

**East Hartford  
Connecticut**



**Annual Comprehensive Financial Report**

**Fiscal Year Ended June 30, 2023**

**Michael P. Walsh**  
*Mayor*

**Melissa McCaw**  
*Director of Finance*

# **Annual Comprehensive Financial Report**

**of the**

## **Town of East Hartford Connecticut**

**Fiscal Year Ended June 30, 2023**

Prepared by:  
Department of Finance  
Melissa McCaw  
Director of Finance

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## **INTRODUCTORY SECTION**

PRINCIPAL OFFICIALS

**MAYOR**

Michael P. Walsh

TREASURER

John P. Murphy

TOWN COUNCIL

Richard F. Kehoe, Chairman  
Donald Bell, Vice Chairman  
Sebrina Wilson, Majority Leader  
John Morrison, Minority Leader  
Angela Parkinson  
Awet Tsegai  
Harry Amadasun, Jr.  
Tom Rup  
Travis Simpson

**ADMINISTRATION**

Chief of Fire  
Chief of Police (Interim)  
Chief of Staff  
Corporation Counsel  
Town Clerk  
Director of Development  
Chief Administrative Officer and Director of Finance  
Director of Health, Social and Youth Services  
Director of Libraries  
Director of Human Resources  
Director (Interim) of Inspect. and Permits  
Supervisor of Parks and Recreation  
Director of Public Works

Kevin Munson  
Mack Hawkins  
Ekaterine Tchelidze  
James Tallberg, Esq.  
Kelly Bilodeau  
Eileen Buckheit  
Melissa McCaw  
Laurence Burnsed  
Sarah Morgan  
Tyron Harris  
Bruce Cohen  
Sean Dwyer  
Alexander Trujillo

