

Town of East Hampton, Connecticut



Annual Comprehensive Financial Report For the Year Ended June 30, 2023

Annual Comprehensive Financial Report

of the

Town of East Hampton, Connecticut

For the Year Ended

June 30, 2023

**Prepared by:
The Finance Department**

Jeffery M. Jylkka, Finance Director

Town of East Hampton, Connecticut

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Introductory Section

Town of East Hampton, Connecticut

Principal Officials

June 30, 2023

Town Council

Mark Philhower, Chairman
Tim Feegel, Vice Chairman
Pete Brown
Brandon Goff
Eric Peterson
Kevin Reich
Allison Walck

Board of Finance

Alannah Coshow, Chairperson
Bridget McLennan, Vice Chairperson
Matthew Bennington
Russell Bonaccorso
Richard Brown
Deb Cunningham
Ted Turner

Board of Education

Christina Tammaro Dzagan, Chairperson
Nancy Oakley, Vice Chairperson
August Arndt
Ken Barber
Michael Buck
Nancy Kohler
Salvatore Nucifora
Josh Piteo
Martha Wick

Superintendent of Schools

Paul K. Smith

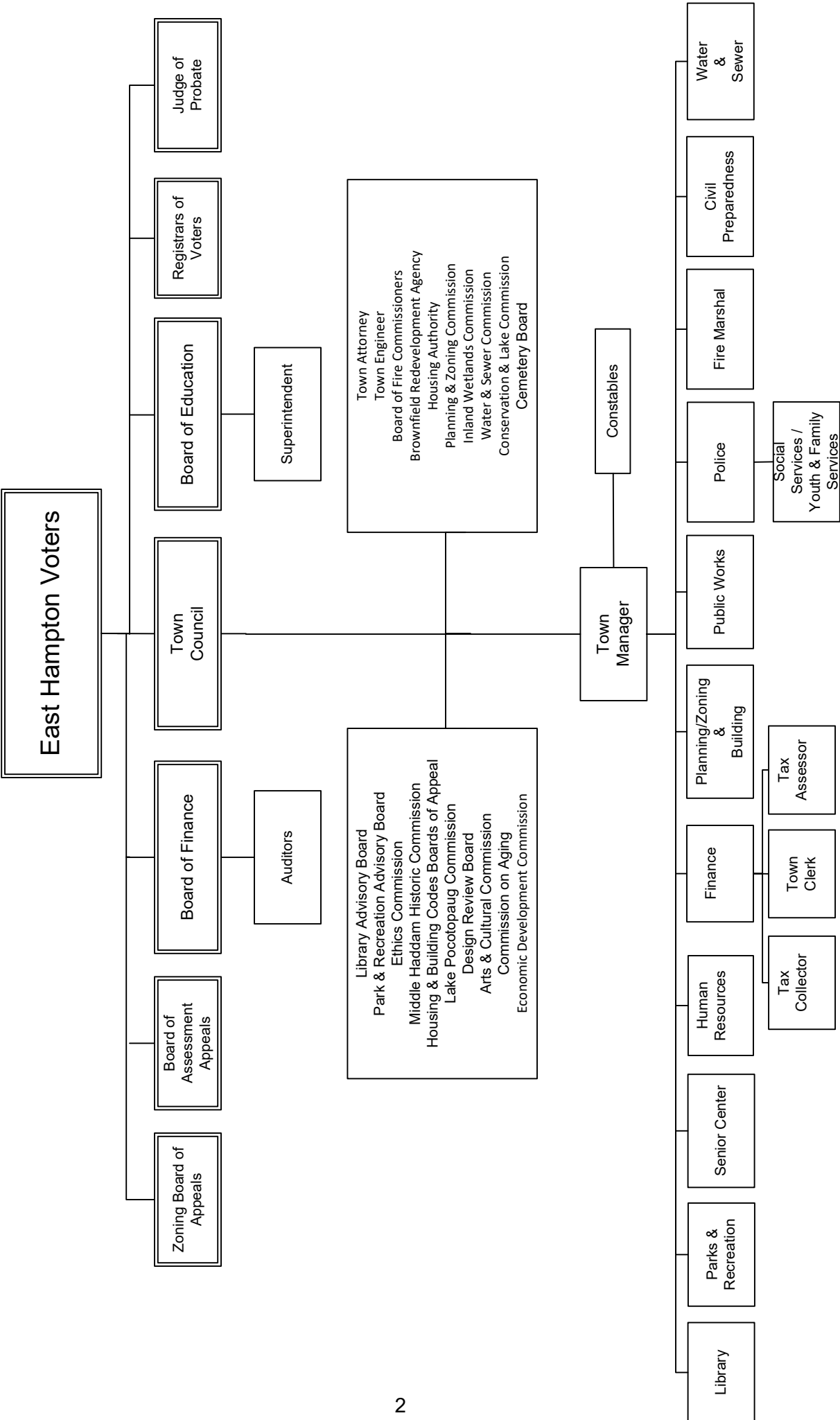
East Hampton Administrative Officials

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

Timothy Kellogg
Jeremy DeCarli
Vincent Garofalo (Interim)
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

December 13, 2023

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 Annual Comprehensive Financial Report (ACFR) of the Town of East Hampton for the year ended June 30, 2023. 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, 2023, 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, 2023, 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 the 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 2023 population was estimated at 12,960. The Town was originally incorporated in 1767.

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 1st 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 schedules, Exhibit H (II) A in the notes to financial statements 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 vacation homes. Principal industries include manufacture of bells, pharmaceuticals, tools and dies, and forestry. The Town continues to recover from the negative economic impacts of the COVID-19 pandemic. Unemployment rates decreased again from 3.10% to 3.00%, which remains below the national average of 3.80% 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, as well as around Lake Pocotopaug.

Principal non-residential development remains in the historic centers of Cobalt and East Hampton Center and continues to expand along the Highway 66 corridor. Higher-density residential development is concentrated around East Hampton Center and Lake Pocotopaug. Approximately 720 acres remain as active farmland, mostly as field crops.

Overall property values throughout the Town have continued to increase slightly year over year. Building permits for residential and commercial development have remained at higher levels comparable to previous years although they are slightly lower than last year. Construction continues in a number of previously approved residential subdivisions and additional subdivisions were approved along with others under consideration. In addition, construction remains ongoing in the Edgewater Hills development with work on the next phase of the development's residential buildings including the forty new residential apartments among five new buildings.

The Town continued to allocate and spend the American Rescue Plan Act funds it first received in fiscal year 2021 with a focus on one-time or capital-related expenditures and projects focused on advancing projects without need for local tax support. The Town also received significant grants, which will facilitate major projects in the Village Center to improve pedestrian safety and enhance the commercial district and will allow the Town to eliminate a gap in the regionally important Air Line Trail. These major projects are anticipated to take place during the 2024 and 2025 calendar years. In addition to these construction projects, the Town will use grant funds received from the USEPA and the State of Connecticut to undertake detailed environmental review and remediation planning for four properties in the Village Center including two large, dilapidated former industrial buildings. The long-term plan is to remediate these buildings to facilitate their redevelopment and reuse as taxable structures.

The Town continues to work toward positioning its existing water systems for future needs and for future expansion to respond to both growth and contaminant-related concerns. Working with its contracted engineering firm, the Town finalized system modeling and conceptual design of a water system that would ultimately serve the most populated areas of the community along the western portion of the Route 66 corridor and around Lake Pocotopaug including incorporation of the existing Town-owned water systems. Initial engineering and planning work is funded through direct grants received by the Town in the amount of \$250,000, which is being administered by the CT Department of Public Health, and \$1,500,000, which is being administered by the CT Department of Energy and Environmental Protection.

The Town of East Hampton is well positioned to accept and meet the challenges posed by the 21st 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 11.92% 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.

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 10-12% 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.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022, which was the eleventh consecutive award the Town has received. To be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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".

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Financial Section

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, budgetary comparisons, and the pension and other post-employment benefit schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 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 13, 2023



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, 2023**

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, 2023.

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 \$95,155,766 (*net position*). Of this amount, unrestricted net position was a deficit balance of \$7,899,980.
- The Town's total net position decreased by \$836,320. The decrease is due to:

Governmental funds activity:

➤ negative operations of the general fund of	\$ (777,517)
➤ positive operations of the capital initiatives fund of	804,295
➤ negative operations of the capital reserve fund of	(1,460,362)

Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation/amortization expense of	(2,207,477)
➤ net long-term debt activity of	3,347,873
➤ amortization of deferred outflows/inflows of	(1,791,568)

As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,664,094, a decrease of \$897,419 in comparison with the prior year. The change is based on the operating results of each major fund noted above and described in further detail in the Financial Analysis of the Town's Funds section.

- The General fund, fund balance decrease is a result of revenues greater than budgeted of \$548,497, expenditures less than budgeted of \$408,986 and the appropriation of fund balance of \$1,735,000.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,305,446, a decrease of \$300,825 in comparison with the prior year. This fund balance represents 11.92% of total fiscal year 2023 budgetary general fund expenditures and transfers out.
- For the capital initiatives fund the increase in fund balance was due to a general fund additional appropriation for a transfer to the fund of \$1,150,000.
- For the capital reserve fund the decrease in fund balance was due to the timing differences of expenditures and the related financing.

- During the year, the Town implemented GASB No. 96 – Subscription-Based Information Technology Arrangements. The implementation of this statement had no impact on beginning equity, but had the following impact on Town’s financial statements:

	<u>Governmental Activities</u>
Capital assets:	
Intangible right-to-use subscription assets	\$ 144,701
Long-term liabilities:	
Subscription liability	144,701

- The Town’s total debt decreased by \$3,347,873 during the current fiscal year. The decrease is the result of scheduled principal payments on outstanding debt.
- Net capital assets decreased by \$2,140,475 during the current fiscal year. The decrease is attributable to depreciation/amortization expense in excess of capital asset additions.

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 are comprised of 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, health 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 has 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 schedules 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 schedules referred to earlier in connection with other governmental funds are presented immediately following the required supplementary information.

Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. The Town's combined net position decreased by 0.87% from a year ago - decreasing from \$95,992,086 to \$95,155,766.

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.

A portion of the Town's net position (3.18%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit balance in the amount of \$7,899,980.

Summary Statements of Net Position June 30

	2023	2022 (as restated)
Current and other assets	\$ 19,684,375	\$ 18,723,876
Capital assets, net	143,194,619	145,335,094
Total assets	162,878,994	164,058,970
Deferred outflows of resources	3,144,281	5,068,431
Long-term liabilities outstanding	61,363,541	64,741,425
Other liabilities	7,799,905	6,548,995
Total liabilities	69,163,446	71,290,420
Deferred inflows of resources	1,704,063	1,844,895
Net investment in capital assets	100,025,848	98,626,147
Restricted	3,029,898	3,380,755
Unrestricted	(7,899,980)	(6,014,816)
Total net position	\$ 95,155,766	\$ 95,992,086

The following table details the revenues and expenditures for the fiscal year, with a comparison to the prior fiscal. The Town's net position decreased by \$836,320 as detailed below:

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

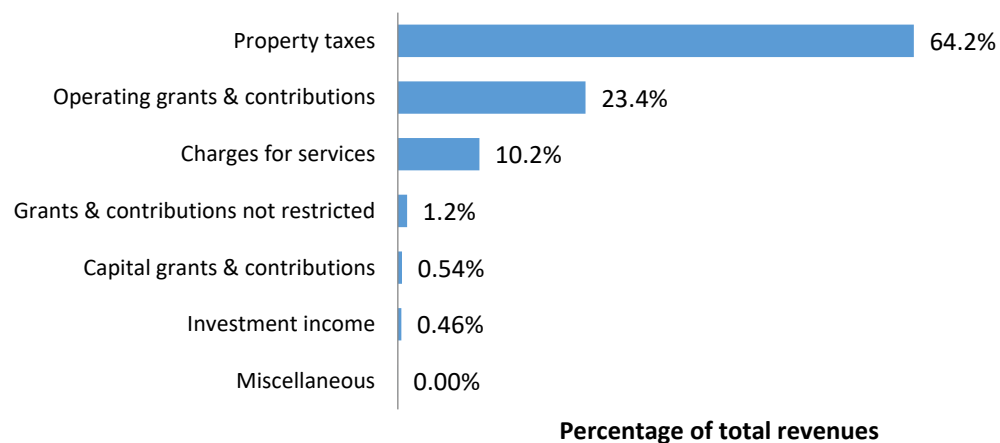
	<u>2023</u>	<u>2022</u>
Revenues:		
Program revenues:		
Charges for services	\$ 6,851,243	\$ 6,265,365
Operating grants and contributions	15,803,759	14,872,862
Capital grants and contributions	367,121	417,685
General revenues:		
Property taxes	43,259,614	41,915,876
Grants and contributions not restricted to specific programs	785,493	263,547
Income from investments	312,191	18,214
Other	654	1,440
Gain on sale of assets	-	14,502
	<u>67,380,075</u>	<u>63,769,491</u>
Total revenues		
Expenses:		
General government	4,010,916	3,822,026
Public safety	4,872,584	4,719,357
Public works and utilities	7,984,577	7,163,348
Culture and recreation	2,308,699	2,103,272
Health and human services	999,960	981,168
Regulatory	687,576	639,451
Education	46,312,456	43,898,600
Interest	1,039,627	1,177,503
	<u>68,216,395</u>	<u>64,504,725</u>
Total expenses		
Change in net position	(836,320)	(735,234)
Net position - July 1	<u>95,992,086</u>	<u>96,727,320</u>
Net position - June 30	<u>\$ 95,155,766</u>	<u>\$ 95,992,086</u>

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

Revenues:

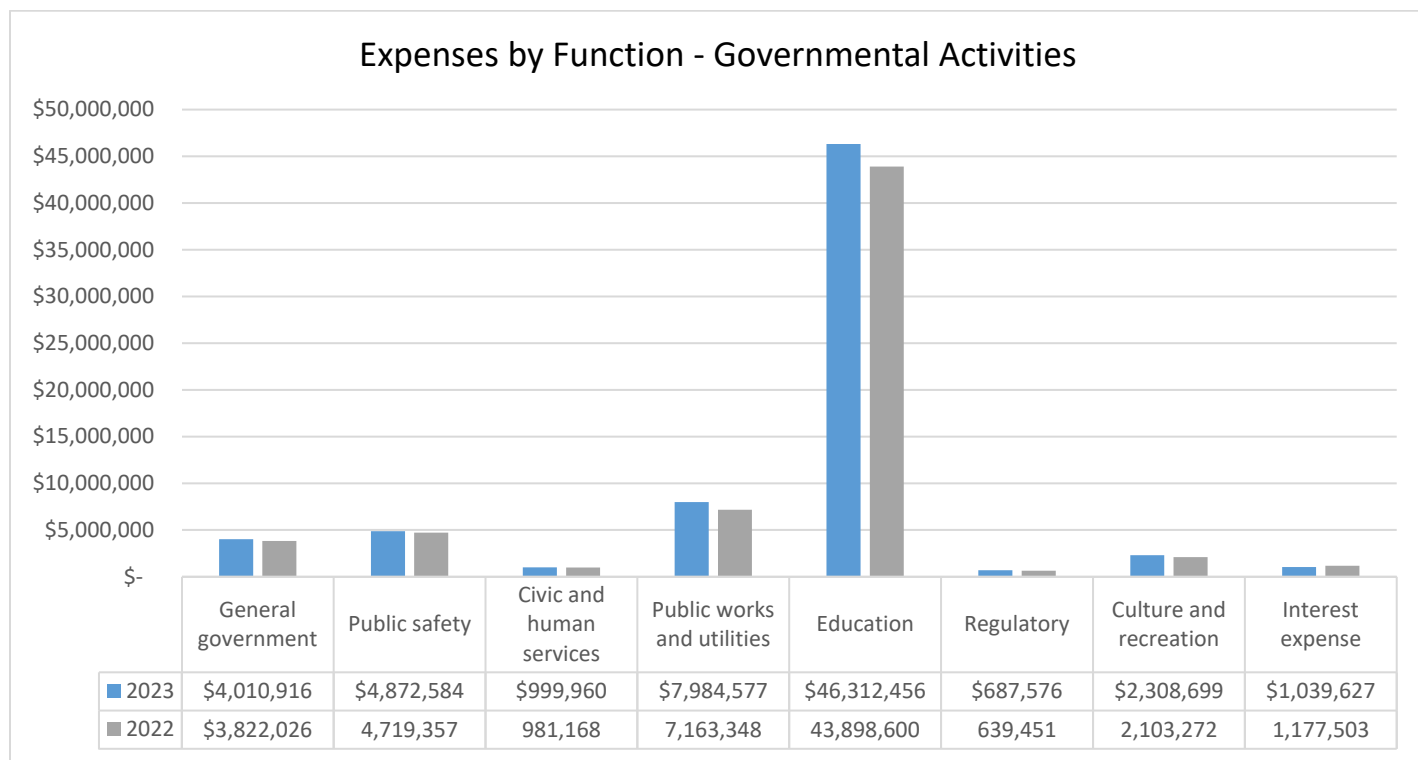
- Charges for services increased by \$585,878 due to an increase in school activity programs and recreation program fees due to an increase in participation. An increase in police services also contributed to the increase in revenues.
- Operating grants and contributions increased by \$930,897 due to increases in revenues for education grants of \$313,169, on behalf amounts for State Teacher's pension and OPEB of \$791,410, offset by a decrease in school cafeteria grants of \$308,003.
- Grants and contributions not restricted to specific programs increased by \$521,946 due to the receipt of \$254,116 for sales tax revenue share grant and \$259,768 for the motor vehicles tax state reimbursement grant.

