted	196,273	-	-	99,212	-	-
Committed	-	59,291	114,255	-	349,274	100,556
Assigned	-	-	-	-	-	-
Total fund balances	<u>196,273</u>	<u>59,291</u>	<u>114,255</u>	<u>99,212</u>	<u>349,274</u>	<u>100,556</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 220,778</u>	<u>\$ 59,291</u>	<u>\$ 168,825</u>	<u>\$ 155,099</u>	<u>\$ 399,905</u>	<u>\$ 100,556</u>

(Continued)

**Town of East Hampton, Connecticut**

**Other Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2020**

	Special Revenue Funds					Debt Service Fund
	Community Development	Miscellaneous Grants	WPCA Joint Facilities	WPCA Operating	Total Special Revenue Funds	Debt Service
<u>Assets</u>						
Cash	\$ 6,567	\$ 84,799	\$ 828,749	\$ 1,189,285	\$ 2,818,759	\$ 196,377
Investments	-	-	-	-	-	-
Receivables:						
Assessments and use charges	-	-	-	217,932	238,321	-
Intergovernmental	233,817	-	-	-	396,559	-
Loans	208,857	-	-	-	208,857	-
Other	-	-	79,173	24,291	141,074	-
Due from other funds	-	102,649	-	-	263,025	-
Other	-	-	-	-	13,978	-
Total assets	<u>\$ 449,241</u>	<u>\$ 187,448</u>	<u>\$ 907,922</u>	<u>\$ 1,431,508</u>	<u>\$ 4,080,573</u>	<u>\$ 196,377</u>
<u>Liabilities</u>						
Accounts payable	\$ -	\$ 4,822	\$ 190,891	\$ 14,720	\$ 243,562	\$ -
Due to other funds	233,817	-	19,324	57,549	414,066	98,963
Unearned revenue	-	116,327	-	-	145,026	-
Total liabilities	<u>233,817</u>	<u>121,149</u>	<u>210,215</u>	<u>72,269</u>	<u>802,654</u>	<u>98,963</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenues:						
Water charges	-	-	-	-	20,389	-
Sewer assessment and use charges	-	-	-	217,932	217,932	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,932</u>	<u>238,321</u>	<u>-</u>
<u>Fund Balances</u>						
Nonspendable	-	-	-	-	-	-
Restricted	215,424	-	697,707	1,141,307	2,349,923	-
Committed	-	66,299	-	-	689,675	-
Assigned	-	-	-	-	-	97,414
Total fund balances	<u>215,424</u>	<u>66,299</u>	<u>697,707</u>	<u>1,141,307</u>	<u>3,039,598</u>	<u>97,414</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 449,241</u>	<u>\$ 187,448</u>	<u>\$ 907,922</u>	<u>\$ 1,431,508</u>	<u>\$ 4,080,573</u>	<u>\$ 196,377</u>

(Continued)

**Town of East Hampton, Connecticut**

**Other Governmental Funds  
Combining Balance Sheet  
June 30, 2020**

	Capital Projects Funds					Permanent Fund	Total Other Governmental Funds
	WPCA Development	WPCA	WPCA Joint Facilities	Public Water System	Total Capital Projects Funds	Library Trust	
<u>Assets</u>							
Cash	\$ 444,456	\$ 436,053	\$ 79,484	\$ 54,725	\$ 1,014,718	\$ 17,182	\$ 4,047,036
Investments	-	-	389,854	-	389,854	-	389,854
Receivables:							
Assessments and use charges	41,501	-	-	-	41,501	-	279,822
Intergovernmental	-	-	-	-	-	-	396,559
Loans	-	-	-	-	-	-	208,857
Other	-	-	-	-	-	-	141,074
Due from other funds	-	-	-	-	-	-	263,025
Other	-	-	-	-	-	-	13,978
Total assets	<u>\$ 485,957</u>	<u>\$ 436,053</u>	<u>\$ 469,338</u>	<u>\$ 54,725</u>	<u>\$ 1,446,073</u>	<u>\$ 17,182</u>	<u>\$ 5,740,205</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ 187	\$ -	\$ -	\$ 187	\$ -	\$ 243,749
Due to other funds	-	-	-	-	-	-	513,029
Unearned revenue	-	-	-	-	-	-	145,026
Total liabilities	<u>-</u>	<u>187</u>	<u>-</u>	<u>-</u>	<u>187</u>	<u>-</u>	<u>901,804</u>
<u>Deferred Inflows of Resources</u>							
Unavailable revenues:							
Water charges	-	-	-	-	-	-	20,389
Sewer assessment and use charges	41,501	-	-	-	41,501	-	259,433
Total deferred inflows of resources	<u>41,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,501</u>	<u>-</u>	<u>279,822</u>
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	15,500	15,500
Restricted	-	-	-	-	-	1,682	2,351,605
Committed	444,456	435,866	469,338	54,725	1,404,385	-	2,094,060
Assigned	-	-	-	-	-	-	97,414
Total fund balances	<u>444,456</u>	<u>435,866</u>	<u>469,338</u>	<u>54,725</u>	<u>1,404,385</u>	<u>17,182</u>	<u>4,558,579</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 485,957</u>	<u>\$ 436,053</u>	<u>\$ 469,338</u>	<u>\$ 54,725</u>	<u>\$ 1,446,073</u>	<u>\$ 17,182</u>	<u>\$ 5,740,205</u>

(Concluded)