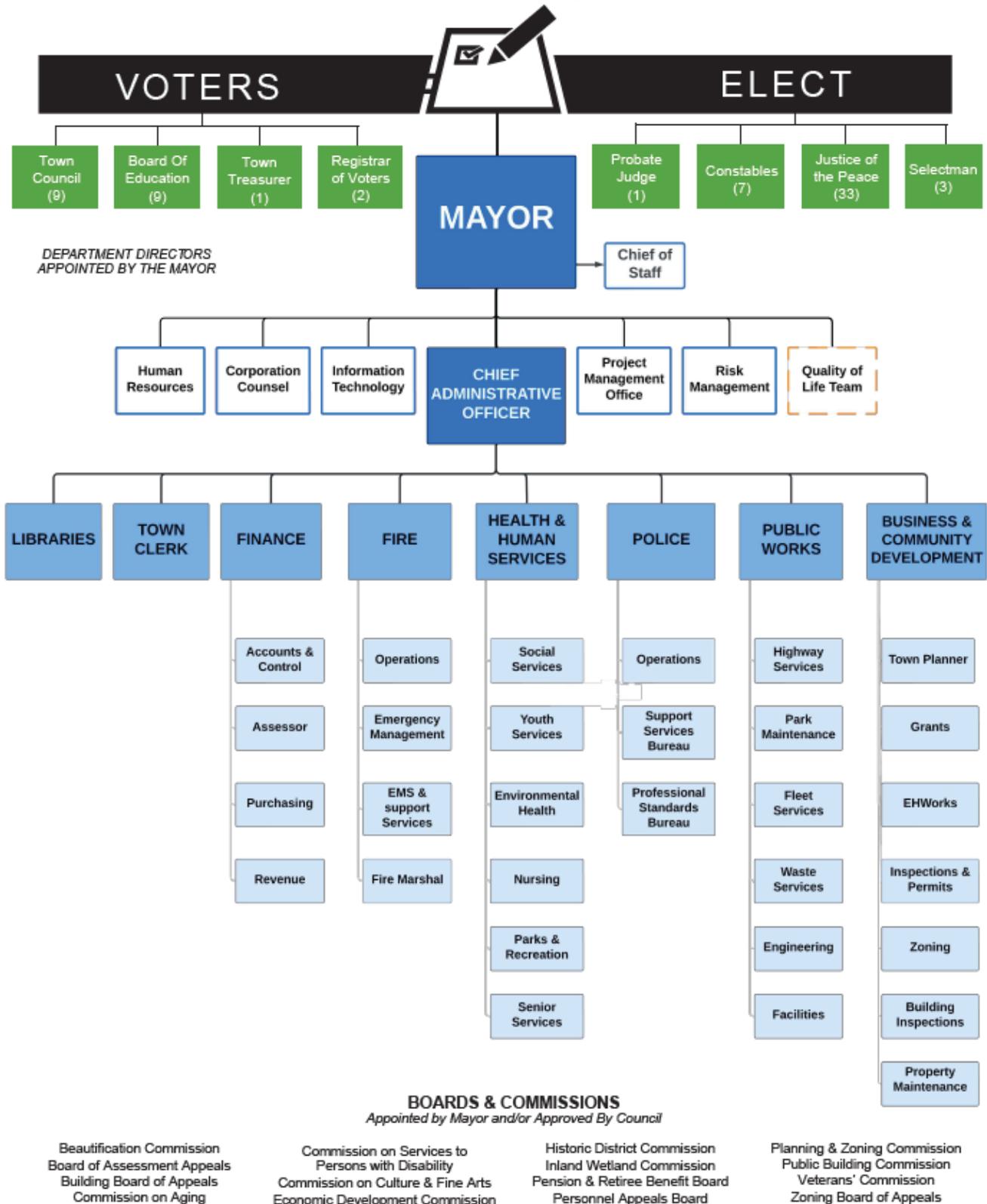
BOARD OF EDUCATION

Tyron V. Harris, Chairman  
Vanessa Jenkins, Secretary  
Patrick Biggins  
Dr. Anabelle Diaz Santiago  
John Pereira  
Marilyn S. Pet  
Dorese Roberts  
Valerie Scheer  
Stephanie K. Watkins

Superintendent of Schools  
Deputy Superintendent, Secondary  
Assistant Superintendent, Elementary  
Chief Operations Officer  
Director of Finance (Interim)  
Director of Human Resources  
Director of Pupil Personnel  
Chief Information Officer

Thomas Anderson  
Anne Marie Mancini  
Elsie Torres, Ed.D.  
Benjamin Whittaker  
Tea Culani  
Nicole Damiano  
Craig Outhouse, Ed.D.  
Roberta Pratt

# Town of East Hartford Organizational Chart





# TOWN OF EAST HARTFORD

740 Main Street

East Hartford, Connecticut 06108-3114

Telephone: (860) 291-7240  
Facsimile: (860) 289-0831

CONNOR S. MARTIN  
MAYOR

Finance Department

February 26, 2024

Honorable Mayor Connor S. Martin  
Members of the Town Council  
Resident and Constituents of East Hartford  
Town of East Hartford  
East Hartford, Connecticut

Dear Mayor Connor Martin, Chairman Richard Kehoe, Members of the East Hartford Town Council and Constituents of the Town of East Hartford:

I am pleased to submit the Annual Comprehensive Financial Report of the Town of East Hartford, Connecticut (the Town) for the fiscal year ended June 30, 2023. State law requires the Town of East Hartford to publish at the close of each year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Responsibility for both the accuracy of the data and the completeness and fairness represented in this report, including all disclosures, rests with the Town.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data are accurate in all material respects, and are reported in a manner to present fairly the financial position and results of operations of the Town of East Hartford. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

To provide a reasonable basis for making this representation, management for the Town of East Hartford has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of East Hartford's financial statements in conformity with GAAP. Notwithstanding the foregoing and in applying reasonableness of cost, the comprehensive framework adopted by the Town provides reasonable assurance that the financial statements herein presented in this report will be free from material misstatement.

The Town is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Guidance, Cost Principles, and Audit Requirements for Federal Awards*. Information related to this single audit is issued as a separate report.

The State of Connecticut has enacted legislation referred to as the *State Single Audit Act*. The Act requires financial and compliance audits of State Assistance received by municipalities. Information related to this single audit is issued as a separate report.

This report includes all funds of the Town of East Hartford. The Town provides a full range of services including public safety, street maintenance and sanitation, health and human services, public parks and recreation, library, education, culture, public improvements, planning, zoning and general administrative services.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report. The MD&A provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Town**

The Town of East Hartford was incorporated in 1783. Covering an area of 18.7 square miles, the Town borders on the City of Hartford on the west, the Towns of Glastonbury and Wethersfield on the south, the Town of Manchester on the east, and the Town of South Windsor on the north. The Town has a Strong Mayor/Council form of government. The Town Council is the governing body, and the Mayor is the Chief Executive Officer. Nine councilors are elected at large in odd-numbered years for two-year terms. The nine members of the Board of Education are elected to overlapping four-year terms as provided by the Town Charter. The Board of Education appoints the Superintendent of Schools.

### **The Local Economy and the Employment Market**

East Hartford's central location makes it very attractive to over 75 diversified manufacturing plants and 1800 businesses lending to the relative stability of the local economy. Many manufacturers and businesses have created or expanded a presence in the Town in recent years. These include United Steel, Coca-Cola Beverages Northeast, Nefco, and the Equipment Specialists. As the home to Pratt & Whitney and the Connecticut Center for Advanced Technology, the Town is an ideal location for aircraft supply chain manufacturers such as ATI Forged Products, Horst Engineering, and Ace Technical Plastics. The financial services, insurance, and information technology sectors are also well represented in Town, with major presences by Bank of America, Amica, and the headquarters of American Eagle Financial Credit Union. The Town continues to work to diversify its employment base by adding businesses and jobs, and it is taking proactive measures to revitalize major commercial corridors.