Revenue by Source - Governmental Activities



Expenses:

- Public works and utilities expenses increased by \$821,229 due to an increase in non-capitalized road and wastewater maintenance and repairs.
- Culture and recreation expenses increased by \$205,427 due to an increase in employee salaries and related benefits costs due to vacant positions in the prior year that are now filled. Recreation program costs increased because of an increase in program participation.
- Education expenses increased by \$2,413,856 due to an increase in the adopted budget, expenditures relating to special education, on behalf amounts for State Teacher's pension and OPEB and an increase in non-capitalized building repairs.



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 as follows:

Nonspendable	\$ 15,500
Restricted	3,014,398
Committed	5,171,208
Assigned	157,542
Unassigned	<u>6,305,446</u>
Total	<u>\$ 14,664,094</u>

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 \$6,305,446. 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 11.92% of total general fund budgetary expenditures and transfers out. Total fund balance decreased by \$777,517 due to the appropriation of fund balance of \$1,735,000 offset by revenues exceeding the amount budgeted by \$548,497 and expenditures coming in less than budget by \$408,986.

The significant revenue and expenditure accounts that generated the decrease are as follows:

- Property taxes were in excess of budget by \$148,863 due to conservative budget estimated and as a result of a delinquent property tax sale
- Charges for services were in excess of budget by \$225,470 due to Town clerk conveyance fee and building permit fee activity
- Public safety was under budget by \$82,722 due to savings in the fees paid to the Town of Glastonbury for public safety dispatch
- Public works and utilities was under budget by \$119,657 due to savings in overtime and contracted services
- Culture and recreation was under budget by \$72,833 due to savings in the library budget as a result of staff vacancies

General fund budgetary highlights

The Town approved additional appropriations from fund balance of \$1,235,000 as follows:

- \$1,150,000 for transfer to the capital initiative fund to fund the Town’s cost share for the Middle School roof replacement project
- \$85,000 to fund armed security officers for the Board of Education

Additionally, \$330,763 of additional appropriations from revenues were made to fund a Board of Education spending deficit relating to unanticipated special education costs.

Significant budget transfers made during the year were as follows:

Police regular patrol	\$ 28,425
Communications	(18,219)
Education	415,763

- Additional funding was needed for police regular patrol due to overtime pay

This was partially funded from the communications budget (Glastonbury dispatch)
- Additional funding for Education was due to funding of armed security officers and special education costs

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 revenues and other financing sources exceeded expenditures and other financing uses by \$804,295, ending with a fund balance of \$235,084. This is due to the additional appropriation in the general fund for the transfer of \$1,150,000 discussed above.

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 expenditures and other financing uses exceeded its revenues and other financing sources by \$1,460,362, ending with a fund balance of \$1,456,663 of which \$1,368,510 is restricted for certain ARPA funded town-wide projects. The decrease is due to the timing of expenditures and the financing of projects.

Capital assets. At year end, the Town's capital assets totaled \$143,194,619, net of accumulated depreciation/amortization. This includes land, buildings, intangible right-to-use leased assets, land improvements, machinery and equipment, roads, bridges, intangible assets and construction in progress. The decrease in the Town's capital assets for the current fiscal year was \$2,140,475 or (1.47%).

Significant capital asset additions were as follows:

Construction in progress additions:

➤ WPCA pump station \$ 849,117

Building additions:

➤ 13 Summit Street building 169,880

➤ Center School upgrades 89,985

Improvements other than buildings additions:

➤ High school athletic facilities 1,179,669

Infrastructure improvements:

➤ Clarke Hill road paving 131,121

Capital assets at current and prior year end were as follows:

Capital Assets
(Net of Accumulated Depreciation/Amortization)
June 30

	<u>2023</u>	<u>2022</u> (as restated)
Land	\$ 3,496,933	\$ 3,194,822
Intangible assets	698,000	698,000
Construction in progress	2,328,900	2,430,803
Intangible right-to-use assets	466,362	640,675
Buildings	84,793,742	86,837,592
Improvements other than buildings	1,407,644	273,829
Machinery and equipment	10,079,890	10,848,176
Infrastructure	<u>39,923,148</u>	<u>40,411,197</u>
Totals	<u>\$ 143,194,619</u>	<u>\$ 145,335,094</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 \$40,982,612 a decrease of \$3,347,873 as compared to the prior year. The decrease is the result of scheduled principal payments on outstanding debt.

Long-term debt for the current and prior year was as follows:

	Outstanding Debt Long-Term Obligations June 30,	
	2023	2022 (as restated)
General obligation bonds	\$ 39,880,000	\$ 42,855,000
Equipment financing notes	692,245	862,303
Leases	307,263	468,481
Subscriptions	103,104	144,701
Totals	<u>\$ 40,982,612</u>	<u>\$ 44,330,485</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 prior year tax collections including interest and lien fees. The current debt limitation for the Town is \$293,614,664, which is significantly more than the Town's outstanding general obligation debt.

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

Economic factors and next year's budgets and rates

- The unemployment rate (not seasonally adjusted) for the Town at June 30 was 3.0%. This was lower than both the state's average unemployment rate of 4.0% and the Hartford labor market rate of 3.9%. The Town is below the national average of 3.8%.
- According to the Bureau of Census American Community Survey 5-Year Estimates, 2017-2021, per capita income in East Hampton was \$47,399, lower than Middlesex County (\$50,870) and the State (\$51,581). Median family income was \$119,676 versus \$117,142 for the county and \$115,183 for the State. The percent of families below poverty level was 4.9% for the Town. The county percentage was 5.7% and the State's was 9.8%.
- The net taxable grand list for fiscal year 2023 increased approximately 3.5%. 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 2012, the percentage of total general fund revenue from state grants has decreased from 23.3% to 15.1%. This downward trend has been factored into our intergovernmental revenue estimates.
- The total number of building permits for fiscal year 2023 increased slightly from 1,349 to 1,381 over last fiscal year. The value of permits issued decreased by 8.7%. Revenue estimates have been adjusted accordingly.
- Debt service payments decreased approximately 1.3% compared to 2022-2023.

All of these factors were considered in preparing the Town's budget for the 2024 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

Governmental Activities
Statement of Net Position
June 30, 2023

Assets

Current assets:	
Cash	\$ 9,498,013
Investments	7,555,011
Receivables (net):	
Property taxes	297,377
Use charges	146,022
Intergovernmental	722,866
Other	440,502
Other assets	83,016
	<hr/>
Total current assets	18,742,807
	<hr/>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	74,682
Permanently restricted:	
Cash	15,500
	<hr/>
Total restricted assets	90,182
	<hr/>
Receivables (net):	
Property taxes	501,376
Use charges	168,353
Loans	181,657
	<hr/>
Total receivables (net)	851,386
	<hr/>
Capital assets (net of accumulated depreciation and amortization):	
Land	3,496,933
Intangible assets	698,000
Construction in progress	2,328,900
Intangible right-to-use assets	466,362
Buildings	84,793,742
Improvements other than buildings	1,407,644
Machinery and equipment	10,079,890
Infrastructure	39,923,148
	<hr/>
Total capital assets (net of accumulated depreciation and amortization)	143,194,619
	<hr/>
Total noncurrent assets	144,136,187
	<hr/>
Total assets	162,878,994
	<hr/>

Deferred Outflows of Resources

Pension related	2,722,099
OPEB related	422,182
	<hr/>
Total deferred outflows of resources	3,144,281
	<hr/>

(Continued)

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

Town of East Hampton, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2023

Liabilities

Current liabilities:

Accounts payable	\$ 1,220,040
Retainage payable	8,823
Accrued liabilities	282,880
Accrued payroll	259,918
Unearned revenue	2,089,692
Accrued interest payable	463,611
Long-term debt	3,179,505
Compensated absences	295,436
Total current liabilities	<u>7,799,905</u>

Noncurrent liabilities:

Developer bonds	73,000
Long-term debt and related liabilities	39,840,193
Compensated absences	1,181,742
Net pension liability	16,982,983
OPEB liability	3,285,623
Total noncurrent liabilities	<u>61,363,541</u>

Total liabilities	<u>69,163,446</u>
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Deferred Inflows of Resources

Deferred charge on refunding	140,250
Pension related	77,653
OPEB related	1,486,160
Total deferred inflows of resources	<u>1,704,063</u>

Net Position

Net investment in capital assets	100,025,848
Restricted for:	
Endowments:	
Nonexpendable	15,500
Expendable	1,682
Water and sewer operations	1,101,989
Housing rehabilitation	215,442
Town improvement projects	1,368,510
Education	326,775
Unrestricted	<u>(7,899,980)</u>
Total net position	<u>\$ 95,155,766</u>

(Concluded)

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

Town of East Hampton, Connecticut

**Governmental Activities
Statement of Activities
For The Year Ended June 30, 2023**

Functions/Programs	Expenses	Program revenues			Net revenues (expenses) and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	
General government	\$ 4,010,916	\$ 558,953	\$ 235,308	\$ -	\$ (3,216,655)
Public safety	4,872,584	391,508	13,925	-	(4,467,151)
Public works and utilities	7,984,577	3,586,236	171,584	340,665	(3,886,092)
Culture and recreation	2,308,699	541,493	85,902	-	(1,681,304)
Health and human services	999,960	4,875	15,752	-	(979,333)
Regulatory	687,576	387,477	-	-	(300,099)
Education	46,312,456	1,380,701	15,281,288	26,456	(29,624,011)
Interest	1,039,627	-	-	-	(1,039,627)
Total	\$68,216,395	\$6,851,243	\$ 15,803,759	\$ 367,121	(45,194,272)
General revenues:					
Property taxes					43,259,614
Grants and contributions not restricted to specific programs					785,493
Income from investments					312,191
Other					654
Total general revenues					44,357,952
Change in net position					(836,320)
Net position - July 1, 2022					95,992,086
Net position - June 30, 2023					\$ 95,155,766

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

Town of East Hampton, Connecticut

Governmental Funds
Balance Sheet
June 30, 2023

	General	Capital Initiatives	Capital Reserve	Other Governmental Funds	Total
<u>Assets</u>					
Cash	\$5,139,610	\$ -	\$1,397,082	\$ 2,978,503	\$ 9,515,195
Restricted cash	73,000	-	-	-	73,000
Investments	1,873,893	384,019	2,036,252	3,260,847	7,555,011
Receivables:					
Property taxes	713,059	-	-	-	713,059
Use charges	-	-	-	290,531	290,531
Intergovernmental	325	-	101,917	620,624	722,866
Loans	-	-	-	208,857	208,857
Other	24,761	-	-	415,741	440,502
Due from other funds	750,673	-	-	258,785	1,009,458
Other	57,697	-	-	25,319	83,016
Total assets	<u>\$8,633,018</u>	<u>\$ 384,019</u>	<u>\$3,535,251</u>	<u>\$ 8,059,207</u>	<u>\$20,611,495</u>
<u>Liabilities</u>					
Accounts payable	\$ 790,123	\$ 52	\$ 175,681	\$ 254,184	\$ 1,220,040
Retainage payable	-	-	8,823	-	8,823
Accrued liabilities	282,880	-	-	-	282,880
Accrued payroll	259,918	-	-	-	259,918
Due to other funds	158,401	148,883	-	702,174	1,009,458
Developer bonds	73,000	-	-	-	73,000
Unearned revenue	-	-	1,894,084	195,608	2,089,692
Total liabilities	<u>1,564,322</u>	<u>148,935</u>	<u>2,078,588</u>	<u>1,151,966</u>	<u>4,943,811</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenues:					
Property taxes	713,059	-	-	-	713,059
Use charges	-	-	-	290,531	290,531
Total deferred inflows of resources	<u>713,059</u>	<u>-</u>	<u>-</u>	<u>290,531</u>	<u>1,003,590</u>
<u>Fund Balances</u>					
Nonspendable	-	-	-	15,500	15,500
Restricted	-	-	1,368,510	1,645,888	3,014,398
Committed	50,191	235,084	88,153	4,797,780	5,171,208
Assigned	-	-	-	157,542	157,542
Unassigned	6,305,446	-	-	-	6,305,446
Total fund balances	<u>6,355,637</u>	<u>235,084</u>	<u>1,456,663</u>	<u>6,616,710</u>	<u>14,664,094</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$8,633,018</u>	<u>\$ 384,019</u>	<u>\$3,535,251</u>	<u>\$ 8,059,207</u>	<u>\$20,611,495</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, 2023**

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)	<u>\$ 14,664,094</u>
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets (net)	145,335,094
Current capital asset additions (net of construction in progress decreases)	1,958,583
Donated assets	88,970
Depreciation/amortization expense	(4,166,060)
Disposal and sale of capital assets	<u>(21,968)</u>
Total	<u>143,194,619</u>

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

Property tax and water and sewer use interest and lien accrual	169,657
Allowance for doubtful accounts	(87,319)
Deferred outflows of resources related to pensions	2,722,099
Deferred outflows of resources related to OPEB	<u>422,182</u>
Total	<u>3,226,619</u>

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	<u>1,003,590</u>
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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	(40,572,245)
Premium	(2,037,086)
Lease payable	(307,263)
Subscription payable	(103,104)
Compensated absences	(1,477,178)
Net pension liability	(16,982,983)
OPEB liability	(3,285,623)
Accrued interest payable	(463,611)
Deferred charge on refunding	(140,250)
Deferred inflows of resources related to pensions	(77,653)
Deferred inflows of resources related to OPEB	<u>(1,486,160)</u>
Total	<u>(66,933,156)</u>

Net position of governmental activities (Exhibit A)	<u><u>\$ 95,155,766</u></u>
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(Concluded)

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

Town of East Hampton, Connecticut

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For The Year Ended June 30, 2023

	General	Capital Initiatives	Capital Reserve	Other Governmental Funds	Total
Revenues:					
Property taxes	\$ 42,933,420	\$ -	\$ -	\$ -	\$ 42,933,420
Intergovernmental	13,512,716	-	39,142	3,238,214	16,790,072
Charges for services	952,135	-	4,965	5,782,263	6,739,363
Income from investments	179,373	5,405	44,329	83,084	312,191
Contributions and donations	-	-	-	77,331	77,331
Other	654	-	-	-	654
Total revenues	57,578,298	5,405	88,436	9,180,892	66,853,031
Expenditures:					
Current:					
General government	4,775,080	313	291,584	43,512	5,110,489
Public safety	2,957,059	-	189,448	320,772	3,467,279
Public works and utilities	2,239,331	-	724,837	3,846,134	6,810,302
Culture and recreation	1,163,475	-	147,517	538,642	1,849,634
Health and human services	499,319	-	-	164,985	664,304
Regulatory	437,961	-	-	-	437,961
Education	40,128,433	133,989	508,137	4,273,182	45,043,741
Debt service	4,149,932	216,808	-	-	4,366,740
Total expenditures	56,350,590	351,110	1,861,523	9,187,227	67,750,450
Excess (deficiency) of revenues over expenditures	1,227,708	(345,705)	(1,773,087)	(6,335)	(897,419)
Other financing sources (uses):					
Transfers in	-	1,150,000	812,725	542,500	2,505,225
Transfers out	(2,005,225)	-	(500,000)	-	(2,505,225)
Net other financing sources (uses)	(2,005,225)	1,150,000	312,725	542,500	-
Net change in fund balances	(777,517)	804,295	(1,460,362)	536,165	(897,419)
Fund balances - July 1, 2022	7,133,154	(569,211)	2,917,025	6,080,545	15,561,513
Fund balances - June 30, 2023	\$ 6,355,637	\$ 235,084	\$ 1,456,663	\$ 6,616,710	\$ 14,664,094

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 the Statement of Activities
For The Year Ended June 30, 2023

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>\$ (897,419)</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/amortization expense.