**Town of East Hampton, Connecticut**

**Other Governmental Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For The Year Ended June 30, 2020**

	Special Revenue Funds					
	Water System	Public Safety	Culture and Recreation	School Cafeteria	Education Grant	Public Works
Revenues:						
Intergovernmental	\$ -	\$ 930	\$ 268,401	\$ 354,474	\$ 1,147,725	\$ -
Charges for services	179,257	217,330	255,440	277,910	521,394	-
Income from investments	577	58	16	3	10	512
Contributions and donations	-	125	6,913	-	14,397	-
Total revenues	<u>179,834</u>	<u>218,443</u>	<u>530,770</u>	<u>632,387</u>	<u>1,683,526</u>	<u>512</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	185,542	-	-	-	-
Public works and utilities	172,197	-	-	-	-	-
Culture and recreation	-	-	539,202	-	-	-
Health and human services	-	-	-	-	-	-
Education	-	-	-	568,732	1,465,730	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>172,197</u>	<u>185,542</u>	<u>539,202</u>	<u>568,732</u>	<u>1,465,730</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>7,637</u>	<u>32,901</u>	<u>(8,432)</u>	<u>63,655</u>	<u>217,796</u>	<u>512</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	7,637	32,901	(8,432)	63,655	217,796	512
Fund balances - July 1, 2019	<u>188,636</u>	<u>26,390</u>	<u>122,687</u>	<u>35,557</u>	<u>131,478</u>	<u>100,044</u>
Fund balances - June 30, 2020	<u>\$ 196,273</u>	<u>\$ 59,291</u>	<u>\$ 114,255</u>	<u>\$ 99,212</u>	<u>\$ 349,274</u>	<u>\$ 100,556</u>

(Continued)



**Town of East Hampton, Connecticut**

**Other Governmental Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For The Year Ended June 30, 2020**

	Special Revenue Funds				Debt Service Fund
	Community Development	Miscellaneous Grants	WPCA Joint Facilities	WPCA Operating	Total Special Revenue Funds
Revenues:					
Intergovernmental	\$ 233,817	\$ 160,830	\$ -	\$ -	\$ 2,166,177
Charges for services	-	42,827	1,271,669	1,570,595	4,336,422
Income from investments	14	186	85	3,776	5,237
Contributions and donations	-	9,936	-	-	31,371
Total revenues	233,831	213,779	1,271,754	1,574,371	6,539,207
Expenditures:					
Current:					
General government	233,819	31,100	-	-	264,919
Public safety	-	-	-	-	185,542
Public works and utilities	-	-	850,105	1,410,394	2,432,696
Culture and recreation	-	-	-	-	539,202
Health and human services	-	214,660	-	-	214,660
Education	-	-	-	-	2,034,462
Debt service	-	-	30,293	-	30,293
Total expenditures	233,819	245,760	880,398	1,410,394	5,701,774
Excess (deficiency) of revenues over expenditures	12	(31,981)	391,356	163,977	837,433
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(54,925)	(54,925)
Total other financing sources (uses)	-	-	-	(54,925)	(54,925)
Net change in fund balances	12	(31,981)	391,356	109,052	782,508
Fund balances - July 1, 2019	215,412	98,280	306,351	1,032,255	2,257,090
Fund balances - June 30, 2020	\$ 215,424	\$ 66,299	\$ 697,707	\$ 1,141,307	\$ 3,039,598

(Continued)

**Town of East Hampton, Connecticut**

**Other Governmental Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For The Year Ended June 30, 2020**

	Capital Projects Funds				Permanent Fund		Total Other Governmental Funds
	WPCA Development	WPCA	WPCA Joint Facilities	Public Water System	Total Capital Projects Funds	Library Trust	Interfund Eliminations
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	61,628	-	-	-	61,628	-	-
Income from investments	2,257	1,707	1,986	-	5,950	327	-
Contributions and donations	-	-	-	-	-	-	-
Total revenues	63,885	1,707	1,986	-	67,578	327	-
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works and utilities	21,775	289,911	71,046	-	382,732	-	-
Culture and recreation	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	21,775	289,911	71,046	-	382,732	-	-
Excess (deficiency) of revenues over expenditures	42,110	(288,204)	(69,060)	-	(315,154)	327	-
Other financing sources (uses):							
Transfers in	-	54,925	-	-	54,925	-	(54,925)
Transfers out	-	-	-	-	-	-	54,925
Total other financing sources (uses)	-	54,925	-	-	54,925	-	-
Net change in fund balances	42,110	(233,279)	(69,060)	-	(260,229)	327	-
Fund balances - July 1, 2019	402,346	669,145	538,398	54,725	1,664,614	16,855	-
Fund balances - June 30, 2020	\$ 444,456	\$ 435,866	\$ 469,338	\$ 54,725	\$ 1,404,385	\$ 17,182	\$ -

(Concluded)

# Fiduciary Funds

## Fiduciary Funds

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

### Pension Trust Funds

Fund	Funding Source	Function
Pension Fund	Contributions	To account for contributions made by the Town and its employees for pension benefits for all non-certified and non-police personnel.

### Custodial Funds

Fund	Funding Source	Function
Student Activity Fund	Individual fundraising projects	To account for collections and payments related to education activities at the schools.
Volunteer Firemen Award Fund	Town contributions	To account for the investment activity and monies held for volunteer firemen awards.

## Town of East Hampton, Connecticut

**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

	Custodial Funds		
	Student Activity Fund	Volunteer Firemen Award Fund	Total Custodial Funds
<u>Assets</u>			
Cash	\$510,787	\$ -	\$ 510,787
Investments:			
Mutual funds:			
Equity	-	1,126,030	1,126,030
U.S. government bonds	-	202,447	202,447
Money market	-	-	-
Total investments	-	1,328,477	1,328,477
Total assets	510,787	1,328,477	1,839,264
<u>Liability</u>			
Due to other funds	-	11,546	11,546
<u>Net Position</u>			
Restricted for:			
Individuals and organizations	\$510,787	\$1,316,931	\$1,827,718