RTX Corporation unveiled a new \$180 million headquarters and engineering building for Pratt & Whitney on their East Hartford campus in November of 2017, following the opening of their expanded RTX Technology Research Center in June of that year. As part of a commitment to invest an additional \$115 million in research facilities in East Hartford, RTX opened a \$40 million engine compressor research facility in 2020. National Development is currently constructing the East Hartford Logistics and Technology Park at Rentschler Field on the site of Pratt & Whitney's former airfield. It will include over two million square feet of warehousing and distribution space for Lowe's and Wayfair and is expected to create over 1,000 new jobs. A Certificate of Occupancy is expected for Spring of 2024. Plans call for additional research and development buildings to be constructed in a future phase of the development. Rentschler Field is also home to a Bass Pro Shops store and Pratt & Whitney Stadium, the home of UConn Football.

In recent years, the Development Department has focused on revitalizing the Silver Lane corridor, a commercial area with significant redevelopment potential. Efforts began with the creation of comprehensive redevelopment and transportation plans for the area from 2017 to 2020 with the assistance of state and federal brownfields grants.

In 2019, the Town purchased a 28-acre parcel of land that was formerly home to a cinema off of Silver Lane and demolished the building later that year to clear the way for development. Jasko Development of New Britain has approvals to construct a minimum of 300 market rate apartments as part of the Concourse Park development at the site. The developers have secured funding and construction will commence in Spring of 2024.

In March of 2023, the Town acquired the Silver Lane Plaza shopping center by eminent domain, following its identification as a priority property to address deteriorated conditions. The Town is working to relocate any businesses presently occupying the Silver Lane Plaza. The existing buildings are expected to be demolished in 2024, and a developer has proposed new retail and housing for the 20-acre site.

In January of 2023, the Town purchased the Church Corners Inn on Main Street, a former rooming house in the heart of East Hartford's central business district. An RFP was issued in late 2023 and a development partner has been selected to renovate the building, originally constructed in 1913, into 24 modern housing units and three retail spaces on the first floor. A grant of \$2.5 million from the State of Connecticut was secured to support this redevelopment initiative.

In March of 2023, the Town sold a redevelopment property on Burnside Avenue to North Central Connecticut Habitat for Humanity. They are currently constructing ten single-family homes for first-time homebuyers at the site. The Town plans to demolish the former McCartin School, located on a seven-acre site in a residential neighborhood, to make way for 16 single-family home lots.

The hotel at 363 Roberts Street, formerly a Holiday Inn, is being completely renovated to become a Fairfield Inn and TownePlace Suites by Marriott. The owners also plan a Starbucks location and coworking spaces for the building. There will be 64 short-term stay rooms under the Fairfield brand and 80 extended stay suites under the TownePlace brand, both located in the same building. Completion of this project is expected in Spring/Summer of 2024.

A continued area of focus for the Town, consistent with our Plan of Conservation and Development, is the redevelopment of East Hartford's riverfront, including Founder's Plaza. Taking advantage of this area's proximity to Downtown Hartford and the Connecticut River is a strategic development creating a destination and hub of economic vibrancy. This development could feature commercial uses, tourism attractions, mixed-use development and modern residential housing units to increase density in the area and provide transformative areas to live, work and play for the modern market. A group of prominent local and national developers, including Lexington Partners, has proposed the Port Eastside project, which would transform the neighborhood along the Connecticut River across from Hartford with new apartments, commercial space, and recreational destinations. Port Eastside is estimated to be an up to \$841 million development that would include 300,000 square feet of commercial space, 1,000 residential units, and additional pedestrian spaces along the Connecticut River. The plan would take advantage of the site's close proximity to downtown Hartford, accessible via a short walk over the Founders Bridge. The Town has secured a \$6.5 million grant from the State of Connecticut to begin this development. Phase one of this multi-phase plan includes demolition of 99 Founders, which is expected to occur by Summer 2024.

Goodwin University is a private, nonprofit, four-year university located along the Connecticut River and Route 2. It was known as Goodwin College until becoming a university in January of 2020. Later that year, Goodwin opened their Campus Commons building, a destination on Main Street featuring restaurant, retail, and office space and serving as the gateway to their campus. Tenants include a flagship branch of American Eagle Financial Credit Union and Rebel Dog Coffee Co., a locally owned café with other locations in Plainville and Farmington. In 2019, the Planning & Zoning Commission created a College District Zone to help guide future development on the campus. Goodwin has plans for future commercial and residential development near Main Street and the Connecticut River.

Goodwin University is also home to two magnet schools, an elementary school and a high school, all specializing in STEM curriculum. In 2019, Goodwin opened a \$10.5 million, 15,000-square-foot Manufacturing Annex to complement the Business and Manufacturing Center they opened in 2015.

These facilities are used to train and educate students with the advanced skills that Connecticut manufacturers require for today's high-tech jobs.