Capital outlay	1,958,583
Depreciation/amortization expense	<u>(4,166,060)</u>
Total	<u>(2,207,477)</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 or donated.

Donated assets	88,970
Disposal of capital assets	<u>(21,968)</u>
Total	<u>67,002</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 and sewer use charges - accrual basis change	361,933
Change in property tax and sewer user charges interest and lien revenue	<u>76,141</u>
Total	<u>438,074</u>

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

Principal repayments:	
General obligation bonds and notes	3,145,058
Leases	161,218
Subscriptions	<u>41,597</u>
Total	<u>3,347,873</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 the Statement of Activities
For The Year Ended June 30, 2023

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:

Change in/amortization of:	
Compensated absences	\$ 120,848
Net pension liability	(58,454)
OPEB liability	(37,254)
Accrued interest payable	31,309
Premium	142,496
Deferred outflows of resources	(1,924,150)
Deferred inflows of resources	132,582
Deferred charges	<u>8,250</u>
Total	<u>(1,584,373)</u>
Change in net position (Exhibit B)	<u>\$ (836,320)</u>
	(Concluded)

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

Town of East Hampton, Connecticut

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2023

	Pension Trust Fund	Custodial Fund
	<u> </u>	<u> </u>
<u>Assets</u>		
Cash	\$ 40,447	\$ 3
Investments:		
Mutual funds:		
Equity	20,872,002	1,438,997
U.S. government securities	-	165,131
Fixed income	11,915,046	-
Money market	315,720	-
Alternative investments:		
Real estate limited partnership	<u>2,135,358</u>	<u>-</u>
Total investments	<u>35,238,126</u>	<u>1,604,128</u>
Total assets	<u>35,278,573</u>	<u>1,604,131</u>
<u>Liabilities</u>		
Accounts payable	<u>69</u>	<u>-</u>
<u>Net Position</u>		
Restricted for:		
Pensions	35,278,504	-
Organizations	<u>-</u>	<u>1,604,131</u>
Total net position	<u>\$ 35,278,504</u>	<u>\$ 1,604,131</u>

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

Town of East Hampton, Connecticut

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For The Year Ended June 30, 2023

	Pension Trust Fund	Custodial Fund
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Employer	\$ 1,476,789	\$ 22,800
Plan members	404,466	-
	<u>1,881,255</u>	<u>22,800</u>
Total contributions		
	<u>1,881,255</u>	<u>22,800</u>
Investment income (loss):		
Net change in fair value of investments	1,782,744	36,203
Interest and dividends	922,880	44,677
	<u>2,705,624</u>	<u>80,880</u>
Total investment income (loss)		
	<u>2,705,624</u>	<u>80,880</u>
Less investment expenses	(26,069)	-
	<u>(26,069)</u>	<u>-</u>
Net investment income (loss)		
	<u>2,679,555</u>	<u>80,880</u>
Total additions		
	<u>4,560,810</u>	<u>103,680</u>
Deductions		
Benefits	2,938,786	80,587
Administration	93,681	-
	<u>3,032,467</u>	<u>80,587</u>
Total deductions		
	<u>3,032,467</u>	<u>80,587</u>
Change in net position	1,528,343	23,093
Net position - July 1, 2022	<u>33,750,161</u>	<u>1,581,038</u>
Net position - June 30, 2023	<u><u>\$ 35,278,504</u></u>	<u><u>\$ 1,604,131</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, 2023

History and organization

The Town of East Hampton, CT ("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.

The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town is financially accountable for the pension trust fund and therefore, it is considered a fiduciary component unit. The financial statements of the fiduciary component unit are reported as a pension trust fund in the fiduciary fund financial statements. The pension trust fund does not issue separate financial statements.

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, 2023

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, including property taxes, are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund	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.
Capital Initiatives Fund	Accounts for various capital projects and equipment purchases.
Capital Reserve Fund	Accounts for various capital and nonrecurring projects.

Additionally, the Town reports the following fund types:

Special Revenue Funds	Accounts for and reports the proceeds of specific revenue resources that are restricted or committed to expenditures for specified purposes other than debt.
Debt Service Fund	Accounts for and reports resources and expenditures that are assigned for the repayment of debt.
Capital Projects Funds	Accounts for and reports 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.
Permanent Fund	Reports resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs.
Pension Trust Fund	Accounts for the activities of the East Hampton Employee Retirement System which accumulates resources for pension benefit payments to qualified employees.
Custodial Fund	Accounts for monies held on behalf of the volunteer firemen awards program for the Volunteer Fireman's Association.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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.

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

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 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 Treasurer's Short-Term 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, 2023

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>Minimum Allocation</u>	<u>Target Allocation</u>	<u>Maximum Allocation</u>
Domestic equities	20.00%	33.50%	50.00%
International equities	10.00%	22.50%	35.00%
Fixed income	20.00%	39.00%	50.00%
Real estate (REITS)	0.00%	5.00%	15.00%

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 are 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
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.
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Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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.
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, water and sewer use and assessment and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 3.00% to 13.00% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, all property taxes and water 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.

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.

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.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**3. Restricted assets**

The restricted assets for the Town are restricted for developer bonds and endowments. Developer bonds are temporarily 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.

4. Capital assets

Capital assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost as noted in the table below 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.

Capital assets of the Town are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Threshold</u>
Intangible assets	5-10	\$ 5,000
Buildings	20-95	20,000
Improvements other than buildings	10-25	20,000
Machinery and equipment	3-40	5,000
Infrastructure	20-65	1,000
Intangible right-to-use leased assets	Lease term	20,000
Intangible right-to-use subscription assets	Subscription term	20,000

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 represents a consumption of net assets 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 represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Town of East Hampton, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023**

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

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.

Deferred inflows of resources also include deferred inflows relating to advance refunding of debt. These amounts are deferred and are amortized over the shorter of the life of the old or new 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 accumulated 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 liabilities

In the government-wide financial statements, long-term debt and other long-term liabilities 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, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**8. Lease and subscription liabilities**

The Town is a lessee for noncancellable leases of buildings and equipment. Additionally, the Town has certain software subscriptions that require recognition in the financial statements. The Town recognizes a lease/subscription liability and an intangible right-to-use lease/subscription asset (lease/subscription asset) in the government-wide financial statements. The Town recognizes lease/subscription liabilities with an initial, individual value of \$20,000 or more.

At the commencement of a lease/subscription, the Town initially measures the lease/subscription liability at the present value of payments expected to be made during the term. Subsequently, the lease/subscription liability is reduced by the principal portion of payments made. The lease/subscription asset is initially measured as the initial amount of the lease/subscription liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease/subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases and subscriptions include:

Discount rate	The Town uses the interest rate charged by the lessor/subscription vendor as the discount rate to discount the expected payments to the present value. When the interest rate charged is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate.
Term	The lease/subscription term includes the noncancellable period of the lease/agreement.
Payments	Lease/subscription payments included in the measurement of the liability are composed of fixed payments and any purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease or subscriptions and will remeasure the lease/subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/subscription liability.

Lease/subscription assets are reported with other capital assets and lease/subscription liabilities are reported with long-term debt on the statement of net position.

9. Fund equity and net position

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

Net Investment in Capital Assets	This category presents the net position that reflects capital assets net of depreciation/amortization and 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 classified in the preceding two categories.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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.
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 10.00% nor more than 12.00% of current year budgeted general fund operating expenditures.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**10. Use of estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates.

11. Reclassifications

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

II. Stewardship, compliance and accountability**A. 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.

B. Capital projects authorizations

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

<u>Project Name</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Project Balance</u>
High School Renovation Project - Phase II	\$ 52,093,328	\$ 51,799,318	\$ 294,010
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
Town Hall Project	18,981,000	18,956,353	24,647
Public Safety Radio System	845,000	835,241	9,759
Center School Heating Improvements	277,000	167,081	109,919
Total	<u>\$ 76,984,038</u>	<u>\$ 75,926,961</u>	<u>\$ 1,057,077</u>

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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.

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

At year end, the Town's bank balance was exposed to custodial credit risk as follows:

Bank balance	<u>\$ 17,387,455</u>
Uninsured and uncollateralized	\$ 11,488,041
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>3,899,414</u>
Total amount subject to custodial credit risk	<u><u>\$ 15,387,455</u></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.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Cash and investments (continued)**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	\$ 22,310,999	\$ 22,310,999	\$ -	\$ -	\$ -
U.S. government securities	165,131	-	-	-	165,131
Fixed income	11,915,046	-	-	11,915,046	-
Money market	315,720	-	315,720	-	-
Bank money market funds	7,299,589	-	7,299,589	-	-
Pooled fixed income	255,422	-	255,422	-	-
Alternative investments:					
Real estate limited partnership	2,135,358	2,135,358	-	-	-
Total	\$ 44,397,265	\$ 24,446,357	\$ 7,870,731	\$ 11,915,046	\$ 165,131
Less fiduciary funds	(36,842,254)				
Other funds	\$ 7,555,011				

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

Investments by fair value level	Amount	Quoted Market Prices in Active Markets Level 1
Mutual funds:		
Equity	\$ 22,310,999	\$ 22,310,999
U.S. government securities	165,131	165,131
Fixed income	11,915,046	11,915,046
Money market	315,720	315,720
Total investments by fair value level	34,706,896	\$ 34,706,896
Investments measured at net asset value (NAV):		
Real estate limited partnership	2,135,358	
Other investments:		
Bank money market funds	7,299,589	
Pooled fixed income	255,422	
Total other investments	7,555,011	
Total investments	\$ 44,397,265	

Level 1: Quoted prices for identical investments in active markets

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Cash and investments (continued)**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.

Investment Description	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Real estate limited partnership	\$ 2,135,358	\$ -	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:

Average Rating	Mutual funds			Pooled Fixed Income
	Fixed Income	U.S. Government Securities	Money Market	
AAA	\$ -	\$ -	\$ 315,720	\$ 255,422
Unrated	11,915,046	165,131	-	-
Total	<u>\$ 11,915,046</u>	<u>\$ 165,131</u>	<u>\$ 315,720</u>	<u>\$ 255,422</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, 2023

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>\$ 277,023</u>	<u>\$ 20,354</u>	<u>\$ 297,377</u>
Long-term portion	436,036	115,340	551,376
Less allowance for uncollectibles	<u>(40,000)</u>	<u>(10,000)</u>	<u>(50,000)</u>
Net long-term portion	<u>396,036</u>	<u>105,340</u>	<u>501,376</u>
Totals	<u>\$ 673,059</u>	<u>\$ 125,694</u>	<u>\$ 798,753</u>

	Water and Sewer Use			CDBG Loans
	Use	Interest and Liens	Total	
Current portion	<u>\$ 130,739</u>	<u>\$ 15,283</u>	<u>\$ 146,022</u>	<u>\$ -</u>
Long-term portion	159,792	18,680	178,472	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>151,977</u>	<u>16,376</u>	<u>168,353</u>	<u>181,657</u>
Totals	<u>\$ 282,716</u>	<u>\$ 31,659</u>	<u>\$ 314,375</u>	<u>\$ 181,657</u>

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
<u>General fund</u>			
Capital initiatives	N/A	\$ 48,499	\$ -
Water system	N/A	4,763	-
Public safety	N/A	21,889	-
Culture and recreation	N/A	30,633	-
School cafeteria	N/A	117,454	-
Education grant	N/A	376,561	-
Miscellaneous grants	N/A	-	158,401
WPCA joint facilities	N/A	30,583	-
WPCA operating	N/A	120,291	-
Total general fund		750,673	158,401
<u>Capital initiatives fund</u>			
General fund	N/A	-	48,499
Public works	N/A	-	100,384
Total capital initiatives fund		-	148,883
<u>Other governmental funds</u>			
Water system	General fund	-	4,763
Public safety	General fund	-	21,889
Culture and recreation	General fund	-	30,633
School cafeteria	General fund	-	117,454
Education grant	General fund	-	376,561
Public works	Capital initiatives	100,384	-
Miscellaneous grants	General fund	158,401	-
WPCA joint facilities	General fund	-	30,583
WPCA operating	General fund	-	120,291
Total other governmental funds		258,785	702,174
Total		\$ 1,009,458	\$ 1,009,458

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.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Interfund accounts (continued)**2. Interfund transfers**

A summary of interfund transfers is as follows:

	Corresponding Fund	Transfers In	Transfers Out
General fund:			
Capital initiatives fund	N/A	\$ -	\$ 1,150,000
Capital reserve	N/A	-	812,725
Debt service	N/A	-	42,500
Total general fund		-	2,005,225
Capital initiatives fund	General fund	1,150,000	-
Capital reserve fund	General fund	812,725	-
Capital reserve fund	WPCA	-	500,000
Total capital reserve fund		812,725	500,000
Other governmental funds:			
Debt service fund	General fund	42,500	-
WPCA	Capital reserve	500,000	-
Total other governmental funds		542,500	-
Total		<u>\$ 2,505,225</u>	<u>\$ 2,505,225</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, 2023

D. Capital assets

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2022 (as restated)	Increases	Decreases	Balance June 30, 2023
<u>Capital assets, not being depreciated/amortized:</u>				
Land	\$ 3,194,822	\$ 302,111	\$ -	\$ 3,496,933
Intangible assets	698,000	-	-	698,000
Construction in progress	2,430,803	1,077,766	1,179,669	2,328,900
Total capital assets, not being depreciated/amortized	6,323,625	1,379,877	1,179,669	6,523,833
<u>Capital assets, being depreciated/amortized:</u>				
Intangible right-to-use assets	815,826	-	48,000	767,826
Buildings	117,432,150	268,036	-	117,700,186
Improvements other than buildings	422,062	1,179,669	-	1,601,731
Machinery and equipment	20,638,083	268,519	394,991	20,511,611
Infrastructure	51,777,509	131,121	-	51,908,630
Total capital assets, being depreciated/amortized	191,085,630	1,847,345	442,991	192,489,984
Total capital assets	197,409,255	3,227,222	1,622,660	199,013,817
<u>Less accumulated depreciation/amortization for:</u>				
Intangible right-to-use assets	175,151	174,313	48,000	301,464
Buildings	30,594,558	2,311,886	-	32,906,444
Improvements other than buildings	148,233	45,854	-	194,087
Machinery and equipment	9,789,907	1,014,837	373,023	10,431,721
Infrastructure	11,366,312	619,170	-	11,985,482
Total accumulated depreciation/amortization	52,074,161	4,166,060	421,023	55,819,198
Total capital assets, being depreciated/amortized, net	139,011,469	(2,318,715)	21,968	136,670,786
Capital assets, net	<u>\$145,335,094</u>	<u>\$ (938,838)</u>	<u>\$ 1,201,637</u>	<u>\$ 143,194,619</u>

Intangible right-to-use assets by category are as follows:

Intangible right-to-use buildings	\$ 36,139
Intangible right-to-use machinery and equipment	586,986
Intangible right-to-use subscription assets	144,701
Total intangible right-to-use assets	<u>\$ 767,826</u>

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Capital assets (continued)

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

General government	\$ 478,737
Public safety	393,185
Public works and utilities	1,314,379
Health and human services	6,008
Culture and recreation	197,818
Education	<u>1,775,933</u>
 Total depreciation/amortization expense	 <u><u>\$4,166,060</u></u>

E. Construction commitments

WPCA Pump Station Force Main	<u><u>\$ 241,201</u></u>
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Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities

General obligation bonds, equipment financing notes and leases are direct obligations and pledge the full faith and credit of the Town.