**Town of East Hampton, Connecticut**

**Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2020**

	<u>Custodial Funds</u>		
	<u>Student Activity Fund</u>	<u>Volunteer Firemen Award Fund</u>	<u>Total Custodial Funds</u>
Additions:			
Employer contributions	<u>\$ -</u>	<u>\$ 19,745</u>	<u>\$ 19,745</u>
Activities fees	<u>626,016</u>	<u>-</u>	<u>626,016</u>
Investment income (loss):			
Net change in fair value of investments	<u>-</u>	<u>(26,771)</u>	<u>(26,771)</u>
Interest and dividends	<u>1,154</u>	<u>30,473</u>	<u>31,627</u>
Total investment income (loss)	<u>1,154</u>	<u>3,702</u>	<u>4,856</u>
Total additions	<u>627,170</u>	<u>23,447</u>	<u>650,617</u>
Deductions:			
Benefits	<u>-</u>	<u>18,499</u>	<u>18,499</u>
Scholarship awards	<u>5,200</u>	<u>-</u>	<u>5,200</u>
Activities and events	<u>623,759</u>	<u>-</u>	<u>623,759</u>
Total deductions	<u>628,959</u>	<u>18,499</u>	<u>647,458</u>
Change in net position	<u>(1,789)</u>	<u>4,948</u>	<u>3,159</u>
Net position - July 1, 2019	<u>512,576</u>	<u>1,311,983</u>	<u>1,824,559</u>
Net position - June 30, 2020	<u><u>\$510,787</u></u>	<u><u>\$1,316,931</u></u>	<u><u>\$1,827,718</u></u>

# Statistical Section

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

Table	Description
Financial Trend (Tables 1-4)	These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.
Revenue Capacity (Tables 5-7)	These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.
Debt Capacity (Tables 8-11)	These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.
Demographic and Economic Information (Tables 12-15)	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 (Tables 16-17)	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.

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

## Town of East Hampton, Connecticut

## Net Position by Component

## Last Ten Years

(Unaudited)

June 30,

	2020	2019	(1) 2018	2017	2016	2015	(2) 2014	2013	2012	2011
Net investment in capital assets	\$ 94,922,095	\$ 90,815,986	\$ 92,111,852	\$ 92,409,066	\$ 84,059,272	\$ 76,685,651	\$ 71,600,194	\$ 69,287,816	\$ 70,148,958	\$ 67,987,584
Restricted	2,367,105	1,801,621	1,411,558	1,224,115	824,233	638,069	1,743,119	2,241,000	3,183,000	3,031,388
Unrestricted	<u>(3,466,076)</u>	<u>(386,430)</u>	<u>(1,950,181)</u>	<u>1,216,719</u>	<u>7,422,392</u>	<u>6,222,350</u>	<u>4,881,503</u>	<u>11,940,565</u>	<u>8,359,229</u>	<u>8,466,520</u>
Total net position	<u>\$ 93,823,124</u>	<u>\$ 92,231,177</u>	<u>\$ 91,573,229</u>	<u>\$ 94,849,900</u>	<u>\$ 92,305,897</u>	<u>\$ 83,546,070</u>	<u>\$ 78,224,816</u>	<u>\$ 83,469,381</u>	<u>\$ 81,691,187</u>	<u>\$ 79,485,492</u>

## Notes:

(1) - Unrestricted net position decreased in 2018 due to the implementation of GASB No. 75, which required that the OPEB liability of \$3,846,921 be recorded on the government-wide financial statements.

(2) - Unrestricted net position decreased in 2014 due to the implementation of GASB No. 68, which required that the net pension liability of \$5,295,067 be recorded on the government-wide financial statements.

## Town of East Hampton, Connecticut

Changes in Net Position  
Last Ten Years  
(Unaudited)

For the Year Ended June 30,

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
General government	\$ 3,014,783	\$ 3,074,835	\$ 3,061,842	\$ 3,548,663	\$ 3,257,116	\$ 2,847,076	\$ 2,607,793	\$ 2,663,044	\$ 2,447,985	\$ 2,443,122
Public safety	4,620,650	3,794,082	3,925,006	3,801,189	3,391,168	3,150,700	2,941,474	2,618,870	2,823,334	2,737,441
Public works and utilities	6,387,425	5,682,984	6,052,715	6,005,994	6,207,110	6,445,962	5,188,262	5,297,481	5,364,060	5,325,891
Culture and recreation	1,771,647	2,105,434	1,729,582	1,930,354	1,729,557	1,539,637	1,654,876	1,303,462	1,439,916	1,366,556
Health and human services	730,668	500,180	689,520	665,153	509,796	1,032,383	727,068	458,228	436,539	362,272
Regulatory	598,751	531,294	522,221	477,104	567,332	509,982	458,302	436,731	424,570	509,982
Education	39,379,682	39,253,487	40,215,775	40,207,125	34,928,883	33,265,577	33,743,421	32,105,361	31,579,590	31,018,794
Interest	1,159,392	1,107,436	1,033,464	791,832	611,498	89,742	284,456	196,684	259,279	312,259
Total expenses	57,662,998	56,049,732	57,230,125	57,427,414	51,202,460	48,881,059	47,605,652	45,079,861	44,775,273	44,076,317
Program revenues:										
Charges for services:										
General government	369,005	381,373	396,441	378,462	354,803	334,535	330,789	331,161	307,991	310,197
Public safety	223,831	127,270	176,571	156,255	172,264	175,584	82,916	87,190	77,903	48,487
Public works and utilities	3,215,053	2,938,823	2,415,293	2,591,122	2,460,626	2,199,579	2,190,984	2,153,810	2,166,724	2,116,544
Culture and recreation	263,933	318,290	275,085	257,926	266,383	210,777	206,256	196,679	209,251	218,155
Health and human services	600	1,525	1,375	1,800	975	1,274	1,250	975	550	525
Regulatory	202,731	207,224	193,828	185,851	201,477	156,507	146,059	107,721	110,638	95,970
Education	799,304	723,460	638,599	578,751	575,870	591,855	462,261	454,627	501,103	517,287
Operating grants and contributions	14,160,824	14,077,429	15,010,161	15,417,882	13,052,314	11,819,345	13,204,237	12,414,880	12,786,216	12,786,945
Capital grants and contributions	902,980	555,095	229,450	6,608,161	10,431,742	6,813,942	1,570,666	981,075	1,422,995	496,985
Total program revenues	20,138,261	19,330,489	19,336,803	26,176,210	27,516,454	22,303,398	18,195,418	16,728,118	17,583,371	16,591,095
Net expenses	(37,524,737)	(36,719,243)	(37,893,322)	(31,251,204)	(23,686,006)	(26,577,661)	(29,410,234)	(28,351,743)	(27,191,902)	(27,485,222)
General revenues:										
Property taxes	38,583,751	36,855,185	35,727,324	33,287,819	32,164,130	31,378,784	30,545,568	29,729,485	29,054,004	29,078,949
Grants and contributions not restricted										
to specific programs	185,962	154,988	156,382	410,559	152,200	237,767	218,407	227,704	229,541	251,865
Income from investments	196,848	279,650	92,757	70,147	102,101	236,524	37,313	65,317	47,794	80,509
Other	17,144	87,368	2,704	26,682	27,402	45,840	112,659	107,431	66,258	174,713
Gain on sale of assets	132,979	-	-	-	-	-	-	-	-	-
Total general revenues	39,116,684	37,377,191	35,979,167	33,795,207	32,445,833	31,898,915	30,913,947	30,129,937	29,397,597	29,586,036
Change in net position	\$ 1,591,947	\$ 657,948	\$ (1,914,155)	\$ 2,544,003	\$ 8,759,827	\$ 5,321,254	\$ 1,503,713	\$ 1,778,194	\$ 2,205,695	\$ 2,100,814