East Hartford's central business district on Main Street has seen renewed vitality, with new restaurants as well as branches of both Chase and M&T Bank opening in recent years. Retail also has a strong presence in the town. The Putnam Bridge Plaza, anchored by ShopRite, is a local shopping hub near the Town's border with Glastonbury. Nearby, the Porter Brook Plaza has been completely renovated and added new tenants. East Hartford is home to a diverse variety of locally owned restaurants showcasing cuisines from locations including El Salvador, Ghana, Jamaica, Peru, Puerto Rico, and Vietnam. The Connecticut Boulevard area is known as a regional destination for car shopping, featuring dealers including Chevrolet, Ford, Dodge, Audi, Porsche, and Lexus. Kia and Volvo recently debuted relocated and renovated locations.

The Town partners with the Capital Region Development Authority ("CRDA") for state funding and advisory services on many redevelopment efforts. CRDA is administering state funding for Silver Lane corridor redevelopment (\$22.5 million), infrastructure improvements at Goodwin University (\$4 million), blight removal (\$1.3 million), and a study of a potential new parking garage at Founders Plaza (\$500,000) and significant funding for riverfront improvements to Great River Park.

The Department's Grants Administration Office manages the Community Development Block Grant ("CDBG") program, along with a changing number of state, federal and foundation grants that aim to enhance and maintain a dynamic, civic, business and residential climate in Town. In addition to CDBG, other grant-funded projects managed by the office include a Volkswagen Settlement grant from state DEEP, which will pay 60 percent of the purchase price for two CNG-fueled refuse collection trucks and two clean diesel trucks; grants for the design and construction of a new Senior/Community Services facility, and the Neighborhood Assistance Act Tax Credit Program run by the state Department of Revenue Services.

East Hartford was awarded federal assistance through the American Rescue Plan Act ("APRA") that was signed into law by President Biden on March 11, 2021. In total, the Town has received \$24.561 million in ARPA funding. ARPA also provides county funding in addition to the municipal aid allotments for states like Connecticut without county-level governance. These funds are paid to the state and distributed to municipalities within those counties proportionate to population. East Hartford has been granted an additional \$9.6 million allocation.

The Town of East Hartford is using the \$24.5 million, along with local bonding, to invest in capital projects and to stimulate economic development that will have broader and deeper long term sustainable impact. The Town launched an ARPA-funded COVID-19 Small Business Assistance Program to direct funds to businesses taking proactive measures to recover from the pandemic. Businesses have been able to receive up to \$125,000 grants for physical plant/infrastructure expansion, new equipment purchases, facade renovations, or hiring of new employees. Over \$3.5 million is being distributed to over 50 businesses representing diverse industries such as hospitality, manufacturing, personal services, and information technology.

The Town is also advancing homeownership opportunities with a strategy to increase home values, thereby strengthening the grand list and long-term vitality of East Hartford. The Town has signed a letter of intent to sell 4.5 acres of Town property on Burnside Avenue to the Greater Hartford Habitat for Humanity to construct ten new homes for first-time homebuyers. The Town took ownership in the mid-1990's and cleared the site which will now be comprised of the newly constructed carbon neutral homes complete with solar panels. The Town anticipates on closing with Habitat in the first quarter of 2023 after the Planning and Zoning Commission approvals.

In an effort to modernize the housing stock, the Town has secured a new homeownership development. The former McCartin School, located at 70 Canterbury Street, is in the first stages of pre-demolition. The former school, which was constructed in 1959, was being used by the Town for many years as a Senior Center. With the opening of the new Senior Center in 2021, the school is now largely empty and in poor condition. The building will be demolished leaving a seven-acre property which will be subdivided into 16 single family home lots. The Town will issue a Request for Proposals for a housing developer in 2023.

The former hotel located at 363 Roberts has been acquired by a new owner and has obtained approvals from the Town Planning and Zoning Commission to reopen as a combination long-term and regular stay hotel with a coffee shop located on the first floor. We anticipate building permits being issued in Spring of 2023.

East Hartford strives to be a business-friendly community and to make starting and growing a business in town as straightforward as possible. Land-Use Group meetings are available free of charge to business entrepreneurs to discuss their plans and understand applicable regulations as they begin their planning. Zoning applications are now accepted digitally, and parking requirements are being simplified. Zoning regulations are undergoing a comprehensive revision to advance the Plan of Conservation and Development and to eliminate unnecessary burdens for businesses.

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

The Town follows a prudent path when issuing debt by retiring most debt over a ten-year life. When budgeting for pension purposes, the Town always contributes the ADC (Actuarially Determined Contribution) in order to maintain a stable pension fund. The Town is on a trend of slowly reducing the long-term investment rate of return.

### **Relevant Financial Policies**

The Town of East Hartford currently maintains a fund balance of \$25.4 million of which \$24.7 million is unassigned in its General Fund. As a percentage of the current adopted budget for FY23, East Hartford maintains 12.4% in total reserves and 12.1% in unassigned reserves.