1. Summary of changes

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

Description	Date of Issue	Date of Maturity	Interest Rate	Amount of Original Issue	Balance July 1, 2022 (as restated)	Additions	Reductions	Balance June 30, 2023	Current Portion	Long Term Portion
<u>Bonds:</u>										
General obligation	8/7/2013	8/15/2033	2.00-4.00%	\$ 3,885,000	\$ 2,205,000	\$ -	\$ 205,000	\$ 2,000,000	\$ 200,000	\$ 1,800,000
General obligation	12/18/2015	7/15/2035	2.00-4.00%	21,225,000	14,865,000	-	1,060,000	13,805,000	1,060,000	12,745,000
General obligation	9/14/2017	9/1/2037	2.00-5.00%	7,105,000	5,080,000	-	505,000	4,575,000	305,000	4,270,000
General obligation	9/12/2019	9/1/2039	1.96-2.44%	13,670,000	12,135,000	-	770,000	11,365,000	770,000	10,595,000
General obligation	9/11/2020	9/1/2040	1.00-4.00%	1,225,000	1,040,000	-	145,000	895,000	405,000	490,000
General obligation	9/11/2020	9/1/2028	5.00%	7,810,000	7,530,000	-	290,000	7,240,000	145,000	7,095,000
Total bonds				54,920,000	42,855,000	-	2,975,000	39,880,000	2,885,000	36,995,000
<u>Equipment financing notes (direct borrowings):</u>										
Vehicle	5/23/2016	7/17/2022	1.82%	175,506	26,017	-	26,017	-	-	-
Vehicle	1/17/2017	1/17/2023	2.99%	172,349	26,072	-	26,072	-	-	-
Technology equipment	2/12/2019	2/12/2023	2.13%	40,579	8,573	-	8,573	-	-	-
Vehicle	10/1/2020	10/1/2026	2.05%	286,194	205,015	-	39,356	165,659	40,163	125,496
Fire tankers	7/1/2021	2/1/2031	1.63%	590,000	561,416	-	58,406	503,010	59,362	443,648
Phone system	3/20/2022	3/21/2025	0.88%	46,743	35,210	-	11,634	23,576	11,736	11,840
Total notes				\$ 1,311,371	\$ 862,303	\$ -	\$ 170,058	\$ 692,245	\$ 111,261	\$ 580,984

Town of East Hampton, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

Description	Date of Issue	Date of Maturity	Interest Rate	Amount of Original Issue	Balance July 1, 2022 (as restated)	Additions	Reductions	Balance June 30, 2023	Current Portion	Long Term Portion
Total bonds and notes					\$ 43,717,303	\$ -	\$ 3,145,058	\$ 40,572,245	\$ 2,996,261	\$ 37,575,984
Leases payable					468,481	-	161,218	307,263	141,293	165,970
Subscriptions payable					144,701	-	41,597	103,104	41,951	61,153
Total long-term debt					44,330,485	-	3,347,873	40,982,612	3,179,505	37,803,107
Premium					2,179,582	-	142,496	2,037,086	-	2,037,086
Total long-term debt and related liabilities					46,510,067	-	3,490,369	43,019,698	3,179,505	39,840,193
Compensated absences					1,598,026	626,027	746,875	1,477,178	295,436	1,181,742
Net pension liability					16,924,529	2,087,956	2,029,502	16,982,983	-	16,982,983
OPEB liability					3,248,369	232,237	194,983	3,285,623	-	3,285,623
Total long-term liabilities					\$ 68,280,991	\$ 2,946,220	\$ 6,461,729	\$ 64,765,482	\$ 3,474,941	\$ 61,290,541

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, 2023

F. Changes in long-term liabilities (continued)

The following is a summary of bond and note maturities:

Fiscal Year Ended June 30,	Bond Principal	Note Principal	Total Interest
2024	\$ 2,885,000	\$ 111,261	\$ 1,138,119
2025	2,890,000	113,161	1,016,420
2026	2,890,000	103,147	899,488
2027	2,890,000	105,009	783,977
2028	2,890,000	63,345	684,432
2029	2,890,000	64,381	605,308
2030	2,700,000	65,435	531,876
2031	2,530,000	66,506	463,189
2032	2,530,000	-	398,675
2033	2,530,000	-	334,425
2034	2,530,000	-	269,925
2035	2,370,000	-	206,750
2036	2,365,000	-	144,581
2037	1,300,000	-	98,069
2038	1,300,000	-	67,531
2039	995,000	-	41,197
2040	995,000	-	19,066
2041	400,000	-	4,000
Total	<u>\$ 39,880,000</u>	<u>\$ 692,245</u>	<u>\$ 7,707,026</u>

2. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$692,245 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	\$ 94,376,142	\$ 21,406,000	\$ 72,970,142
Schools	188,752,284	18,474,000	170,278,284
Sewer	157,293,570	-	157,293,570
Urban renewal	136,321,094	-	136,321,094
Pension deficit	125,834,856	-	125,834,856

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year taxation:

\$ 293,614,664

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

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
Water System Initial Water Supply Plan	866,000
Capital Improvements 2004-2005	454,400
Pine Brook Culvert Repair	400,000
Memorial School Roof and Oil Tank	613,350
High School Renovation	1,664,434
Town Hall/Police Facility	72,148
Center School Heating System Improvements	106,000
	<hr/>
Total	<u><u>\$4,194,832</u></u>

5. Leases

Lease agreements are summarized as follows:

Description	Date	Lease Term (years)	Interest Rate*	Original Amount	Balance June 30, 2023
Mail machine - Town	7/13/2018	2.25	2.73%	\$ 4,052	\$ 464
Folding machine - Town	5/7/2019	3.00	2.25%	3,864	1,320
Lake aerator - Town	4/20/2020	4.00	0.35%	391,667	196,517
Copiers - Education	12/2/2020	4.58	0.39%	167,247	94,687
Mail machines - Education	3/2/2022	5.00	1.60% - 2.70%	20,156	14,275
Program space - Education	8/19/2018	2.00	3.00%	36,139	-
				<hr/>	<hr/>
Totals				<u><u>\$ 623,125</u></u>	<u><u>\$ 307,263</u></u>

*All interest rates are the estimated incremental borrowing rate as there were no interest rates specified in the lease agreement for the Town.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

Description	Terms
Mail machine - Town	The lease is not renewable and the Town will not acquire the equipment at the end of the term
Folding machine - Town	The lease is not renewable and the Town will not acquire the equipment at the end of the term
Lake aerator - Town	The lease includes two 5-year extension periods, however the Town expects to exercise the purchase option at the end of the first extension period. The lease agreement also contains maintenance in the lease payments. The Town has determined it is not practicable to determine a best estimate of the lease components, therefore, the entire lease payment has been included in the calculation of the lease liability
Copiers - Education	The lease is not renewable and the Town will not acquire the equipment at the end of the term
Mail machines - Education	The lease is not renewable and the Town will not acquire the equipment at the end of the term
Program space - Education	The lease will not be renewed at the end of the lease period

The following is a summary of principal and interest payments to maturity:

Year Ending June 30	Principal	Interest
2024	\$ 141,293	\$ 1,446
2025	140,156	769
2026	23,614	151
2027	2,200	46
Total	<u>\$ 307,263</u>	<u>\$ 2,412</u>

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)**6. Subscription arrangements**

Subscription arrangements are summarized as follows:

Description	Date	Subscription Term* (years)	Interest Rate**	Original Amount*	Balance June 30, 2023
Police body camera software	7/1/2022	4.00	4.50%	\$ 84,065	\$ 62,566
Info quick solutions	7/1/2022	2.89	4.50%	42,118	27,756
Debt book	7/1/2022	2.92	4.50%	18,518	12,782
Total				<u>\$144,701</u>	<u>\$ 103,104</u>

*As of GASB No. 96 implementation date of July 1, 2022.

**All interest rates have been imputed based on the rate from recently issued debt as there were no interest rates specified in the subscription agreement.

Description	Terms
Police body camera software	The Town has a subscription arrangement for the police body camera software and cloud storage of camera footage. This arrangement does not include extension or termination terms.
Info quick solutions	This arrangement does not include extension or termination terms.
Debt book	This arrangement does not include extension or termination terms.

The following is a summary of principal and interest payments to maturity:

Year Ending June 30	Principal	Interest
2024	\$ 41,951	\$ 4,317
2025	39,373	2,424
2026	<u>21,780</u>	<u>980</u>
Total	<u>\$ 103,104</u>	<u>\$ 7,721</u>

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Fund balances and restricted net position

Fund Balance Component	General Fund	Capital Initiatives	Capital Reserve	Other Governmental Funds	Total
Nonspendable:					
Library programs	\$ -	\$ -	\$ -	\$ 15,500	\$ 15,500
Restricted:					
Public works:					
Sewer operations*	-	-	-	915,930	915,930
Water operations*	-	-	-	186,059	186,059
Housing rehabilitation	-	-	-	215,442	215,442
Library programs	-	-	-	1,682	1,682
Education:					
School cafeteria operations*	-	-	-	326,775	326,775
Town improvement projects	-	-	1,368,510	-	1,368,510
Total restricted	-	-	1,368,510	1,645,888	3,014,398
Committed:					
Village center development	50,191	-	-	-	50,191
General government programs	-	-	-	119,892	119,892
Public safety programs	-	-	-	152,444	152,444
Public works projects	-	-	-	116,469	116,469
Culture and recreation programs	-	-	-	247,417	247,417
Education programs	-	-	-	585,388	585,388
Sewer capital projects	-	-	-	3,147,019	3,147,019
Construction contracts	-	-	-	241,201	241,201
Approved capital projects	-	235,084	-	187,950	423,034
Town improvement projects	-	-	88,153	-	88,153
Total committed	50,191	235,084	88,153	4,797,780	5,171,208
Assigned:					
Future debt service payments	-	-	-	157,542	157,542
Unassigned	6,305,446	-	-	-	6,305,446
Total	<u>\$ 6,355,637</u>	<u>\$ 235,084</u>	<u>\$ 1,456,663</u>	<u>\$ 6,616,710</u>	<u>\$ 14,664,094</u>

* The amount of net position restricted by enabling legislation totaled: \$ 1,428,764

Town of East Hampton, Connecticut**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****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 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. The resolution of these matters is not expected to 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. In fiscal year 2002, the Town borrowed an additional \$503,694 for a nitrogen reduction project. Each Town is charged for operating costs and a use fee.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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 defined benefit 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.

b. Plan membership

At July 1, 2022, pension plan membership consisted of the following:

Active members	92
Terminated employees entitled to benefits	99
Retirees, disabled employees, and beneficiaries receiving benefits	<u>156</u>
Total	<u><u>347</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 pensionable wages times years of service Police - 2.50% final average pensionable wages 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

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plan (continued)**3. Contributions**

Required contribution to the plan are as follows:

Police hired prior to July 1, 2017	5.50% of pensionable wages
Police hired after July 1, 2017	8.00% of pensionable wages
All other employees	6.00% of pensionable wages
Average active member contribution rate	5.50% of pensionable wages
Town's average contribution rate	24.83% of pensionable wages

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity market	33.50%	5.70%
Global equity	22.50%	6.49%
U.S. core fixed income	34.00%	1.95%
U.S. inflation indexed bonds	5.00%	1.32%
Real estate (REITS)	5.00%	4.88%
Total	<u>100.00%</u>	
Long-term inflation expectation		<u>2.75%</u>
Long-term expected nominal return		<u>6.50%</u>

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 6.06% of the Town's total pension plan investments invested in a real estate limited partnership.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plan (continued)**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 summarized above.

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 7.74%. 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	\$ 52,261,487
Plan fiduciary net position	<u>35,278,504</u>
Net pension liability	<u><u>\$ 16,982,983</u></u>
Plan fiduciary net position as a percentage of the total pension liability	<u><u>67.50%</u></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, 2022
Actuarial cost method	Entry age normal
Inflation rate	2.75%
Salary increases	Age based
Investment rate of return	6.50%
Cost of living adjustments	None
Mortality table	PubG-2010 Mortality Table (PubS-2010 for Police) with generational projection per the MP-2021 Ultimate Scale

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plan (continued)**7. Changes from prior year****a. Changes in assumptions**

There were the following changes in assumptions:

	From	To
Mortality table	PubG-2010 Mortality Table with generational projection per the MP-2019 Ultimate Scale	PubG-2010 Mortality Table (PubS-2010 for Police) with generational projection per the MP-2021 Ultimate Scale

b. Changes in benefit terms

There were no changes in benefit terms.

8. Discount rate

The discount rate used to measure the total pension liability was 6.50%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that 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.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plan (continued)**9. Changes in the net pension liability**

The Town's net pension liability was measured at June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated as noted below.

The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Valuation Date: July 1, 2022	(a)	(b)	(a) - (b)
Balance at July 1, 2022	\$ 50,674,690	\$ 33,750,161	\$ 16,924,529
Service cost	755,907	-	755,907
Interest	3,248,982	-	3,248,982
Differences between expected and actual experience	668,941	-	668,941
Changes in assumptions	(148,247)	-	(148,247)
Contributions - employer	-	1,476,789	(1,476,789)
Contributions - member	-	404,466	(404,466)
Net investment income	-	2,679,555	(2,679,555)
Benefit payments, including refunds of member contributions	(2,938,786)	(2,938,786)	-
Administrative expenses	-	(93,681)	93,681
Net change	1,586,797	1,528,343	58,454
Balance at June 30, 2023	\$52,261,487	\$ 35,278,504	\$ 16,982,983

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 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:

Net pension liability	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Town plan	6.50%	\$ 22,661,749	\$ 16,982,983	\$ 12,061,800

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 \$3,301,734.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plan (continued)

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflow/inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 370,215	\$ -	\$ 370,215
Changes in assumptions	173,990	77,653	96,337
Net difference between projected and actual earnings on pension plan investments	<u>2,177,894</u>	<u>-</u>	<u>2,177,894</u>
Total	<u>\$ 2,722,099</u>	<u>\$ 77,653</u>	<u>\$ 2,644,446</u>

Actual investment earnings below (or above) projected earnings are amortized over 5.00 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive, which was 2.50 years.

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

Year Ending June 30,	
2024	\$ 1,008,221
2025	293,864
2026	1,433,390
2027	<u>(91,029)</u>
Total	<u>\$ 2,644,446</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. The Town and employees are both required to contribute 5.00% of earnings. Employer contributions vest according to the following schedule:

Years of Service				
1	2	3	4	5
<u>20%</u>	<u>40%</u>	<u>60%</u>	<u>80%</u>	<u>100%</u>

During the year the Town recognized pension expense of \$227,299 and employee contributions totaled \$307,311.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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.

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

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut state teachers' retirement system (continued)**3. Contributions****State of Connecticut**

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

Employer (school districts)

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

Employees

Each member is required to contribute 7.00% of their annual salary.

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 collective 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 collective net pension liability, the related State support, and the total portion of the collective net pension liability that was associated with the Town were as follows:

Town's proportionate share of the collective net pension liability	\$ -
State's proportionate share of the collective net pension liability associated with the Town	<u>68,024,093</u>
Total	<u><u>\$68,024,093</u></u>
During the year the Town recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u><u>\$ 5,363,216</u></u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The Town has no proportionate share of the net pension liability.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut state teachers' retirement system (continued)**5. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019

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 3.00% 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, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

There were no changes in assumptions from the prior measurement date.

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, 2023

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity fund	20.00%	5.40%
Developed market international stock fund	11.00%	6.40%
Emerging market international stock fund	9.00%	8.60%
Core fixed income fund	13.00%	0.80%
Emerging market debt fund	5.00%	3.80%
High yield bond fund	3.00%	3.40%
Real estate fund	19.00%	5.20%
Private equity	10.00%	9.40%
Private credit	5.00%	6.50%
Alternative investments	3.00%	3.10%
Liquidity fund	<u>2.00%</u>	(0.40%)
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 Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

The Town administers one single-employer defined benefit, 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

As of July 1, 2021, the plan's membership consisted of:

Active members	169
Retirees, disabled employees, and beneficiaries receiving benefits	<u>14</u>
Total	<u><u>183</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.