Table 3

## Town of East Hampton, Connecticut

Fund Balances, Governmental Funds  
Last Ten Years  
(Unaudited)

June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,550	\$ -
Assigned	738,000	-	-	-	-	-	-	-	-	-
Unassigned	5,142,057	5,713,344	5,435,624	5,263,469	4,959,395	5,064,400	4,872,509	4,873,812	4,365,605	4,350,654
Total general fund	5,880,057	5,713,344	5,435,624	5,263,469	4,959,395	5,064,400	4,872,509	4,873,812	4,581,155	4,350,654
All other governmental funds:										
Nonspendable	15,500	15,500	224,357	15,500	15,500	15,500	15,500	15,500	15,500	15,500
Restricted	2,351,605	1,779,566	1,396,058	1,208,615	808,733	622,569	1,727,619	2,225,500	3,167,500	3,015,888
Committed	6,602,448	8,689,795	4,669,882	5,163,325	5,699,789	13,528,022	5,912,955	5,748,389	3,332,988	3,183,240
Assigned	97,414	-	-	-	113,865	169,130	232,188	358,538	435,709	495,906
Unassigned	-	(12,643)	(8,166)	(19,013)	(26,062)	-	-	-	(320,066)	(2,615)
Total all other governmental funds	9,066,967	10,472,218	6,282,131	6,368,427	6,611,825	14,335,221	7,888,262	8,347,927	6,631,631	6,707,919
Grand total	\$ 14,947,024	\$ 16,185,562	\$ 11,717,755	\$ 11,631,896	\$ 11,571,220	\$ 19,399,621	\$ 12,760,771	\$ 13,221,739	\$ 11,212,786	\$ 11,058,573

## Notes:

## General fund:

Assigned

Increased due to appropriation to fund subsequent year's budget

## All other governmental funds:

Restricted

Increased due to an increase in the WPCA joint facilities operations

Committed

Decreased due to decrease in commitments for the new town hall and high school renovation projects

Unassigned

Increased due the reclassification of the internal service fund from proprietary fund to other governmental funds