The Town receives approximately one-third of budgeted revenues from the State of Connecticut. The vast majority of the State revenues that come to the Town are in the form of Educational Cost Sharing Grants (ECS), which provide a direct subsidy to the local education system.

## **Financial Information**

The Finance Department includes Accounting, Tax Collection, Tax Assessment, Purchasing, Information Technology and Risk Management. In developing and evaluating the Town's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance to record transactions.

## **Budgetary Controls**

The accounts of the Town are organized in funds and accounted for on the Town's financial management system. Each fund operates with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Budgetary control of disbursements and encumbrances against appropriations is maintained by department, division or major activity. The Town also maintains an encumbrance accounting system as one technique towards accomplishing budgetary control.

The Town Charter prescribes the following as the budgetary sequence and time schedule:

- The Town's departments and commissions receive their budget preparation forms in December.
- In early January the departments and commissions submit budgets to the Finance Department for compilation. The Finance Department also submits an assembled budget to the Mayor.
- During the month of January, the Mayor and Finance Director review the budget requests with the departments and commissions. The current year revenues and expenditures are also reviewed, and the Board of Education requested budget is forwarded to the Mayor.
- By February 23<sup>rd</sup>, the Mayor must submit to the Town Council revenue and expenditure estimates for the ensuing fiscal year as the Mayor's Recommended Budget. In the later part of February and the beginning of March, the Town Council holds meetings with the Mayor, Finance Director and all departments and commissions to review recommended budgets.
- During the first week of March, the Town Council holds meetings with the Board of Education to review their budgets. By March 11th, the Town Council must conduct one or more public hearings to review the recommended budget. Within 10 days of the final public hearing, the Town Council must adopt an Approved Budget for the fiscal year which begins July 1 and sets the tax rate for fiscal year which begins July 1.
- In accordance with the recommendations of the Charter Revision Commission, a Budget Referendum may now be called by the Town Council upon receipt of a petition signed by not less than fifteen (15) percent of qualified electors within fifteen days of the final approval of the Town budget by the Town Council. If the majority of the votes at the referendum are in the affirmative and the total number of votes cast is equal to at least twenty (20) percent of qualified electors, the Town Council shall adopt a new budget in accordance with the results of the referendum. No further referendum shall be permitted after adoption of the new budget by the Council. If the referendum fails, the adopted budget becomes the budget for the next fiscal year.

### **Independent Audit**

State Statute and the Town Charter require an annual audit by an independent certified public accountant. The Statute further prescribes that each municipality's annual report shall be prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). This report has been prepared in accordance with these standards. The auditors' opinion has been included in this report.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of East Hartford for its annual comprehensive financial report for the last forty-one (43) fiscal years ended June 30, 1980-2022.

In order to receive the Certificate of Achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

### **Acknowledgments**

The presentation of this report could not have been accomplished without the efficient and dedicated services of the Department of Finance staff. I would like to express my appreciation to all those who may have assisted and contributed to this report. Special recognition is conveyed to the Finance Department staff, especially Linda Trzetzak, former Finance Director, Deputy Finance Director Nikki Sow for the Town and Tea Culani, Finance Director, for the Board of Education. I also appreciate the support of the current Mayor Martin, former Mayor Walsh, the Town Council, and the people of East Hartford who are committed to fiscal integrity and financial leadership.

Respectfully submitted,

A handwritten signature in blue ink that reads "Melissa McCaw". The signature is written in a cursive, flowing style.

Melissa McCaw, Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of East Hartford  
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

Honorable Mayor and Members of the Town Council  
Town of East Hartford

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of East Hartford, Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of East Hartford, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of East Hartford, Connecticut, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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 of East Hartford, Connecticut 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 of East Hartford, Connecticut'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 Town of East Hartford, Connecticut'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 Town of East Hartford, Connecticut'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 the management's discussion and analysis, budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information 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 GAAS, 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 of East Hartford, Connecticut's basic financial statements. The supplemental combining and individual nonmajor 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 GAAS. In our opinion, the supplemental combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual 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.

Honorable Mayor and Members of the Town Council  
Town of East Hartford

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2024, on our consideration of the Town of East Hartford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of East Hartford, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of East Hartford, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
February 26, 2024

**TOWN OF EAST HARTFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

This discussion and analysis of the Town of East Hartford, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2023. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX.