3. Contributions**a. Employer contributions**

The Board of Education's total plan contribution was \$156,109.

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.

4. OPEB liability

The Town's OPEB liability of \$3,285,623 was measured as of June 30, 2023 and was determined by an actuarial valuation as July 1, 2021.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Other post-employment benefit plans (continued)**5. 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, 2021
Actuarial cost method	Entry age normal
Discount rate	3.65%
Healthcare inflation rate	
Initial	5.10%
Ultimate	4.10%
Inflation rate	2.60%
Mortality table	PubT-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvements

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

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

The changes in assumptions were as follows:

Assumption	From	To
Discount rate	3.54%	3.65%
Healthcare inflation rate - initial	5.70%	5.10%

b. Changes in benefit terms

There were no changes in benefit terms for the current fiscal year.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Other post-employment benefit plans (continued)**7. Change in the OPEB liability**

The Town's net pension liability was measured at June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated as noted below:

<u>Valuation Date: July 1, 2021</u>	
Balance at July 1, 2022	<u>\$ 3,248,369</u>
Service cost	115,958
Interest	116,279
Changes in assumptions	(34,367)
Benefit payments, including refunds of member contributions	<u>(160,616)</u>
Net change	<u>37,254</u>
Balance at June 30, 2023	<u><u>\$ 3,285,623</u></u>

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

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

<u>OPEB Liability</u>	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Town OPEB Plan	<u>3.65%</u>	<u>\$ 3,604,784</u>	<u>\$ 3,285,623</u>	<u>\$ 2,996,989</u>

9. 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>OPEB Liability</u>	<u>Trend Rate</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Town OPEB Plan	<u>4.10% - 5.10%</u>	<u>\$ 2,859,846</u>	<u>\$ 3,285,623</u>	<u>\$ 3,794,386</u>

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Other post-employment benefit plans (continued)**10. OPEB expense and deferred outflows and inflows of resources related to OPEB**

For the fiscal year, the Town recognized OPEB expense of \$106,039. The Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ -	\$ 986,714	\$ (986,714)
Changes in assumptions	422,182	499,446	(77,264)
Total	<u>\$ 422,182</u>	<u>\$ 1,486,160</u>	<u>\$ (1,063,978)</u>

Differences between expected and actual experience and changes in assumptions are amortized over 9.40 years.

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

Year Ending June 30,	
2024	\$ (126,198)
2025	(126,198)
2026	(126,198)
2027	(126,198)
2028	(126,198)
Thereafter	<u>(432,988)</u>
Total	<u>\$ (1,063,978)</u>

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.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Connecticut state teachers' retirement board retiree health insurance plan (continued)**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 \$220 per month for a retired member plus an additional \$220 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. A subsidy amount of \$440 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 \$440 per month towards coverage under a local school district plan.

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

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

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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.

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 pays for one third of plan costs through an annual appropriation in the General Fund.

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 collective 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 collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the collective net OPEB liability	\$ -
State's proportionate share of the collective net OPEB liability associated with the Town	<u>5,957,350</u>
Total	<u><u>\$ 5,957,350</u></u>
During the year the Town recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u><u>\$ 75,857</u></u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The Town has no proportionate share of the net OPEB liability.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Connecticut state teachers' retirement board retiree health insurance plan (continued)**5. Actuarial methods and significant assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.00%
Discount rate	3.53%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2031
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2027

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The discount rate was increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate.

Long-term expected rate of return

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

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected geometric rate of return is 1.50%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2022.

6. Discount rate

The discount rate used to measure the total OPEB liability was 3.53%. The Municipal Bond Index Rate of 3.54% 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 annual State contributions will equal the most recent 5-year average of state contributions.

Town of East Hampton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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 and health care trend rates 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 Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

VI. Prior period adjustments

As a result of the implementation of GASB No. 96 intangible right-to-use subscription assets and subscription liability were recorded as beginning balances. There was no impact on beginning net position. The amounts recorded were increases to the following financial statement accounts:

	<u>Governmental Activities</u>
Capital assets:	
Intangible right-to-use subscription assets	\$ 144,701
Long-term liabilities:	
Subscription liability	144,701

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	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns
State Teachers' Retirement System	Schedule of Proportionate Share of the Collective Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<u>Other Post-Employment Benefits Plans</u>	
Town	Schedule of Changes in OPEB Liability and Related Ratios
State Teachers' Retirement Board Retiree	Schedule of Proportionate Share of the Collective Net OPEB Liability
Health Insurance Plan	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, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Current taxes	\$ 41,436,130	\$ 497,327	\$ 41,933,457	\$ 41,936,174	\$ 2,717
Back taxes	275,000	-	275,000	234,231	(40,769)
Telephone access share line	20,000	-	20,000	21,201	1,201
Supplemental motor vehicles	391,600	-	391,600	493,397	101,797
Housing authority reimbursement	12,000	-	12,000	18,891	6,891
Interest	150,000	-	150,000	227,794	77,794
Liens	2,500	-	2,500	1,732	(768)
Total property taxes	42,287,230	497,327	42,784,557	42,933,420	148,863
Intergovernmental:					
General government:					
Town aid road	321,546	-	321,546	321,722	176
Grants for municipal projects	18,943	-	18,943	18,943	-
Department of youth services	15,911	-	15,911	15,752	(159)
MRSA sales tax sharing	-	254,115	254,115	254,116	1
Tiered PILOT grant	129,112	-	129,112	129,112	-
Disability tax relief	1,100	-	1,100	1,415	315
Veterans' exemption	4,350	-	4,350	5,606	1,256
Motor vehicle tax reimbursement	693,970	(497,327)	196,643	259,768	63,125
Mashantucket Pequot/Mohegan grant	6,742	-	6,742	6,742	-
Municipal stabilization grant	120,397	-	120,397	120,397	-
Other federal and state grants	-	-	-	8,337	8,337
Total general government	1,312,071	(243,212)	1,068,859	1,141,910	73,051
Education:					
Education cost sharing	6,902,775	-	6,902,775	6,908,584	5,809
Adult education	20,074	-	20,074	23,149	3,075
Total education	6,922,849	-	6,922,849	6,931,733	8,884
Total intergovernmental	8,234,920	(243,212)	7,991,708	8,073,643	81,935

(Continued)

See 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, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Charges for services:					
Finance department	\$ 30,685	\$ -	\$ 30,685	\$ 78,454	\$ 47,769
Assessor department	300	-	300	95	(205)
Police department	6,000	-	6,000	8,412	2,412
Town clerk	336,250	-	336,250	360,172	23,922
Planning, zoning and buildings	260,100	-	260,100	384,359	124,259
Transfer station fees/stickers	33,550	-	33,550	41,000	7,450
Lease of town property	32,850	-	32,850	37,779	4,929
Sears park rent	700	-	700	4,875	4,175
Building rental	21,630	-	21,630	21,630	-
Library	1,000	-	1,000	4,688	3,688
Community room rental	150	-	150	58	(92)
Sears park stickers	3,000	-	3,000	4,400	1,400
Blasting permits	100	-	100	3,118	3,018
Public works	350	-	350	3,095	2,745
Total charges for services	726,665	-	726,665	952,135	225,470
Income from investments	10,000	76,648	86,648	179,373	92,725
Other:					
Collector of revenue	1,000	-	1,000	404	(596)
Parks and recreation		-	-	25	25
Middle Haddam historic district	150	-	150	225	75
Total other	1,150	-	1,150	654	(496)
Total revenues	51,259,965	330,763	51,590,728	52,139,225	548,497
Other financing sources:					
Appropriation of fund balance	500,000	1,235,000	1,735,000	-	(1,735,000)
Total revenues and other financing sources	<u>\$ 51,759,965</u>	<u>\$ 1,565,763</u>	<u>\$ 53,325,728</u>	<u>\$ 52,139,225</u>	<u>\$ (1,186,503)</u>

(Concluded)

See Notes to Required Supplementary Information.

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, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Town manager	\$ 382,001	\$ -	\$ 382,001	\$ 379,239	\$ 2,762
Council special programs	40,424	-	40,424	35,382	5,042
Legal defense/fees	85,000	125	85,125	85,124	1
New town hall	311,286	8,000	319,286	319,236	50
Finance and accounting	506,438	-	506,438	506,429	9
Collector of revenue	177,804	-	177,804	162,149	15,655
Assessor's office	202,913	-	202,913	199,609	3,304
Town clerk's office	184,903	-	184,903	181,926	2,977
Registrars/elections	50,991	2,350	53,341	53,340	1
General insurance	406,160	-	406,160	397,369	8,791
Probate court	19,200	-	19,200	19,152	48
Employee benefits	2,286,725	-	2,286,725	2,269,795	16,930
Information technology	166,281	50	166,331	166,330	1
Contingency	30,000	(30,000)	-	-	-
Total general government	4,850,126	(19,475)	4,830,651	4,775,080	55,571
Public safety:					
Police administration	375,282	-	375,282	356,108	19,174
Police regular patrol	1,794,407	28,425	1,822,832	1,822,828	4
Lake patrol	2,096	50	2,146	2,143	3
Animal control	53,441	369	53,810	53,807	3
Firefighting	341,734	-	341,734	336,939	4,795
Fire marshal	92,985	-	92,985	76,439	16,546
Town center fire system	8,050	4,450	12,500	12,492	8
Ambulance association	64,790	-	64,790	62,071	2,719
Civil preparedness	8,096	-	8,096	5,765	2,331
Communications	232,825	(18,219)	214,606	188,081	26,525
Street lighting	51,000	-	51,000	40,386	10,614
Total public safety	3,024,706	15,075	3,039,781	2,957,059	82,722
Public works and utilities:					
Public works	1,536,333	-	1,536,333	1,439,731	96,602
Engineering	40,000	1,500	41,500	41,448	52
Town garage	47,909	-	47,909	36,132	11,777
Town wide motor fuel	162,520	-	162,520	151,300	11,220
Road materials	370,000	-	370,000	369,997	3
Transfer station	200,431	295	200,726	200,723	3
Total public works and utilities	2,357,193	1,795	2,358,988	2,239,331	119,657

(Continued)

See Notes to Required Supplementary Information.

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, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Regulatory:					
Planning, zoning and buildings	\$ 397,796	\$ -	\$ 397,796	\$ 377,789	\$ 20,007
Economic development commission	4,637	-	4,637	1,598	3,039
Conservation and lake commission	57,127	-	57,127	56,811	316
Redevelopment agency	1,462	-	1,462	1,281	181
Middle Haddam historic district	800	-	800	482	318
Total regulatory	461,822	-	461,822	437,961	23,861
Health and human services:					
Chatham health district	170,301	-	170,301	170,301	-
Human services	127,540	-	127,540	119,583	7,957
Senior center	159,746	-	159,746	139,993	19,753
Transportation	53,940	1,595	55,535	55,535	-
Cemetery care	5,000	-	5,000	4,900	100
Commission on aging	1,200	315	1,515	1,512	3
Community services	6,800	695	7,495	7,495	-
Total health and human services	524,527	2,605	527,132	499,319	27,813
Culture and recreation:					
Park and recreation	487,802	-	487,802	487,778	24
Arts and cultural commission	2,300	-	2,300	2,087	213
Community center	159,209	-	159,209	136,430	22,779
Library	576,997	-	576,997	527,180	49,817
Middle Haddam library	10,000	-	10,000	10,000	-
Total culture and recreation	1,236,308	-	1,236,308	1,163,475	72,833
Education	34,273,597	415,763	34,689,360	34,689,360	-
Debt service	4,176,461	-	4,176,461	4,149,932	26,529
Total expenditures	50,904,740	415,763	51,320,503	50,911,517	408,986
Other financing uses:					
Transfers out:					
Capital initiatives	-	1,150,000	1,150,000	1,150,000	-
Capital reserve fund	812,725	-	812,725	812,725	-
Debt service fund	42,500	-	42,500	42,500	-
Total other financing uses	855,225	1,150,000	2,005,225	2,005,225	-
Total expenditures and other financing uses	\$ 51,759,965	\$ 1,565,763	\$ 53,325,728	\$ 52,916,742	\$ 408,986

See Notes to Required Supplementary Information.

(Concluded)

Town of East Hampton, Connecticut

Notes to Required Supplementary Information

**Budgets and Budgetary Accounting
For the Year Ended June 30, 2023**

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	\$ 52,139,225	\$ 50,911,517
State Teachers' pension on behalf amount	5,363,216	5,363,216
State Teachers' OPEB on behalf amount	<u>75,857</u>	<u>75,857</u>
GAAP Basis - Exhibit D	<u>\$ 57,578,298</u>	<u>\$ 56,350,590</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.

There were additional appropriations made during the year as follows:

Additional revenue	\$ 330,763
Fund balance	<u>1,235,000</u>
Total	<u>\$ 1,565,763</u>

Town of East Hampton, Connecticut

Required Supplementary Information

Retirement Income Plan
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Schedule of Changes in Net Pension Liability and Related Ratios										
Total pension liability:										
Service cost	\$ 755,907	\$ 718,117	\$ 746,693	\$ 730,035	\$ 769,708	\$ 760,805	\$ 778,005	\$ 805,799	\$ 763,446	\$ 819,627
Interest	3,248,982	3,208,831	3,095,250	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	-	(37,055)	-	-	(13,855)	-	-	-	-	-
Differences between expected and actual experience	668,941	217,983	(268,745)	(162,390)	200,401	(572,855)	-	831,035	302,268	-
Changes in assumptions	(148,247)	1,913,888	559,229	1,482,189	543,389	-	555,753	487,376	456,503	-
Benefit payments, including refunds of member contributions	(2,938,786)	(2,563,121)	(2,344,048)	(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	1,586,797	3,458,643	1,788,379	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	50,674,690	47,216,047	45,427,668	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>\$ 52,261,487</u>	<u>\$ 50,674,690</u>	<u>\$ 47,216,047</u>	<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	\$ 1,476,789	\$ 1,408,367	\$ 1,269,488	\$ 1,165,982	\$ 1,131,502	\$ 1,148,318	\$ 1,026,712	\$ 960,000	\$ 982,321	\$ 953,000
Contributions - member	404,466	405,456	389,355	387,156	381,870	374,910	398,344	421,156	419,210	413,838
Other	-	-	-	-	13,800	-	-	-	-	-
Net investment income	2,679,555	(4,885,085)	8,058,265	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	(2,938,786)	(2,563,121)	(2,344,048)	(2,206,017)	(2,047,792)	(2,074,206)	(1,985,377)	(1,751,356)	(1,594,194)	(1,465,203)
Administration expenses	(93,681)	(99,230)	(80,631)	(78,905)	(72,182)	(72,770)	(24,717)	(57,552)	(48,049)	(52,123)
Net change in plan fiduciary net position	1,528,343	(5,733,613)	7,292,429	(2,384)	1,056,301	1,467,075	2,542,729	(416,563)	413,011	3,305,168
Plan fiduciary net position - July 1	33,750,161	39,483,774	32,191,345	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>\$ 35,278,504</u>	<u>\$ 33,750,161</u>	<u>\$ 39,483,774</u>	<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 - June 30 (a)-(b)	<u>\$ 16,982,983</u>	<u>\$ 16,924,529</u>	<u>\$ 7,732,273</u>	<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>67.50%</u>	<u>66.60%</u>	<u>83.62%</u>	<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>\$ 5,947,749</u>	<u>\$ 6,462,320</u>	<u>\$ 6,394,230</u>	<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>285.54%</u>	<u>261.90%</u>	<u>120.93%</u>	<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>
Schedule of Investment Returns										
Annual money weighted rate of return, net of investment expense	<u>7.74%</u>	<u>(12.46%)</u>	<u>24.78%</u>	<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>

See Notes to Required Supplementary Information.