Table 4

**Town of East Hampton, Connecticut**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Years**  
**(Unaudited)**

For the Year Ended June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues:</b>										
Property taxes	\$ 38,345,305	\$ 37,184,386	\$ 36,935,812	\$ 33,583,829	\$ 31,981,176	\$ 31,199,130	\$ 30,227,688	\$ 29,330,074	\$ 29,094,729	\$ 28,900,523
Intergovernmental	15,218,395	14,720,333	15,314,541	22,108,968	23,439,452	18,833,229	14,949,740	13,767,049	14,596,871	13,534,992
Charges for services	4,995,476	4,831,881	4,411,157	4,152,828	3,957,917	3,598,131	3,319,868	3,340,273	3,367,972	3,268,668
Income from investments	196,848	279,650	92,757	70,147	102,101	236,524	37,313	65,317	47,794	80,509
Contributions and donations	31,371	67,179	81,452	173,754	53,434	181,098	63,714	22,581	12,958	45,691
Other	17,144	87,368	2,704	26,682	27,402	45,840	103,238	107,431	66,258	174,713
<b>Total revenues</b>	<b>58,804,539</b>	<b>57,170,797</b>	<b>56,838,423</b>	<b>60,116,208</b>	<b>59,561,482</b>	<b>54,093,952</b>	<b>48,701,561</b>	<b>46,632,725</b>	<b>47,186,582</b>	<b>46,005,096</b>
<b>Expenditures:</b>										
Current:										
General government	16,043,227	11,249,842	4,826,958	4,698,857	3,904,068	3,711,488	3,555,998	3,588,818	3,371,103	4,003,971
Public safety	4,292,328	2,972,253	2,962,159	2,917,696	2,577,012	2,458,595	2,385,843	2,301,579	2,391,197	2,271,331
Public works and utilities	5,616,516	5,581,204	4,975,138	5,906,007	5,056,247	5,232,672	3,932,921	4,173,659	4,138,647	4,215,334
Culture and recreation	1,697,340	2,035,310	1,291,651	1,599,904	1,289,322	1,254,488	1,392,707	1,188,691	1,236,785	1,166,176
Health and human services	631,835	427,372	599,688	561,431	420,828	977,274	679,756	416,126	395,823	556,741
Regulatory	408,543	363,711	352,768	323,558	422,147	368,205	378,159	364,173	359,986	430,430
Education	38,677,743	38,496,966	39,896,742	36,743,208	33,759,174	32,500,120	32,790,124	31,188,500	30,824,266	30,324,038
Debt service:										
Principal	2,373,314	2,374,318	2,077,368	1,944,738	866,085	1,171,716	914,545	977,727	998,844	1,442,383
Interest	1,179,859	1,322,037	994,208	936,730	232,302	158,256	191,774	224,294	257,686	300,219
Capital outlay	-	-	-	11,326,553	25,850,728	16,204,393	3,730,812	3,369,141	3,000,532	958,934
<b>Total expenditures</b>	<b>70,920,705</b>	<b>64,823,013</b>	<b>57,976,680</b>	<b>66,958,682</b>	<b>74,377,913</b>	<b>64,037,207</b>	<b>49,952,639</b>	<b>47,792,708</b>	<b>46,974,869</b>	<b>45,669,557</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(12,116,166)</b>	<b>(7,652,216)</b>	<b>(1,138,257)</b>	<b>(6,842,474)</b>	<b>(14,816,431)</b>	<b>(9,943,255)</b>	<b>(1,251,078)</b>	<b>(1,159,983)</b>	<b>211,713</b>	<b>335,539</b>
<b>Other financing sources (uses):</b>										
Issuance of debt	9,505,000	12,015,579	405,000	6,700,000	4,810,000	16,415,000	745,000	3,140,000	-	-
Premium	882,531	104,445	500,372	-	1,116,024	167,105	35,689	28,936	-	-
Capital lease	-	-	109,887	172,349	1,062,006	-	-	-	-	-
Sale of assets	326,682	-	-	-	-	-	9,421	-	-	-
Transfers in	1,653,503	1,000,787	1,497,291	1,386,850	1,601,414	1,040,795	1,783,900	1,015,868	1,704,661	1,164,500
Transfers out	(1,653,503)	(1,000,787)	(1,497,291)	(1,356,049)	(1,601,414)	(1,040,795)	(1,783,900)	(1,015,868)	(1,762,161)	(1,164,500)
<b>Net other financing sources (uses)</b>	<b>10,714,213</b>	<b>12,120,024</b>	<b>1,015,259</b>	<b>6,903,150</b>	<b>6,988,030</b>	<b>16,582,105</b>	<b>790,110</b>	<b>3,168,936</b>	<b>(57,500)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (1,401,953)</b>	<b>\$ 4,467,808</b>	<b>\$ (122,998)</b>	<b>\$ 60,676</b>	<b>\$ (7,828,401)</b>	<b>\$ 6,638,850</b>	<b>\$ (460,968)</b>	<b>\$ 2,008,953</b>	<b>\$ 154,213</b>	<b>\$ 335,539</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>6.28%</b>	<b>5.90%</b>	<b>5.50%</b>	<b>5.39%</b>	<b>2.29%</b>	<b>2.79%</b>	<b>2.40%</b>	<b>2.72%</b>	<b>2.72%</b>	<b>3.93%</b>

**Table 5****Town of East Hampton, Connecticut****Assessed and Estimated Actual Value of Taxable Property  
Last Ten Years  
(Unaudited)**

Year Ended June 30	Real Estate		Personal Property		Total		Percentage of Total Assessed Value to Total Estimated Value	(1) Total Direct Tax Rate
	Net Assessed Value	Estimated Value	Net Assessed Value	Estimated Value	Net Assessed Value	Estimated Value		
2011	\$ 1,031,071,297	\$ 1,472,958,996	\$ 116,389,556	\$ 166,270,794	\$ 1,147,460,853	\$ 1,639,229,790	70.00%	24.98
2012	997,694,577	1,425,277,967	116,989,453	167,127,790	1,114,684,030	1,592,405,757	70.00%	25.68
2013	1,001,807,950	1,431,154,214	123,855,863	176,936,947	1,125,663,813	1,608,091,161	70.00%	25.97
2014	1,005,402,915	1,436,289,879	122,101,568	174,430,811	1,127,504,483	1,610,720,690	70.00%	26.63
2015	1,011,357,214	1,444,796,020	123,287,597	176,125,139	1,134,644,811	1,620,921,159	70.00%	27.14
2016	1,015,087,787	1,450,125,410	125,225,394	178,893,420	1,140,313,181	1,629,018,830	70.00%	27.78
2017	995,161,525	1,421,659,321	127,747,940	182,497,057	1,122,909,465	1,604,156,378	70.00%	29.44
2018	995,231,847	1,421,759,781	133,439,983	190,628,547	1,128,671,830	1,612,388,328	70.00%	31.32
2019	1,000,847,779	1,429,782,541	137,122,868	195,889,811	1,137,970,647	1,625,672,353	70.00%	32.21
2020	1,007,053,461	1,438,647,801	140,754,647	201,078,067	1,147,808,108	1,639,725,869	70.00%	33.14

Source: Town of East Hampton, Assessor's Office

(1) There are no overlapping governments or tax rates.