**Financial Highlights**

- Net position of our governmental activities decreased by \$7.7 million, or -2.9%.
- During the year, the Town had governmental program expenses of \$322.9 million, which were \$7.7 million more than the \$330.5 million generated in taxes, grants and other revenues.
- The total cost of all of the Town's programs was \$322.9 million.
- Assets were \$274.0 million with \$93.0 million in current assets and \$180.9 million in net capital assets.
- Deferred outflows were \$49.1 million.
- Liabilities were \$524.1 million with \$480.5 million in long-term debt outstanding.
- Deferred inflows were \$54.0 million.
- The General Fund reported a total fund balance as of June 30, 2023 of \$25.4 million. The General Fund unassigned fund balance was \$24.8 million.
- Actual General Fund revenues were \$210.8 million compared to the final budget of \$209.4 million, resulting in higher revenues of \$1.4 million primarily due to short term interest income and building permit fees.
- Actual General Fund expenditures were \$208.9 million compared to the final budget of \$209.4 million, resulting in lower expenditures of \$0.5 million.

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements**

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

**TOWN OF EAST HARTFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

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

In the statement of net position and the statement of activities, the Town reports the following activities:

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

### **Fund Financial Statements**

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town Council establishes many other funds to help control and manage financial activities for particular purposes (like the Police Private Duty Fund and the Landfill Closure Fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the Community Development Fund and the State and Federal Educational Grants Fund). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

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

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

**TOWN OF EAST HARTFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**Government-Wide Financial Analysis**

The Town's combined net position decreased from \$(262.6) million to \$(255.0) million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

**Table 1  
NET POSITION  
(In Thousands)**

	Governmental Activities	
	2023	2022
<b>Assets:</b>		
Current and Other Assets	\$ 93,065	\$ 87,239
Capital Assets, Net of Accumulated Depreciation	180,908	156,023
Total Assets	273,973	243,262
<b>Deferred Outflows of Resources</b>	49,129	69,854
<b>Liabilities:</b>		
Long-Term Debt Outstanding	480,522	477,036
Other Liabilities	43,533	36,090
Total Liabilities	524,055	513,126
<b>Deferred Inflows of Resources</b>	53,972	62,584
<b>Net Position:</b>		
Net Investment in Capital Assets	119,017	95,826
Restricted	8,432	2,865
Unrestricted	(382,374)	(361,285)
Total Net Position	\$ (254,925)	\$ (262,594)

Assets increased by \$30 million. This change is due to an increase in General Fund cash as receivable balances increased by \$6.9 million and capital asset values by \$25 million (acquisition of Silver Lane Plaza, purchase of Church Corner's Inn and improvements to Town Hall and Wickham Library), offset by a decrease of \$1.8 million in funds due from Fiduciary Funds (OPEB).

Deferred outflows decreased by \$20.7 million which included decreases in deferred outflows related to pension of \$12.9 million and deferred outflows related to OPEB of \$7.8 million.

Liabilities increased by \$10.9 million primarily due to an increase in accounts payable of \$7.9 million and other noncurrent liabilities of \$2.2 million due within one year.

Deferred inflows decreased by \$9.4 million. Advance property tax collections increased by \$3.1 million from the prior year. Deferred inflows related to OPEB decreased \$12.5 million.

**TOWN OF EAST HARTFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

Net position of the Town's governmental activities decreased by \$7.6 million or -2.9%. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - totaled \$(382.4) million at June 30, 2023 compared to \$(361.3) million at June 30, 2022. Various contributing factors resulting in the increase in net position are discussed following Table 2.

**Table 2  
CHANGE IN NET POSITION  
(In Thousands)**

	Governmental Activities	
	2023	2022
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 19,523	\$ 18,184
Operating Grants and Contributions	149,517	110,250
Capital Grants and Contributions	1,883	143
General Revenues:		
Property Taxes	141,021	138,620
Grants and Contributions Not Restricted to Specific Purposes	12,593	13,249
Unrestricted Investment Earnings	2,518	143
Other General Revenues	3,477	647
Total Revenues	330,532	281,236
<b>Program Expenses:</b>		
General Government	44,132	43,995
Public Safety	38,129	39,789
Inspection and Permits	702	723
Public Works	24,577	19,710
Parks and Recreation	4,469	3,786
Health and Social Services	9,183	6,928
Education	201,157	179,708
Interest on Long-Term Debt	514	1,609
Total Program Expenses	322,863	296,248
<b>Increase (Decrease) in Net Position</b>	7,669	(15,012)
Net Position - Beginning of Year	(262,594)	(247,582)
<b>Net Position - End of Year</b>	\$ (254,925)	\$ (262,594)

The Town's total revenues were \$330.5 million. The total cost of all programs and services was \$322.8 million. The Town's overall increase of \$7.7 million in net position compared with a decrease in net position of \$15.0 million last year is attributable to many factors both in relation to full accrual activities on a government-wide basis as well as significant changes in results in operations, year over year, in the Town's General Fund and Internal Service Funds.

**TOWN OF EAST HARTFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

The Town's total revenues increased \$49.3 million to \$330.5 million compared to \$281.2 million in the prior year. The primary contributors are increases in Special State Grants Fund of \$9.4 million, Miscellaneous Projects Fund of \$5.8 million, Education Grants of \$10.7 million, Teachers Retirement Board Contribution by the State of Connecticut of \$2.5 million, General Fund of \$7.5 million, American Rescue Plan Act Fund of \$3.0 million, Capital Improvement Fund of \$1.6 million, contributed to this increase.