Town of East Hampton, Connecticut

Required Supplementary Information

Retirement Income Plan
Schedule of Contributions
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 1,474,421	\$ 1,408,367	\$ 1,252,872	\$ 1,165,982	\$ 1,095,521	\$ 1,115,081	\$ 1,020,204	\$ 957,490	\$ 980,548	\$ 952,198
Contributions in relation to the actuarially determined contribution	<u>1,476,789</u>	<u>1,408,367</u>	<u>1,269,488</u>	<u>1,269,488</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>
Contribution excess (deficiency)	<u>\$ 2,368</u>	<u>\$ -</u>	<u>\$ 16,616</u>	<u>\$ 103,506</u>	<u>\$ 35,981</u>	<u>\$ 33,237</u>	<u>\$ 6,508</u>	<u>\$ 2,510</u>	<u>\$ 1,773</u>	<u>\$ 802</u>
Covered payroll	<u>\$ 5,947,749</u>	<u>\$ 6,462,320</u>	<u>\$ 6,394,230</u>	<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>
Contributions as a percentage of covered payroll	<u>24.83%</u>	<u>21.79%</u>	<u>19.85%</u>	<u>18.73%</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>

Town of East Hampton, Connecticut

Notes to Required Supplementary Information

Retirement Income Plan
Schedule of Contributions
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2022	July 1, 2020	July 1, 2019	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	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	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	5 year smoothing	5 year smoothing	5 year smoothing
Inflation rate	2.75%	2.75%	2.75%	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	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)	6.50%	6.88%	6.88%	6.88%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Mortality rate	PubG-2010 Mortality Table with generational projection per the MP-2021 Ultimate Scale	PubG-2010 Mortality Table with generational projection per the MP-2019 Ultimate Scale	PubG-2010 Mortality Table with generational projection per the MP-2019 Ultimate Scale	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

Town of East Hampton, Connecticut

Required Supplementary Information

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>									
Town's proportion of the collective 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>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net pension liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State's proportionate share of the collective net pension liability associated with the Town	<u>68,024,093</u>	<u>54,229,054</u>	<u>68,470,295</u>	<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>\$ 68,024,093</u>	<u>\$ 54,229,054</u>	<u>\$ 68,470,295</u>	<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>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective 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>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total pension liability	<u>54.06%</u>	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>
<u>Schedule of Contributions</u>									
Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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>	<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>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

(2) Not applicable since 0% proportional share of the collective 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 Nine Years (1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	June 30, 2012
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining amortization period	27.8 years	27.8 years	27.8 years	30 years	30 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	4 year smoothing	4 year smoothing	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.00%-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	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-living adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment rate of return (net)	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%	8.00%	8.00%	8.00%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table 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	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
Schedule of Changes in OPEB Liability and Related Ratios
Last Five Years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
OPEB liability					
Service cost	\$ 115,958	\$ 175,902	\$ 173,616	\$ 129,439	\$ 187,451
Interest	116,279	98,614	97,899	149,034	153,456
Difference between expected and actual experience	-	(823,822)	-	(510,022)	-
Changes in assumptions	(34,367)	(513,452)	21,641	516,655	155,433
Benefit payments, including refunds of member contributions	<u>(160,616)</u>	<u>(156,109)</u>	<u>(163,330)</u>	<u>(151,439)</u>	<u>(139,518)</u>
Net change in OPEB liability	37,254	(1,218,867)	129,826	133,667	356,822
OPEB liability - July 1	<u>3,248,369</u>	<u>4,467,236</u>	<u>4,337,410</u>	<u>4,203,743</u>	<u>3,846,921</u>
OPEB liability - June 30 *	<u>\$ 3,285,623</u>	<u>\$ 3,248,369</u>	<u>\$ 4,467,236</u>	<u>\$ 4,337,410</u>	<u>\$ 4,203,743</u>
Covered employee payroll	<u>\$ 16,191,504</u>	<u>\$ 16,191,504</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 14,985,214</u>
Total OPEB liability as a percentage of covered employee payroll	<u>20.29%</u>	<u>20.06%</u>	<u>N/A</u>	<u>N/A</u>	<u>28.05%</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 Six Years (3)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Collective Net OPEB Liability</u>						
Town's proportion of the collective net OPEB 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 collective net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the collective net OPEB liability associated with the Town	<u>5,957,350</u>	<u>5,908,156</u>	<u>10,212,347</u>	<u>10,258,325</u>	<u>10,138,874</u>	<u>12,563,334</u>
Total	<u>\$ 5,957,350</u>	<u>\$ 5,908,156</u>	<u>\$ 10,212,347</u>	<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>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective net OPEB 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 collective total OPEB liability	<u>9.46%</u>	<u>6.11%</u>	<u>2.50%</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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 employers are not required to contribute to the plan

(2) Not applicable since 0.00% proportional share of the collective net OPEB liability

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

See Notes to Required Supplementary Information.

Town of East Hampton, Connecticut

Notes to Required Supplementary Information

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

	2023	2022	2021	2020	2019	2018
Changes of benefit terms	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage, open	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization period	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation rate	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%
Healthcare inflation rate	Initial 6.75% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	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	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	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%	3.00%	3.00%	3.00%	4.25%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table 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

**General Fund
Report of Tax Collector
For the Year Ended June 30, 2023**

Grand List	Uncollected Taxes July 1, 2022	Current Tax Levy	Lawful Corrections		Transferred to Suspense	Net Amount Collectible	Collections			Uncollected Taxes June 30, 2023
			Additions	Deductions			Taxes	Interest and Liens	Total	
2021	\$ -	\$ 43,042,015	\$ 94,087	\$ 180,679	\$ 21,155	\$ 42,934,268	\$ 42,425,200	\$ 155,755	\$42,580,955	\$ 509,068
2020	353,688	-	6,118	30,738	18,615	310,453	160,082	55,341	215,423	150,371
2019	72,946	-	2,061	102	10,921	63,984	26,996	12,079	39,075	36,988
2018	12,661	-	4,310	-	2,150	14,821	3,625	1,391	5,016	11,196
2017	6,919	-	-	-	-	6,919	1,483	-	1,483	5,436
Totals	<u>\$ 446,214</u>	<u>\$ 43,042,015</u>	<u>\$106,576</u>	<u>\$ 211,519</u>	<u>\$ 52,841</u>	<u>\$ 43,330,445</u>	<u>\$ 42,617,386</u>	<u>\$ 224,566</u>	<u>\$42,841,952</u>	<u>\$ 713,059</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, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 42,287,230	\$ 497,327	\$ 42,784,557	\$ 42,933,420	\$ 148,863
Intergovernmental	8,234,920	(243,212)	7,991,708	8,073,643	81,935
Charges for services	726,665	-	726,665	952,135	225,470
Income from investments	10,000	76,648	86,648	179,373	92,725
Other	1,150	-	1,150	654	(496)
Total revenues	51,259,965	330,763	51,590,728	52,139,225	548,497
Expenditures:					
Current:					
General government	4,850,126	(19,475)	4,830,651	4,775,080	55,571
Public safety	3,024,706	15,075	3,039,781	2,957,059	82,722
Public works and utilities	2,357,193	1,795	2,358,988	2,239,331	119,657
Culture and recreation	1,236,308	-	1,236,308	1,163,475	72,833
Regulatory	461,822	-	461,822	437,961	23,861
Health and human services	524,527	2,605	527,132	499,319	27,813
Education	34,273,597	415,763	34,689,360	34,689,360	-
Debt service	4,176,461	-	4,176,461	4,149,932	26,529
Total expenditures	50,904,740	415,763	51,320,503	50,911,517	408,986
Excess (deficiency) of revenues over expenditures	355,225	(85,000)	270,225	1,227,708	957,483
Other financing sources (uses):					
Appropriation of fund balance	500,000	1,235,000	1,735,000	-	(1,735,000)
Transfers out	(855,225)	(1,150,000)	(2,005,225)	(2,005,225)	-
Net other financing sources (uses)	(355,225)	85,000	(270,225)	(2,005,225)	(1,735,000)
Net change in fund balance	\$ -	\$ -	\$ -	(777,517)	\$ (777,517)
Fund balance - July 1, 2022				7,133,154	
Fund balance - June 30, 2023				\$ 6,355,637	

Town of East Hampton, Connecticut

General Fund
Board of Education
Schedule of Expenditures Compared with Appropriations
For the Year Ended June 30, 2023

	Original Appropriation	Additional Appropriations and Transfers	Final Appropriation	Expenditures	Variance with Final Budget
Certified salaries	\$ 17,280,547	\$ -	\$ 17,280,547	\$ 17,012,900	\$ 267,647
Classified salaries	5,329,865	85,000	5,414,865	5,822,733	(407,868)
Employee benefits:					
Medical and dental	4,761,520	-	4,761,520	4,760,352	1,168
Unemployment compensation	5,000	-	5,000	99	4,901
Social security	341,256	-	341,256	375,112	(33,856)
Medicare	316,962	-	316,962	318,208	(1,246)
Pension	531,600	-	531,600	518,383	13,217
DC plan contribution	152,855	-	152,855	119,272	33,583
Workers' compensation	144,609	-	144,609	134,908	9,701
Life insurance	58,240	-	58,240	66,436	(8,196)
Other	1,500	-	1,500	1,160	340
Tuition	702,023	255,065	957,088	971,881	(14,793)
Pupil transportation	1,478,864	75,698	1,554,562	1,565,663	(11,101)
Other transportation	30,036	-	30,036	14,324	15,712
Computer consulting services	260,000	-	260,000	290,323	(30,323)
Meetings and conferences	31,000	-	31,000	9,413	21,587
Professional/technical services	747,956	-	747,956	737,974	9,982
Public utilities	68,718	-	68,718	65,509	3,209
Building, equipment maintenance and repairs	172,600	-	172,600	236,726	(64,126)
Heating, ventilation maintenance and repairs	20,000	-	20,000	5,544	14,456
Security system maintenance and repairs	42,500	-	42,500	61,713	(19,213)
Vehicle maintenance and repairs	1,600	-	1,600	3,218	(1,618)
Supplies, materials and minor equipment	312,880	-	312,880	322,829	(9,949)
Fire protection	2,000	-	2,000	-	2,000
Refuse removal	38,200	-	38,200	45,058	(6,858)
Water and underground tank testing	2,000	-	2,000	-	2,000
Pest control	8,100	-	8,100	7,405	695
Equipment rental	97,400	-	97,400	100,829	(3,429)
Property and liability insurance	124,639	-	124,639	123,144	1,495
Staff travel	8,000	-	8,000	3,640	4,360
Communications	64,755	-	64,755	70,321	(5,566)
Newspaper advertising	650	-	650	2,752	(2,102)
Printing and binding	11,845	-	11,845	9,103	2,742
Other purchased services	37,000	-	37,000	22,872	14,128
Natural gas	201,577	-	201,577	190,175	11,402
Motor fuel	110,000	-	110,000	124,152	(14,152)
Electricity	418,000	-	418,000	266,820	151,180
Textbooks	81,500	76,000	157,500	134,571	22,929
Library books/periodicals	14,000	-	14,000	11,698	2,302
Other supplies and materials	35,000	-	35,000	29,197	5,803
Dues and fees	46,000	-	46,000	45,241	759
Technology software	-	-	-	372	(372)
Equipment	5,000	99,800	104,800	87,330	17,470
New staff/program request	175,800	(175,800)	-	-	-
Total expenditures - Schedule 2	<u>\$ 34,273,597</u>	<u>\$ 415,763</u>	<u>\$ 34,689,360</u>	<u>\$ 34,689,360</u>	<u>\$ -</u>

Other Governmental Funds

Special Revenue Funds

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

Fund	Funding Source	Function
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 and fees	Education related programs
School Activity	Activity fees and contributions	Student activity funds and school scholarships
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.

Other Governmental Funds

Capital Projects Funds

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

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

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, 2023

Special Revenue Funds

	Water System	Public Safety	Culture and Recreation	School Cafeteria	Education Grant	School Activity	Public Works
<u>Assets</u>							
Cash	\$ -	\$ 89,634	\$ 447,219	\$ 270,115	\$ 657	\$ 507,922	\$ 22,085
Investments	223,090	-	-	-	-	-	-
Receivables:							
Use charges	20,950	-	-	-	-	-	-
Intergovernmental	-	1,239	-	161,255	261,491	-	-
Loans	-	-	-	-	-	-	-
Other	-	84,700	-	1,220	209,132	-	-
Due from other funds	-	-	-	-	-	-	100,384
Other	-	-	-	23,987	-	-	-
Total assets	<u>\$ 244,040</u>	<u>\$ 175,573</u>	<u>\$ 447,219</u>	<u>\$ 456,577</u>	<u>\$ 471,280</u>	<u>\$ 507,922</u>	<u>\$ 122,469</u>
<u>Liabilities</u>							
Accounts payable	\$ 32,268	\$ 1,240	\$ 23,044	\$ 1,573	\$ 14,882	\$ -	\$ 6,000
Due to other funds	4,763	21,889	30,633	117,454	376,561	-	-
Unearned revenue	-	-	146,125	10,775	2,371	-	-
Total liabilities	<u>37,031</u>	<u>23,129</u>	<u>199,802</u>	<u>129,802</u>	<u>393,814</u>	<u>-</u>	<u>6,000</u>
<u>Deferred Inflows of Resources</u>							
Unavailable revenues:							
Water charges	20,950	-	-	-	-	-	-
Sewer assessment and use charges	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>20,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	-	-
Restricted	186,059	-	-	326,775	-	-	-
Committed	-	152,444	247,417	-	77,466	507,922	116,469
Assigned	-	-	-	-	-	-	-
Total fund balances	<u>186,059</u>	<u>152,444</u>	<u>247,417</u>	<u>326,775</u>	<u>77,466</u>	<u>507,922</u>	<u>116,469</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 244,040</u>	<u>\$ 175,573</u>	<u>\$ 447,219</u>	<u>\$ 456,577</u>	<u>\$ 471,280</u>	<u>\$ 507,922</u>	<u>\$ 122,469</u>

(Continued)

Town of East Hampton, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2023

	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	\$ 6,585	\$ 1,276	\$ 345,838	\$ 445,451	\$ 2,136,782	\$ 157,542
Investments	-	-	-	262,894	485,984	-
Receivables:						
Use charges	-	-	-	269,581	290,531	-
Intergovernmental	-	-	-	-	423,985	-
Loans	208,857	-	-	-	208,857	-
Other	-	112	92,545	28,032	415,741	-
Due from other funds	-	158,401	-	-	258,785	-
Other	-	-	972	360	25,319	-
Total assets	<u>\$ 215,442</u>	<u>\$ 159,789</u>	<u>\$ 439,355</u>	<u>\$ 1,006,318</u>	<u>\$ 4,245,984</u>	<u>\$ 157,542</u>
<u>Liabilities</u>						
Accounts payable	\$ -	\$ 3,560	\$ 86,233	\$ 23,055	\$ 191,855	\$ -
Due to other funds	-	-	30,583	120,291	702,174	-
Unearned revenue	-	36,337	-	-	195,608	-
Total liabilities	<u>-</u>	<u>39,897</u>	<u>116,816</u>	<u>143,346</u>	<u>1,089,637</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenues:						
Water charges	-	-	-	-	20,950	-
Sewer assessment and use charges	-	-	-	269,581	269,581	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>269,581</u>	<u>290,531</u>	<u>-</u>
<u>Fund Balances</u>						
Nonspendable	-	-	-	-	-	-
Restricted	215,442	-	322,539	593,391	1,644,206	-
Committed	-	119,892	-	-	1,221,610	-
Assigned	-	-	-	-	-	157,542
Total fund balances	<u>215,442</u>	<u>119,892</u>	<u>322,539</u>	<u>593,391</u>	<u>2,865,816</u>	<u>157,542</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 215,442</u>	<u>\$ 159,789</u>	<u>\$ 439,355</u>	<u>\$ 1,006,318</u>	<u>\$ 4,245,984</u>	<u>\$ 157,542</u>

(Continued)