Table 6

## Town of East Hampton, Connecticut

Principal Property Taxpayers  
Current Year and Nine Years Ago  
(Unaudited)

Name	Nature of Business	2020			2011		
		Assessed Value	Rank	Percentage Net Taxable Grand List (1)	Assessed Value	Rank	Percentage Net Taxable Grand List (1)
Eversource (Formerly CT Light & Power Co.)	Utility	\$ 22,746,270	1	1.98%	\$ 13,305,560	1	1.16%
Landmark East Hampton LLC	Mall Real Estate	7,521,320	2	0.66%	7,392,050	2	0.64%
Hampton 66 LLC	Real Estate Developer	3,500,000	3	0.30%	-	-	-
Connecticut Natural Gas Corp.	Utility	3,411,490	4	0.30%	-	-	-
Global Self Storage	Commercial Real Estate	2,475,050	5	0.22%	1,923,070	8	0.17%
East High Street Realty	Real Estate Developer	2,387,472	6	0.21%	-	-	-
American Distilling	Manufacturer	2,184,420	7	0.19%	3,002,560	4	0.26%
Paul's & Sandy's Too, Inc.	Real Estate - Commercial/Farm	2,083,510	8	0.18%	1,962,940	7	0.17%
Neslen, Inc./Gustine Family Ltd	Campground	1,827,760	9	0.16%	-	-	-
Stop and Shop Companies Inc.	Supermarket	1,802,370	10	0.16%	1,751,760	9	0.15%
Skyline Estates LLC	Real Estate Developer	-	-	-	2,258,150	6	0.20%
Z Incorporated	Convalescent Home	-	-	-	1,748,870	10	0.15%
East Hampton NE Development LLC	Real Estate Developer	-	-	-	3,571,560	3	0.31%
Rechovos Corporation	Real Estate Developer	-	-	-	2,474,620	5	0.22%
Totals		<u>\$ 49,939,662</u>		<u>4.35%</u>	<u>\$ 39,391,140</u>		<u>3.43%</u>
(1) Based on October 1, 2018 and 2009 net taxable Grand List of:		<u>\$ 1,147,808,108</u>			<u>\$ 1,147,460,853</u>		

Source: Assessor's Office, Town of East Hampton

**Table 7****Town of East Hampton, Connecticut****Tax Rates, Levies and Cash Collections  
Last Ten Years  
(Unaudited)**

<u>Year Ended June 30</u>	<u>(1) Mill Rate</u>	<u>(2) Total Adjusted Tax Levy</u>	<u>Net Current Levy Tax Collections</u>	<u>Percentage of Current Taxes Collected</u>	<u>Collections in Subsequent Years</u>	<u>Total Collections</u>	<u>Percent of Levy Collected</u>	<u>Current Delinquent Balance</u>
2011	24.98	\$ 28,730,903	\$ 28,141,090	97.95%	\$ 589,813	\$ 28,730,903	100.00%	\$ -
2012	25.68	28,705,137	28,141,477	98.04%	563,122	28,704,599	100.00%	538
2013	25.97	29,347,660	28,659,192	97.65%	687,831	29,347,023	100.00%	637
2014	26.63	30,178,771	29,481,088	97.69%	697,683	30,178,771	100.00%	-
2015	27.14	30,951,102	30,345,144	98.04%	605,893	30,951,037	100.00%	65
2016	27.78	31,836,966	31,191,920	97.97%	643,847	31,835,767	100.00%	1,199
2017	29.44	33,204,218	32,674,062	98.40%	521,975	33,196,037	99.98%	8,181
2018	31.32	35,564,525	35,251,726	99.12%	288,389	35,540,115	99.93%	24,410
2019	32.21	36,924,601	36,607,508	99.14%	183,760	36,791,268	99.64%	133,333
2020	33.14	38,317,072	37,881,573	98.86%	-	37,881,573	98.86%	435,499

(1) There are no overlapping tax rates.

(2) Adjusted tax levy equals the tax levy after lawful corrections, abatements and transfers to suspense.

Source: Town of East Hampton Tax office

## Town of East Hampton, Connecticut

**Ratios of Outstanding Debt By Type  
Last Ten Years  
(Unaudited)**

<u>Year Ended June 30</u>	<u>General Obligation Bonds (1)</u>	<u>Notes</u>	<u>Premium</u>	<u>Capital Leases</u>	<u>Total</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2011	\$ 7,040,000	\$ 373,182	\$ 54,575	\$ -	\$ 7,467,757	0.79%	\$ 574
2012	6,115,000	299,338	44,224	-	6,458,562	0.68%	497
2013	8,340,000	236,611	33,873	-	8,610,484	0.88%	665
2014	8,250,000	210,815	57,425	-	8,518,240	0.84%	660
2015	23,625,000	184,498	47,202	-	23,856,700	2.38%	1,853
2016	27,715,000	157,650	1,065,479	976,617	29,914,746	2.99%	2,327
2017	32,710,000	130,260	1,008,544	922,978	34,771,782	2.80%	2,181
2018	31,410,000	803,236	1,387,818	80,516	33,681,570	3.35%	2,611
2019	41,300,000	580,126	1,306,649	54,887	43,241,662	4.31%	3,352
2020	48,725,000	313,632	2,070,327	28,067	51,137,026	5.08%	3,964

(1) Includes permanently financed bond anticipation notes.

Note: Details regarding the Town's outstanding debt can be found in the notes to financial statements.

There is no overlapping debt for the Town.

**Table 9**

**Town of East Hampton, Connecticut**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Years**  
**(Unaudited)**

Year Ended June 30	General Obligation Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds (1)	Premium	Total		
2011	\$ 7,040,000	\$ 54,575	\$ 7,094,575	0.46%	\$ 546
2012	6,115,000	44,224	6,159,224	0.41%	474
2013	8,340,000	33,873	8,373,873	0.54%	647
2014	8,250,000	57,425	8,307,425	0.53%	643
2015	23,625,000	47,202	23,672,202	1.46%	1,839
2016	27,715,000	1,065,479	28,780,479	1.77%	2,238
2017	32,710,000	1,008,544	33,718,544	2.07%	2,171
2018	31,410,000	1,387,818	32,797,818	2.04%	2,542
2019	41,300,000	1,306,649	42,606,649	2.66%	3,315
2020	48,725,000	2,070,327	50,795,327	3.15%	3,952

(1) Includes permanently financed bond anticipation notes.