The total program expenses increased \$26.6 million to \$322.9 million compared with \$296.3 million in the prior year. Increases in Education of \$21.4 million (for State and Federal Education Grants), Health and Social Services of \$2.2 million and Public Works of \$4.8 million including increased infrastructure costs) were offset by decreases in Interest on Long Term Debt of \$1.1 million and Public Safety of \$1.6 million.

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

**Table 3  
GOVERNMENTAL ACTIVITIES  
(In Thousands)**

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
General Government	\$ 44,132	\$ 43,995	\$ 21,758	\$ 35,720
Public Safety	38,129	39,789	34,602	36,065
Public Works	24,577	19,710	18,238	18,928
Parks and Recreation	4,469	3,786	4,124	3,479
Education	201,157	179,708	70,906	70,704
All Others	10,399	9,260	2,312	2,775
Total	<u>\$ 322,863</u>	<u>\$ 296,248</u>	<u>\$ 151,940</u>	<u>\$ 167,671</u>

**Town Funds Financial Analysis**

**Governmental Funds**

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$17.0 million, which is an \$8.1 million decrease from last year's total of \$25.1 million.

The decrease of \$8.1 million was predominately related to a decrease in the Capital Improvement Fund. During the current year, active capital projects including road reconstruction and the Town Hall Renovation expended capital funds in advance of bonding planned for December of 2023. The General Fund advanced cash to the Capital Improvement Fund for these expenditures.

The Town's General Fund balance of \$25.4 million reported on Exhibit III differs from the General Fund's Budgetary Fund Balance of \$24.7 million. This is principally because budgetary fund balance excludes \$590 thousand of reserves for encumbrances and \$70 thousand for prepaid expenses at year end.

**TOWN OF EAST HARTFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

The General Fund's budgetary revenue estimates generated a \$1.4 million favorable variance as reported in RSI-1 while the General Fund's budgetary expenses generated a \$496 thousand favorable variance as reported in RSI-2. Budgetary revenue estimates included increased appropriations totaling \$4.9 million. This was comprised of: \$2.2 million as an additional contribution to OPEB in the amount of fund balance in excess of 10% of the budget; \$600,000 contribution to capital reserve for the Town Hall Renovation project; \$1 million for Fire overtime; and \$1 million to the Department of Public Works for the outsourcing of sanitation, utilities, and other contractual requirements.

There were favorable property tax revenues of \$1.4 million, licenses and permits of \$1.5 million due to increased economic development, \$1.5 million for short term investment income, intergovernmental revenues of \$100 thousand compared to budget, offset by unfavorable variances for charges for services, primarily public safety, of \$463 thousand and miscellaneous income of \$2.4 million.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2023, the Town had \$180.9 million, net of depreciation, invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment roads and bridges - Table 4. This amount represents a net increase of \$24.9 million, or 15.9% compared to last year. This is primarily due to the acquisition of Church Corners Inn and Silver Lane Plaza, and the improvements to various assets, including the Town Hall Renovation and Wickham Library.

**Table 4  
CAPITAL ASSETS  
(Net of Depreciation)  
(In Thousands)**

	Governmental Activities	
	2023	2022
Land	\$ 16,126	\$ 16,126
Buildings and Improvements	81,749	69,511
Furniture, Vehicles, and Equipment	11,225	10,729
Infrastructure	34,070	35,514
Construction in Progress	37,738	24,143
Total	\$ 180,908	\$ 156,023

The Town's FY 2022-23 Adopted Capital Budget calls for it to spend up to \$17.3 million over multiple years for Road paving and maintenance, replacement of Public Works, Police, Fire, and Parks vehicles and rolling stock, of which \$15 million will be funded by future bond proceeds.

Additional information of the Town's capital assets can be found in Note 5, Capital Assets of this report.

***Long-Term Debt***

At June 30, 2023, the Town had \$40.1 million in bonds outstanding versus \$46.4 million last year - a decrease of \$6.3 million or 13.6% - as shown in Table 5. The decrease is a result of the Town paying down existing debt without issuing new debt during the reporting period.

**TOWN OF EAST HARTFORD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**Table 5  
OUTSTANDING DEBT  
(In Millions)**

	Governmental Activities	
	2023	2022
General Obligation Bonds	<u>\$ 40.1</u>	<u>\$ 46.4</u>

The Town's general obligation bond rating is AA/Stable as issued by S&P Global Ratings. The State limits the amount of general obligation debt that towns can issue based on a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below the state-imposed limit.

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

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

The appropriation for expenditures totals \$204.4 million in the Adopted Budget for the 2022-23 fiscal year, representing an increase of \$182 thousand or 0.09% compared to the final amended budget for the fiscal year ended June 30, 2022. Budget increases include contractual labor settlements, additional pension plan and retirement contributions, and additional funds to the Board of Education.