Town of East Hampton, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2023

	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	\$ -	\$ 116,029	\$ 537,216	\$ 13,752	\$ 666,997	\$ 17,182	\$ 2,978,503
Investments	637,219	787,095	1,350,549	-	2,774,863	-	3,260,847
Receivables:							
Use charges	-	-	-	-	-	-	290,531
Intergovernmental	-	-	-	196,639	196,639	-	620,624
Loans	-	-	-	-	-	-	208,857
Other	-	-	-	-	-	-	415,741
Due from other funds	-	-	-	-	-	-	258,785
Other	-	-	-	-	-	-	25,319
Total assets	<u>\$ 637,219</u>	<u>\$ 903,124</u>	<u>\$ 1,887,765</u>	<u>\$ 210,391</u>	<u>\$ 3,638,499</u>	<u>\$ 17,182</u>	<u>\$ 8,059,207</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ 39,888	\$ -	\$ 22,441	\$ 62,329	\$ -	\$ 254,184
Due to other funds	-	-	-	-	-	-	702,174
Unearned revenue	-	-	-	-	-	-	195,608
Total liabilities	<u>-</u>	<u>39,888</u>	<u>-</u>	<u>22,441</u>	<u>62,329</u>	<u>-</u>	<u>1,151,966</u>
<u>Deferred Inflows of Resources</u>							
Unavailable revenues:							
Water charges	-	-	-	-	-	-	20,950
Sewer assessment and use charges	-	-	-	-	-	-	269,581
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>290,531</u>
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	15,500	15,500
Restricted	-	-	-	-	-	1,682	1,645,888
Committed	637,219	863,236	1,887,765	187,950	3,576,170	-	4,797,780
Assigned	-	-	-	-	-	-	157,542
Total fund balances	<u>637,219</u>	<u>863,236</u>	<u>1,887,765</u>	<u>187,950</u>	<u>3,576,170</u>	<u>17,182</u>	<u>6,616,710</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 637,219</u>	<u>\$ 903,124</u>	<u>\$ 1,887,765</u>	<u>\$ 210,391</u>	<u>\$ 3,638,499</u>	<u>\$ 17,182</u>	<u>\$ 8,059,207</u>

(Concluded)

Town of East Hampton, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2023

Special Revenue Funds

	Water System	Public Safety	Culture and Recreation	School Cafeteria	Education Grant	School Activity	Public Works
Revenues:							
Intergovernmental	\$ -	\$ 1,239	\$ 55,730	\$ 874,410	\$2,030,839	\$ -	\$ -
Charges for services	191,453	383,096	510,717	118,318	626,849	635,534	-
Income from investments	2,826	3	3,293	2,355	139	330	1,945
Contributions and donations	-	2,650	30,172	-	5,233	-	19,895
Total revenues	194,279	386,988	599,912	995,083	2,663,060	635,864	21,840
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	320,772	-	-	-	-	-
Public works and utilities	168,876	-	-	-	-	-	14,470
Culture and recreation	-	-	538,642	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Education	-	-	-	998,810	2,701,554	571,043	-
Total expenditures	168,876	320,772	538,642	998,810	2,701,554	571,043	14,470
Excess (deficiency) of revenues over expenditures	25,403	66,216	61,270	(3,727)	(38,494)	64,821	7,370
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	25,403	66,216	61,270	(3,727)	(38,494)	64,821	7,370
Fund balances - July 1, 2022	160,656	86,228	186,147	330,502	115,960	443,101	109,099
Fund balances - June 30, 2023	\$ 186,059	\$ 152,444	\$ 247,417	\$ 326,775	\$ 77,466	\$ 507,922	\$ 116,469

(Continued)

Town of East Hampton, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2023

	Special Revenue Funds					Debt Service Fund
	Community Development	Miscellaneous Grants	WPCA Joint Facilities	WPCA Operating	Total Special Revenue Funds	Debt Service
Revenues:						
Intergovernmental	\$ -	\$ 126,957	\$ -	\$ -	\$ 3,089,175	\$ -
Charges for services	-	82,453	1,323,089	1,867,160	5,738,669	-
Income from investments	1	5	8,120	7,363	26,380	37
Contributions and donations	-	19,381	-	-	77,331	-
Total revenues	1	228,796	1,331,209	1,874,523	8,931,555	37
Expenditures:						
Current:						
General government	-	14,010	-	-	14,010	29,502
Public safety	-	-	-	-	320,772	-
Public works and utilities	-	-	848,724	1,756,115	2,788,185	-
Culture and recreation	-	-	-	-	538,642	-
Health and human services	-	164,985	-	-	164,985	-
Education	-	-	-	-	4,271,407	1,775
Total expenditures	-	178,995	848,724	1,756,115	8,098,001	31,277
Excess (deficiency) of revenues over expenditures	1	49,801	482,485	118,408	833,554	(31,240)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	42,500
Transfers out	-	-	(511,388)	(116,029)	(627,417)	-
Net other financing sources (uses)	-	-	(511,388)	(116,029)	(627,417)	42,500
Net change in fund balances	1	49,801	(28,903)	2,379	206,137	11,260
Fund balances - July 1, 2022	215,441	70,091	351,442	591,012	2,659,679	146,282
Fund balances - June 30, 2023	<u>\$ 215,442</u>	<u>\$ 119,892</u>	<u>\$ 322,539</u>	<u>\$ 593,391</u>	<u>\$ 2,865,816</u>	<u>\$ 157,542</u>

(Continued)

Town of East Hampton, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2023

	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	\$ -	\$ -	\$ -	\$ 149,039	\$ 149,039	\$ -	\$ -	\$ 3,238,214
Charges for services	43,594	-	-	-	43,594	-	-	5,782,263
Income from investments	10,237	21,110	25,320	-	56,667	-	-	83,084
Contributions and donations	-	-	-	-	-	-	-	77,331
Total revenues	53,831	21,110	25,320	149,039	249,300	-	-	9,180,892
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	43,512
Public safety	-	-	-	-	-	-	-	320,772
Public works and utilities	2,573	850,729	42,833	161,814	1,057,949	-	-	3,846,134
Culture and recreation	-	-	-	-	-	-	-	538,642
Health and human services	-	-	-	-	-	-	-	164,985
Education	-	-	-	-	-	-	-	4,273,182
Total expenditures	2,573	850,729	42,833	161,814	1,057,949	-	-	9,187,227
Excess (deficiency) of revenues over expenditures	51,258	(829,619)	(17,513)	(12,775)	(808,649)	-	-	(6,335)
Other financing sources (uses):								
Transfers in	-	616,029	511,388	-	1,127,417	-	(627,417)	542,500
Transfers out	-	-	-	-	-	-	627,417	-
Net other financing sources (uses)	-	616,029	511,388	-	1,127,417	-	-	542,500
Net change in fund balances	51,258	(213,590)	493,875	(12,775)	318,768	-	-	536,165
Fund balances - July 1, 2022	585,961	1,076,826	1,393,890	200,725	3,257,402	17,182	-	6,080,545
Fund balances - June 30, 2023	\$ 637,219	\$ 863,236	\$ 1,887,765	\$ 187,950	\$ 3,576,170	\$ 17,182	\$ -	\$ 6,616,710

(Concluded)

Statistical Section

This part of the Town's annual comprehensive 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 annual comprehensive financial reports for the fiscal year.

Town of East Hampton, Connecticut

**Governmental Activities
Net Position by Component
Last Ten Years
(Unaudited)**

June 30,

	2023	2022	2021	2020 (as restated)	2019	(1) 2018	2017	2016	2015	(2) 2014
Net investment in capital assets	\$ 100,025,848	\$ 98,626,147	\$ 97,017,074	\$ 94,922,095	\$ 90,815,986	\$ 92,111,852	\$ 92,409,066	\$ 84,059,272	\$ 76,685,651	\$ 71,600,194
Restricted	3,029,898	3,380,755	2,233,277	2,367,105	1,801,621	1,411,558	1,224,115	824,233	638,069	1,743,119
Unrestricted	<u>(7,899,980)</u>	<u>(6,014,816)</u>	<u>(2,523,031)</u>	<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>
Total net position	<u>\$ 95,155,766</u>	<u>\$ 95,992,086</u>	<u>\$ 96,727,320</u>	<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>

Source: Current and prior year financial statements.

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
Governmental Activities
Changes in Net Position
Last Ten Years
(Unaudited)

For the Year Ended June 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
				(as restated)						
Expenses:										
General government	\$ 4,010,916	\$ 3,822,026	\$ 3,309,430	\$ 3,014,783	\$ 3,074,835	\$ 3,061,842	\$ 3,548,663	\$ 3,257,116	\$ 2,847,076	\$ 2,607,793
Public safety	4,872,584	4,719,357	4,216,665	4,620,650	3,794,082	3,925,006	3,801,189	3,391,168	3,150,700	2,941,474
Public works and utilities	7,984,577	7,163,348	5,041,635	6,387,425	5,682,984	6,052,715	6,005,994	6,207,110	6,445,962	5,188,262
Culture and recreation	2,308,699	2,103,272	1,965,444	1,771,647	2,105,434	1,729,582	1,930,354	1,729,557	1,539,637	1,654,876
Health and human services	999,960	981,168	672,529	730,668	500,180	689,520	665,153	509,796	1,032,383	727,068
Regulatory	687,576	639,451	548,243	598,751	531,294	522,221	477,104	567,332	509,982	458,302
Education	46,312,456	43,898,600	41,752,559	39,379,682	39,253,487	40,215,775	40,207,125	34,928,883	33,265,577	33,743,421
Interest	1,039,627	1,177,503	1,236,515	1,159,392	1,107,436	1,033,464	791,832	611,498	89,742	284,456
Total expenses	68,216,395	64,504,725	58,743,020	57,662,998	56,049,732	57,230,125	57,427,414	51,202,460	48,881,059	47,605,652
Program revenues:										
Charges for services:										
General government	558,953	577,328	560,455	369,005	381,373	396,441	378,462	354,803	334,535	330,789
Public safety	391,508	216,250	305,557	223,831	127,270	176,571	156,255	172,264	175,584	82,916
Public works and utilities	3,586,236	3,591,138	3,449,181	3,215,053	2,938,823	2,415,293	2,591,122	2,460,626	2,199,579	2,190,984
Culture and recreation	541,493	439,686	254,650	263,933	318,290	275,085	257,926	266,383	210,777	206,256
Health and human services	4,875	5,875	1,460	600	1,525	1,375	1,800	975	1,274	1,250
Regulatory	387,477	406,892	423,689	202,731	207,224	193,828	185,851	201,477	156,507	146,059
Education	1,380,701	1,028,196	678,841	799,304	723,460	638,599	578,751	575,870	591,855	462,261
Operating grants and contributions	15,803,759	14,872,862	14,129,996	14,160,824	14,077,429	15,010,161	15,417,882	13,052,314	11,819,345	13,204,237
Capital grants and contributions	367,121	417,685	2,258,486	902,980	555,095	229,450	6,608,161	10,431,742	6,813,942	1,570,666
Total program revenues	23,022,123	21,555,912	22,062,315	20,138,261	19,330,489	19,336,803	26,176,210	27,516,454	22,303,398	18,195,418
Net expenses	(45,194,272)	(42,948,813)	(36,680,705)	(37,524,737)	(36,719,243)	(37,893,322)	(31,251,204)	(23,686,006)	(26,577,661)	(29,410,234)
General revenues:										
Property taxes	43,259,614	41,915,876	38,761,885	38,583,751	36,855,185	35,727,324	33,287,819	32,164,130	31,378,784	30,545,568
Grants and contributions not restricted to specific programs	785,493	263,547	276,036	185,962	154,988	156,382	410,559	152,200	237,767	218,407
Income from investments	312,191	18,214	18,930	196,848	279,650	92,757	70,147	102,101	236,524	37,313
Other	654	1,440	3,080	17,144	87,368	2,704	26,682	27,402	45,840	112,659
Gain on sale of assets	-	14,502	14,183	132,979	-	-	-	-	-	-
Total general revenues	44,357,952	42,213,579	39,074,114	39,116,684	37,377,191	35,979,167	33,795,207	32,445,833	31,898,915	30,913,947
Change in net position	\$ (836,320)	\$ (735,234)	\$ 2,393,409	\$ 1,591,947	\$ 657,948	\$ (1,914,155)	\$ 2,544,003	\$ 8,759,827	\$ 5,321,254	\$ 1,503,713

Source: Current and prior year financial statements.

Table 3

Town of East Hampton, Connecticut

**Governmental Funds
Fund Balances
Last Ten Years
(Unaudited)**

June 30

	2023	2022	2021	2020 (as restated)	2019	2018	2017	2016	2015	2014
General fund:										
Committed	\$ 50,191	\$ 26,883	\$ 3,177	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	-	500,000	-	738,000	-	-	-	-	-	-
Unassigned	<u>6,305,446</u>	<u>6,606,271</u>	<u>5,744,534</u>	<u>5,142,057</u>	<u>5,713,344</u>	<u>5,435,624</u>	<u>5,263,469</u>	<u>4,959,395</u>	<u>5,064,400</u>	<u>4,872,509</u>
Total general fund	<u>6,355,637</u>	<u>7,133,154</u>	<u>5,747,711</u>	<u>5,880,057</u>	<u>5,713,344</u>	<u>5,435,624</u>	<u>5,263,469</u>	<u>4,959,395</u>	<u>5,064,400</u>	<u>4,872,509</u>
All other governmental funds:										
Nonspendable	15,500	15,500	15,500	15,500	15,500	224,357	15,500	15,500	15,500	15,500
Restricted	3,014,398	3,365,255	2,217,777	2,351,605	1,779,566	1,396,058	1,208,615	808,733	622,569	1,727,619
Committed	5,121,017	5,470,533	7,563,360	7,113,235	8,689,795	4,669,882	5,163,325	5,699,789	13,528,022	5,912,955
Assigned	157,542	146,282	122,597	97,414	-	-	-	113,865	169,130	232,188
Unassigned	<u>-</u>	<u>(569,211)</u>	<u>-</u>	<u>-</u>	<u>(12,643)</u>	<u>(8,166)</u>	<u>(19,013)</u>	<u>(26,062)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>8,308,457</u>	<u>8,428,359</u>	<u>9,919,234</u>	<u>9,577,754</u>	<u>10,472,218</u>	<u>6,282,131</u>	<u>6,368,427</u>	<u>6,611,825</u>	<u>14,335,221</u>	<u>7,888,262</u>
Grand total	<u>\$ 14,664,094</u>	<u>\$ 15,561,513</u>	<u>\$ 15,666,945</u>	<u>\$ 15,457,811</u>	<u>\$ 16,185,562</u>	<u>\$ 11,717,755</u>	<u>\$ 11,631,896</u>	<u>\$ 11,571,220</u>	<u>\$ 19,399,621</u>	<u>\$ 12,760,771</u>

Source: Current and prior year financial statements.