Note: Details regarding the Town's outstanding debt can be found in the notes to financial statements.  
There is no overlapping debt for the Town.

## Town of East Hampton, Connecticut

**Schedule of Debt Limitation**  
**Connecticut Statutes, Section 7-374(b)**  
**For the Year Ended June 30, 2020**  
**(Unaudited)**

Tax base:

Total tax collections (including interest and lien fees) for the prior year	\$ 37,148,831
---	---------------

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
<u>Debt limitation:</u>					
2 1/4 times base	\$ 83,584,870	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	167,169,740	-	-	-
3 3/4 times base	-	-	139,308,116	-	-
3 1/4 times base	-	-	-	120,733,701	-
3 times base	-	-	-	-	111,446,493
Total limitations	83,584,870	167,169,740	139,308,116	120,733,701	111,446,493

Indebtedness:

Bond	18,237,000	22,678,000	-	-	-
Bond anticipation notes					
- long-term	7,408,852	401,148	-	-	-
Bond anticipation notes					
- short-term	72,148	298,852	-	-	-
Net indebtedness	25,718,000	23,378,000	-	-	-

Debt limitation in excess of outstanding debt	\$ 57,866,870
--	---------------

The total net indebtedness above amounts to:	\$ 49,096,000
--	---------------

In no event shall total indebtedness exceed seven times the base for debt limitation computation:	\$ 260,041,817
---	----------------

There is no overlapping debt for the Town.



**Table 11****Town of East Hampton, Connecticut****Legal Debt Margin Information  
Last Ten Years  
(Unaudited)**

<u>Year Ended June 30</u>	<u>Debt Limit</u>	<u>Net Debt Applicable To Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable</u>
2011	\$ 201,940,109	\$ 6,912,469	\$ 195,027,640	3.42%
2012	203,328,377	6,084,708	197,243,699	2.99%
2013	204,978,284	8,807,952	196,170,332	4.30%
2014	211,140,356	8,317,300	202,823,056	3.94%
2015	218,324,484	23,809,256	194,515,228	10.91%
2016	223,149,794	32,872,650	190,277,144	14.73%
2017	235,251,737	33,140,260	202,111,477	14.09%
2018	259,351,099	33,187,317	226,163,782	12.80%
2019	260,041,817	42,000,000	217,351,099	16.19%
2020	260,041,817	49,096,000	210,945,817	18.88%

Table 12

**Town of East Hampton, Connecticut**  
**Demographic and Economic Statistics**  
**Last Ten Years**  
**(Unaudited)**

	(1)	(2)	(2)	(2)	(2)	(2)	(3)	(4)
Year Ended June 30	Population	Personal Income	Median Household Income	Per Capita Income	Median Age	Education Level in Years of Formal Schooling	School Enrollment	Unemployment Rate
2011	12,999	\$ 73,160	\$ 82,529	\$ 32,187	32	33% Bachelor Degree or more	1,944	9.60%
2012	12,989	73,274	90,539	39,293	40	37% Bachelor Degree or more	1,928	7.50%
2013	12,940	75,492	91,770	38,149	40	39% Bachelor Degree or more	1,882	7.50%
2014	12,912	78,750	93,083	40,017	41	40% Bachelor Degree or more	1,839	4.80%
2015	12,874	77,917	109,915	42,794	41	40% Bachelor Degree or more	1,830	4.00%
2016	12,858	77,813	96,066	43,207	42	42% Bachelor Degree or more	1,888	5.00%
2017	12,869	78,002	96,299	45,836	45	39% Bachelor Degree or more	1,880	4.30%
2018	12,901	76,378	95,923	47,758	45	41% Bachelor Degree or more	1,894	3.40%
2019	12,854	79,283	99,104	43,426	46	39% Bachelor Degree or more	1,921	3.00%
2020	12,800	81,303	101,629	42,900	46	39% Bachelor Degree or more	1,902	8.00%

Source:

(1) State of Connecticut, Department of Health Services, U.S. Census

(2) Connecticut Economic Resource Center.

(3) Town of East Hampton, Board of Education.

(4) Department of Labor, State of Connecticut.

**Table 13****Town of East Hampton, Connecticut****Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)**

Employer	2020			2011		
	Employees	Rank	Percentage of total employment	Employees	Rank	Percentage of total employment
Town of East Hampton	391	1	19.36%	388	1	20.44%
Stop & Shop Supermarket	150	2	7.43%	149	2	7.85%
Cobalt Lodge	74	3	3.66%	75	3	3.95%
Eversource Energy	50	4	2.48%	50	4	2.63%
American Distilling	50	5	2.48%	50	5	2.63%
Paul's & Sandy's Too Inc.	35	6	1.73%	14	8	0.74%
United State Postal Service	31	7	1.53%	30	6	1.58%
Dattco, Inc.	30	8	1.49%	-	-	0.00%
Bevin Brothers	18	9	0.89%	14	7	0.74%
Total	829		40.80%	770		40.50%

Source: Connecticut Department of Labor

Note: All other employers have less than 10 employees.

Table 14

## Town of East Hampton, Connecticut

**Full-Time Equivalent Town Government Employees by Function/Program**  
**Last Ten Years**  
**(Unaudited)**

Function / Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Administrative and General Government</u>										
Town Clerk	2.2	2.2	2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5
Town Manager's Office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Registrar of Voters	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Town Planning and Zoning	4.5	4.5	4.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Human Resources	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Facilities / Building Maintenance	2.0	1.0	1.0	1.0	1.0	1.0	1.0	3.0	3.5	3.3
Information Technology	1.0	1.0	1.0	1.0	1.0					
<u>Finance</u>										
Finance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Assessor	2.1	2.2	2.3	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Tax Collector	2.1	2.2	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3.0
<u>Public Safety</u>										
Fire Marshal	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Police	18.0	18.0	18.0	18.0	17.0	17.0	17.0	17.0	17.0	17.0
Animal Control	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0
Emergency Communications Center	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Public Works</u>										
Public Works Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public Works Operations	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Water Pollution Control	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	11.0	11.0
<u>Social and Senior Services</u>										
Social and Human Services	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.3	1.3	1.3
Senior Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<u>Library</u>	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
<u>Recreation</u>										
Parks and Recreation	5.5	5.5	5.5	5.5	5.5	5.0	5.0	5.0	5.5	5.2
<b>Grand Total</b>	<b>86.9</b>	<b>86.1</b>	<b>86.3</b>	<b>85.0</b>	<b>84.0</b>	<b>83.5</b>	<b>84.0</b>	<b>86.3</b>	<b>87.8</b>	<b>87.8</b>

Source: Town Human Resources Department.

**Table 15****Town of East Hampton, Connecticut****Full-Time Equivalent Employees by Function/Program  
Last Ten Years  
(Unaudited)**

Function / Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b><u>Town</u></b>										
Administrative and General Government	15.2	14.2	14.0	13.5	13.5	12.5	13.0	15.0	15.5	15.3
Finance	9.2	9.4	9.8	10.0	10.0	10.0	10.0	10.0	10.0	10.5
Public Safety	18.5	18.5	18.5	18.5	17.5	18.5	18.5	18.5	18.5	18.5
Public Works	26.5	26.5	26.5	26.5	26.5	26.5	26.5	26.5	27.0	27.0
Health, Social and Senior Services	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.3	3.3	3.3
Library	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Recreation	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.5</u>	<u>5.2</u>
Total	<u>86.9</u>	<u>86.1</u>	<u>86.3</u>	<u>85.0</u>	<u>84.0</u>	<u>83.5</u>	<u>84.0</u>	<u>86.3</u>	<u>87.8</u>	<u>87.8</u>
<b><u>Board of Education</u></b>										
Certified	172.0	175.0	175.0	173.0	172.0	175.0	176.4	175.4	174.0	177.0
Non-Certified	<u>127.0</u>	<u>120.5</u>	<u>120.5</u>	<u>119.0</u>	<u>119.0</u>	<u>125.0</u>	<u>126.0</u>	<u>126.0</u>	<u>126.0</u>	<u>123.0</u>
Total	<u>299.0</u>	<u>295.5</u>	<u>295.5</u>	<u>292.0</u>	<u>291.0</u>	<u>300.0</u>	<u>302.4</u>	<u>301.4</u>	<u>300.0</u>	<u>300.0</u>
Total	<u><u>385.9</u></u>	<u><u>381.6</u></u>	<u><u>381.8</u></u>	<u><u>377.0</u></u>	<u><u>375.0</u></u>	<u><u>383.5</u></u>	<u><u>386.4</u></u>	<u><u>387.7</u></u>	<u><u>387.8</u></u>	<u><u>387.8</u></u>

Source: Town and Board of Education Human Resource Departments.

**Table 16**

**Town of East Hampton, Connecticut**  
**Operating Indicators by Function/Program**  
**Last Ten Years**  
**(Unaudited)**

Function / Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public safety										
Fire										
Incidents	328	324	313	302	318	351	350	413	445	400
Fire Marshal Inspections	252	75	72	151	214	179	193	174	133	206
Police										
Criminal arrests	99	145	178	130	141	166	139	144	129	247
Parking violations	-	-	4	-	2	15	15	1	2	9
Citations	149	189	173	178	248	343	207	133	418	228
Public works										
Street resurfacing (paved miles)	6.27	3.20	0.74	6.06	7.89	10.00	-	5.12	7.90	6.00
Storm drains cleaned	548	400	28	887	756	1,055	972	-	300	1,024
Parks and recreation										
Sessions and classes	272	312	318	328	279	241	228	285	220	200
Program enrollments	3,062	4,370	4,191	3,987	3,958	3,002	3,536	2,469	1,978	3,040
Library										
Volumes in collection	59,718	63,207	65,285	80,040	78,383	78,403	69,908	69,908	72,543	70,104
Total volumes borrowed	82,314	77,250	70,695	64,167 *	141,349	140,380	141,078	141,451	138,967	138,042
Education										
School enrollment	1,902	1,921	1,864	1,861	1,888	1,830	1,839	1,882	1,928	1,944

Source: Various Town Departments.

\* The definition/method used to calculate total volumes borrowed has been revised.

**Table 17****Town of East Hampton, Connecticut****Capital Asset Statistics by Function/Program  
Last Ten Years  
(Unaudited)**

Function / Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Parks and Recreation:</u>										
Playgrounds	12	12	12	12	12	12	12	12	12	12
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer	4	4	4	4	4	4	4	4	4	4
Community centers	1	1	1	1	1	1	1	1	1	1
<u>Public Safety:</u>										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Police department										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	9	9	9	9	9	9
<u>Public Works:</u>										
Highway department										
Streets (miles)	91.6	91.6	91.6	91.6	91.6	91.3	91.1	91.1	91.1	90.8
Wastewater										
Sanitary sewers (miles)	42.96	42.96	42.96	42.96	42.96	42.96	42.96	42.96	42.96	42.96
Treatment capacity (thousands of gallons)	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800
<u>Libraries:</u>										
Number of public libraries	2	2	2	2	2	2	2	2	2	2
<u>Education:</u>										
High schools	1	1	1	1	1	1	1	1	1	1
Middle schools	1	1	1	1	1	1	1	1	1	1
Elementary schools	2	2	2	2	2	2	2	2	2	2

Source: Town capital asset records and various Town Departments.