Notes:

General fund:

Assigned Decreased due to appropriation for subsequent year's budget in prior year

All other governmental funds:

Restricted Decreased due to expenditures of ARPA grant
Committed Decreased due to expenditures for capital projects
Unassigned Increased due to transfers in from general fund

Town of East Hampton, Connecticut

Governmental Funds
Changes in Fund Balances
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2023	2022	2021	2020 (as restated)	2019	2018	2017	2016	2015	2014
Revenues:										
Property taxes	\$ 42,933,420	\$ 42,028,710	\$ 38,825,861	\$ 38,345,305	\$ 37,184,386	\$ 36,935,812	\$ 33,583,829	\$ 31,981,176	\$ 31,199,130	\$ 30,227,688
Intergovernmental	16,790,072	15,519,535	16,640,134	15,218,395	14,720,333	15,314,541	22,108,968	23,439,452	18,833,229	14,949,740
Charges for services	6,739,363	6,363,636	5,690,205	4,995,476	4,831,881	4,411,157	4,152,828	3,957,917	3,598,131	3,319,868
Income from investments	312,191	18,214	18,930	196,848	279,650	92,757	70,147	102,101	236,524	37,313
Contributions and donations	77,331	34,559	24,384	31,371	67,179	81,452	173,754	53,434	181,098	63,714
Other	654	1,440	3,080	17,144	87,368	2,704	26,682	27,402	45,840	103,238
Total revenues	66,853,031	63,966,094	61,202,594	58,804,539	57,170,797	56,838,423	60,116,208	59,561,482	54,093,952	48,701,561
Expenditures:										
Current:										
General government	5,110,489	4,724,489	4,915,092	16,043,227	11,249,842	4,826,958	4,698,857	3,904,068	3,711,488	3,555,998
Public safety	3,467,279	4,011,490	3,479,332	4,292,328	2,972,253	2,962,159	2,917,696	2,577,012	2,458,595	2,385,843
Public works and utilities	6,810,302	5,686,699	6,243,327	5,616,516	5,581,204	4,975,138	5,906,007	5,056,247	5,232,672	3,932,921
Culture and recreation	1,849,634	1,795,538	1,623,867	1,697,340	2,035,310	1,291,651	1,599,904	1,289,322	1,254,488	1,392,707
Health and human services	664,304	669,324	613,757	631,835	427,372	599,688	561,431	420,828	977,274	679,756
Regulatory	437,961	413,913	429,226	408,543	363,711	352,768	323,558	422,147	368,205	378,159
Education	45,043,741	43,063,497	39,934,267	38,677,743	38,496,966	39,896,742	36,743,208	33,759,174	32,500,120	32,790,124
Debt service:										
Principal	3,112,696	2,992,151	3,362,450	2,373,314	2,374,318	2,077,368	1,944,738	866,085	1,171,716	914,545
Interest	1,254,044	1,389,451	1,179,859	1,179,859	1,322,037	994,208	936,730	232,302	158,256	191,774
Capital outlay	-	-	-	-	-	-	11,326,553	25,850,728	16,204,393	3,730,812
Total expenditures	67,750,450	64,746,552	61,781,177	70,920,705	64,823,013	57,976,680	66,958,682	74,377,913	64,037,207	49,952,639
Excess (deficiency) of revenues over expenditures	(897,419)	(780,458)	(578,583)	(12,116,166)	(7,652,216)	(1,138,257)	(6,842,474)	(14,816,431)	(9,943,255)	(1,251,078)
Other financing sources (uses):										
Issuance of debt	-	-	-	9,505,000	12,015,579	405,000	6,700,000	4,810,000	16,415,000	745,000
Issuance of refunding bonds	-	-	1,225,000	-	-	-	-	-	-	-
Issuance of notes	-	636,743	286,194	-	-	-	-	-	-	-
Leases	-	20,156	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	(1,403,247)	-	-	-	-	-	-	-
Premium	-	-	653,494	882,531	104,445	500,372	-	1,116,024	167,105	35,689
Capital lease	-	-	-	-	-	109,887	172,349	1,062,006	-	-
Sale of capital assets	-	18,127	26,276	326,682	-	-	-	-	-	9,421
Transfers in	2,505,225	855,225	882,431	1,653,503	1,000,787	1,497,291	1,386,850	1,601,414	1,040,795	1,783,900
Transfers out	(2,505,225)	(855,225)	(882,431)	(1,653,503)	(1,000,787)	(1,497,291)	(1,356,049)	(1,601,414)	(1,040,795)	(1,783,900)
Net other financing sources (uses)	-	675,026	787,717	1,209,213	104,445	610,259	203,150	2,178,030	167,105	45,110
Net change in fund balances	\$ (897,419)	\$ (105,432)	\$ 209,134	\$ (10,906,953)	\$ (7,547,771)	\$ (527,998)	\$ (6,639,324)	\$ (12,638,401)	\$ (9,776,150)	\$ (1,205,968)
Debt service as a percentage of noncapital expenditures	6.64%	7.05%	7.80%	6.28%	5.90%	5.50%	5.39%	2.29%	2.79%	2.72%

Source: Current and prior year financial statements.

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		
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
2021	1,012,480,654	1,446,400,934	144,528,979	206,469,970	1,157,009,633	1,652,870,904	70.00%	33.14
2022	1,037,779,327	1,482,541,896	155,125,860	221,608,371	1,192,905,187	1,704,150,267	70.00%	34.53
2023	1,048,895,282	1,498,421,831	188,789,286	269,698,980	1,237,684,568	1,768,120,811	70.00%	34.66

Source: Town of East Hampton, Assessor's Office

Notes:

(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	2023			2014		
		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	\$ 25,918,658	1	2.09%	\$ 14,616,000	1	1.30%
Landmark East Hampton LLC	Mall Real Estate	7,157,500	2	0.58%	7,400,000	2	0.66%
Hampton 66 LLC	Real Estate Developer	3,730,950	3	0.30%	N/A	N/A	N/A
Connecticut Natural Gas Corp.	Utility	3,463,070	4	0.28%	N/A	N/A	N/A
Edgewater Hill Properties LLC	Real Estate Developer	3,094,430	5	0.25%	N/A	N/A	N/A
Edgewater Hill Apartments LLC	Real Estate Developer	2,795,470	6	0.23%	N/A	N/A	N/A
Global Self Storage	Commercial Real Estate	2,562,070	7	0.21%	1,856,452	9	0.16%
West High Enterprises LLC	Real Estate Developer	2,452,770	8	0.20%	N/A	N/A	N/A
East High Street Realty	Real Estate Developer	2,362,100	9	0.19%	2,336,370	7	0.21%
American Distilling	Manufacturer	2,323,110	10	0.19%	3,260,400	4	0.29%
East Hampton NE Development LLC	Real Estate Developer	N/A	N/A	N/A	3,309,880	3	0.29%
Skyline Estates LLC	Real Estate Developer	N/A	N/A	N/A	3,222,326	5	0.29%
Rechovos Corporation	Real Estate Developer	N/A	N/A	N/A	2,605,131	6	0.23%
Paul's & Sandy's Too, Inc.	Real Estate - Commercial/Farm	N/A	N/A	N/A	2,076,740	8	0.18%
Nolsen Inc. / Gustine Family Ltd.	Campground	N/A	N/A	N/A	1,850,440	10	0.16%
Totals		<u>\$ 55,860,128</u>		<u>4.51%</u>	<u>\$ 42,533,739</u>		<u>3.77%</u>
(1) Based on October 1, 2021 and 2012 net taxable grand list of:		<u>\$ 1,237,684,568</u>			<u>\$ 1,127,504,483</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)

Year Ended June 30	(1) Mill Rate	(2) Total Adjusted Tax Levy	Net Current Levy Tax Collections	Percentage of Current Taxes Collected	Collections in Subsequent Years	Total Collections	Percent of Levy Collected	Current Delinquent Balance
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%	605,958	30,951,102	100.00%	-
2016	27.78	31,836,966	31,191,920	97.97%	645,046	31,836,966	100.00%	-
2017	29.44	33,204,218	32,674,062	98.40%	530,156	33,204,218	100.00%	-
2018	31.32	35,564,525	35,251,726	99.12%	312,799	35,564,525	100.00%	-
2019	32.21	36,924,601	36,607,508	99.14%	311,657	36,919,165	99.99%	5,436
2020	33.14	38,317,072	37,881,573	98.86%	424,303	38,305,876	99.97%	11,196
2021	33.14	38,613,145	38,277,298	99.13%	298,859	38,277,298	99.13%	36,988
2022	34.53	41,597,603	41,243,915	99.15%	203,317	41,243,915	99.15%	150,371
2023	34.66	42,934,268	42,425,200	98.81%	-	42,425,200	98.81%	509,068

Source: Town of East Hampton Tax office

Notes:

(1) There are no overlapping tax rates.

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

Town of East Hampton, Connecticut

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

Year Ended June 30	(1) General Obligation Bonds	Notes	Premium	Leases	Subscriptions	Total	Percentage of Personal Income	Per Capita
2014	\$ 8,250,000	\$210,815	\$ 57,425	\$ -	\$ -	\$ 8,518,240	1.65%	\$ 660
2015	23,625,000	184,498	47,202	-	-	23,856,700	4.33%	1,853
2016	27,715,000	157,650	1,065,479	976,617	-	29,914,746	5.38%	2,327
2017	32,710,000	130,260	1,008,544	922,978	-	34,771,782	5.89%	2,181
2018	31,410,000	803,236	1,387,818	80,516	-	33,681,570	5.47%	2,611
2019	41,300,000	580,126	1,306,649	54,887	-	43,241,662	7.75%	3,352
2020	48,725,000	313,632	2,070,327	28,067	-	51,137,026	9.31%	3,352
2021	45,710,000	378,255	2,322,078	602,969	-	49,013,302	8.92%	3,752
2022	42,855,000	862,303	2,179,582	468,481	144,701	46,510,067	7.62%	3,613
2023	39,880,000	692,245	2,037,086	307,263	103,104	43,019,698	7.00%	3,319

There is no overlapping debt for the Town.

Source: Current and prior year financial statements.

Notes:

(1) Includes permanently financed bond anticipation notes.

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
	(1) General Obligation Bonds	Premium	Total		
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	2.10%	2,171
2018	31,410,000	1,387,818	32,797,818	2.03%	2,542
2019	41,300,000	1,306,649	42,606,649	2.62%	3,315
2020	48,725,000	2,070,327	50,795,327	3.10%	3,952
2021	45,710,000	2,322,078	48,032,078	2.91%	3,737
2022	42,855,000	2,179,582	45,034,582	2.64%	3,498
2023	39,880,000	2,037,086	41,917,086	2.37%	3,234

There is no overlapping debt for the Town.

Source: Current and prior year financial statements.

Notes:

(1) Includes permanently financed bond anticipation notes.

Town of East Hampton, Connecticut

Schedule of Debt Limitation
Connecticut Statutes, Section 7-374(b)
For the Year Ended June 30, 2023
(Unaudited)

Tax base:

Total tax collections (including interest and lien fees) for the prior year	\$ 41,944,952
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	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
<u>Debt limitation:</u>					
2 1/4 times base	\$ 94,376,142	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	188,752,284	-	-	-
3 3/4 times base	-	-	157,293,570	-	-
3 1/4 times base	-	-	-	136,321,094	-
3 times base	-	-	-	-	125,834,856
Total limitations	94,376,142	188,752,284	157,293,570	136,321,094	125,834,856

Indebtedness:

Bond	21,406,000	18,474,000	-	-	-
Debt limitation in excess of outstanding debt	\$ 72,970,142	\$ 170,278,284	\$ 157,293,570	\$ 136,321,094	\$ 125,834,856

The total net indebtedness above amounts to:	\$ 39,880,000
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In no event shall total indebtedness exceed seven times the base for debt limitation computation:	\$ 293,614,664
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There is no overlapping debt for the Town.

Source: Current and prior year financial statements.

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>Percentage of Net Debt Applicable to Limit</u>
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	235,251,737	33,187,317	202,064,420	14.11%
2019	259,351,099	42,000,000	217,351,099	16.19%
2020	260,041,817	49,096,000	210,945,817	18.88%
2021	268,599,982	45,710,000	222,889,982	17.02%
2022	293,614,664	42,855,000	250,759,664	14.60%
2023	293,614,664	39,880,000	253,734,664	13.58%

Source: Current and prior year financial statements.

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	Total Personal Income	Median Household Income	Per Capita Income	Median Age	Education Level in Years of Formal Schooling	School Enrollment	Unemployment Rate
2014	12,912	\$ 516,699,504	\$ 93,083	\$ 40,017	41	40% Bachelor Degree or more	1,839	4.80%
2015	12,874	550,929,956	109,915	42,794	41	40% Bachelor Degree or more	1,830	4.00%
2016	12,858	555,555,606	96,066	43,207	42	42% Bachelor Degree or more	1,888	5.00%
2017	12,869	589,863,484	96,299	45,836	45	39% Bachelor Degree or more	1,880	4.30%
2018	12,901	616,125,958	95,923	47,758	45	41% Bachelor Degree or more	1,894	3.40%
2019	12,854	558,197,804	99,104	43,426	46	39% Bachelor Degree or more	1,921	3.00%
2020	12,800	549,120,000	101,629	42,900	46	39% Bachelor Degree or more	1,902	8.00%
2021	12,827	549,252,140	95,513	42,820	46	40% Bachelor Degree or more	1,885	5.00%
2022	12,874	610,214,726	107,869	47,399	45	38% Bachelor Degree or more	1,825	3.10%
2023	12,960	614,291,040	108,750	47,399	43	36% Bachelor Degree or more	1,808	3.00%

Sources:

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

(2) Advance CT

(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	2023			2014		
	Employees	Rank	Percentage of total employment	Employees	Rank	Percentage of total employment
Town of East Hampton	410	1	19.65%	386	1	20.62%
Stop & Shop Supermarket	150	2	7.19%	150	2	8.01%
Cobalt Lodge	74	3	3.55%	74	4	3.95%
Eversource Energy	50	4	2.40%	50	5	2.67%
American Distilling	50	5	2.40%	50	6	2.67%
Paul's & Sandy's Too Inc.	35	6	1.68%	35	7	1.87%
CVS	32	7	1.53%	32	8	1.71%
United States Postal Service	31	8	1.49%	N/A	N/A	N/A
Dattco, Inc.	30	9	1.44%	N/A	N/A	N/A
Nichols Bus Service, Inc.	N/A	N/A	N/A	110	3	5.88%
Bevin Brothers	18	10	0.86%	18	9	0.96%
Total	880		42.19%	905		48.34%

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Administrative and general government</u>										
Town clerk	2.1	2.1	2.2	2.2	2.2	2.0	2.0	2.0	2.0	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	4.0	4.0	4.5	4.5	4.5	4.5	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	2.2	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
Information technology	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0
<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	2.0	2.1	2.1	2.1	2.2	2.3	2.5	2.5	2.5	2.5
Tax collector	2.0	2.1	2.1	2.1	2.2	2.5	2.5	2.5	2.5	2.5
<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	20.0	20.0	20.0	18.0	18.0	18.0	18.0	17.0	17.0	17.0
Animal control	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	10.5	10.5
<u>Social and senior services</u>										
Social and human services	2.5	2.5	2.5	2.0	2.0	2.0	1.0	1.0	1.0	1.0
Senior services	2.5	2.5	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	5.5	5.5	5.5	5.0	5.0
Grand total	89.3	89.3	89.4	86.9	86.1	86.3	85.0	84.0	83.5	84.0

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	2023	2022	2020	2019	2018	2017	2016	2015	2014
<u>Town</u>									
Administrative and general government	14.6	14.6	15.2	14.2	14.0	13.5	13.5	12.5	13.0
Finance	9.2	9.2	9.2	9.4	9.8	10.0	10.0	10.0	10.0
Public safety	20.5	20.5	18.5	18.5	18.5	18.5	17.5	18.5	18.5
Public works	26.5	26.5	26.5	26.5	26.5	26.5	26.5	26.5	26.5
Social and senior services	5.0	5.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
Library	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>5.5</u>	<u>5.5</u>	<u>5.0</u>	<u>5.0</u>
Total	<u>89.3</u>	<u>89.3</u>	<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>Board of Education</u>									
Certified	175.8	174.8	172.0	175.0	175.0	173.0	172.0	175.0	176.4
Non-certified	<u>145.5</u>	<u>134.0</u>	<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>
Total	<u>321.3</u>	<u>308.8</u>	<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>
Total	<u><u>410.6</u></u>	<u><u>398.1</u></u>	<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>

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public safety										
Fire										
Incidents	338	406	423	328	324	313	302	318	351	350
Fire marshal inspections	392	377	356	252	75	72	151	214	179	193
Police										
Criminal arrests	117	86	96	99	145	178	130	141	166	139
Parking violations	-	-	-	-	-	4	-	2	15	15
Citations	160	133	146	149	189	173	178	248	343	207
Public works										
Street resurfacing (paved miles)	7.97	1.75	5.24	6.27	3.20	0.74	6.06	7.89	10.00	-
Storm drains cleaned	1,304	609	753	548	400	28	887	756	1,055	972
Parks and recreation										
Sessions and classes	370	380	384	272	312	318	328	279	241	228
Program enrollments	6,105	4,681	3,936	3,062	4,370	4,191	3,987	3,958	3,002	3,536
Library										
Volumes in collection	45,023	47,646	52,144	59,718	63,207	65,285	80,040	78,383	78,403	69,908
Total volumes borrowed	98,862	102,632	100,925	82,314	77,250	70,695	64,167 *	141,349	140,380	141,078
Education										
School enrollment	1,808	1,825	1,885	1,902	1,921	1,864	1,861	1,888	1,830	1,839

Source: Various Town Departments.

Note:

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

Town of East Hampton, Connecticut

Capital Asset Statistics by Function/Program
Last Ten Years
(Unaudited)

Function / Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<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)	92.2	92.2	92.2	91.6	91.6	91.6	91.6	91.6	91.3	91.1
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.