If the appropriation estimates and estimated revenues primarily funded from property taxes are realized, the Town does not anticipate using any portion of the undesignated General Fund Balance to balance budgeted operations for the 2023-24 fiscal year.

The Town's elected and appointed officials considered many factors when establishing the tax mill rate of 41.00 for real estate and personal property and 32.46 for motor vehicles for the Adopted Budget for the 2022-23 fiscal year. Overall, the mill rate decreased from 49.35 mills in the 2021-22 fiscal year to 41 mills in the 2022-23 fiscal year, reducing the overall tax burden compared year over year, due to a revaluation year resulting in an increase in Grand List 2021 as compared to Grand List 2020.

Budgeted revenue increases from State of Connecticut, \$1.6 million for the new Tiered PILOT formula grant and \$3.5 million for the Motor Vehicle Mill Rate Grant due to the statutorily mandated cap on motor vehicle mill rates of 32.46, were able to offset the revenue required from taxation and reduce the mill rate.

**CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of East Hartford, 740 Main Street, East Hartford, Connecticut 06108.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 71,579
Investments	326
Receivables, Net	20,718
Other Assets	442
Capital Assets:	
Assets Not Being Depreciated	53,864
Assets Being Depreciated, Net	127,044
Total Assets	273,973
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to Pension	28,068
Related to OPEB	20,786
Deferred Charge on Refunding	275
Total Deferred Outflows of Resources	49,129
<b>LIABILITIES</b>	
Accounts and Other Payables	24,845
Unearned Revenue	18,688
Noncurrent Liabilities:	
Due Within One Year	19,394
Due In More Than One Year	461,128
Total Liabilities	524,055
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Leases	742
Related to OPEB	47,150
Advance Property Tax Collections	6,080
Total Deferred Inflows of Resources	53,972
<b>NET POSITION</b>	
Net Investment in Capital Assets	119,017
Restricted for:	
Grants	51
Donations	6,228
Loans	2,014
Expendable Trusts	139
Unrestricted	(382,374)
Total Net Position	\$ (254,925)

See accompanying Notes to Financial Statements.

**TOWN OF EAST HARTFORD, CONNECTICUT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023  
(IN THOUSANDS)**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>					
General Government	\$ 44,132	\$ 1,901	\$ 20,473	\$ -	\$ (21,758)
Public Safety	38,129	2,999	528	-	(34,602)
Inspections and Permits	702	2,213	-	-	1,511
Public Works	24,577	3,672	2,628	39	(18,238)
Parks and Recreation	4,469	344	1	-	(4,124)
Health and Social Services	9,183	355	5,421	98	(3,309)
Education	201,157	8,039	120,466	1,746	(70,906)
Interest on Long-Term Debt	514	-	-	-	(514)
Total	<u>\$ 322,863</u>	<u>\$ 19,523</u>	<u>\$ 149,517</u>	<u>\$ 1,883</u>	(151,940)
<b>GENERAL REVENUES</b>					
					141,021
					12,593
					2,518
					3,477
					<u>159,609</u>
<b>CHANGE IN NET POSITION</b>					
					7,669
					<u>(262,594)</u>
<b>NET POSITION - END OF YEAR</b>					
					<u>\$ (254,925)</u>

See accompanying Notes to Financial Statements.

**TOWN OF EAST HARTFORD, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023  
(IN THOUSANDS)**

	General	State and Federal Education Grants	Capital Improvement	American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 32,324	\$ -	\$ 1,884	\$ 16,407	\$ 3,456	\$ 54,071
Investments	271	-	-	-	55	326
Receivables, Net	8,776	3,994	94	-	7,854	20,718
Due from Other Funds	20,236	-	7,953	-	7,797	35,986
Other Assets	170	-	-	-	72	242
	<u>61,777</u>	<u>3,994</u>	<u>9,931</u>	<u>16,407</u>	<u>19,234</u>	<u>111,343</u>
Total Assets	<u>\$ 61,777</u>	<u>\$ 3,994</u>	<u>\$ 9,931</u>	<u>\$ 16,407</u>	<u>\$ 19,234</u>	<u>\$ 111,343</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 7,838	\$ 2,636	\$ 10,002	\$ 977	\$ 2,917	\$ 24,370
Due to Other Funds	15,750	872	18,687	-	677	35,986
Unearned Revenue	242	486	-	15,430	2,530	18,688
Total Liabilities	<u>23,830</u>	<u>3,994</u>	<u>28,689</u>	<u>16,407</u>	<u>6,124</u>	<u>79,044</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Advance Property Tax Collections	6,080	-	-	-	-	6,080
Unavailable Revenue - Property Taxes	5,085	-	-	-	-	5,085
Unavailable Revenue - Loan Receivables	-	-	-	-	2,014	2,014
Unavailable Revenue - Other Receivables	591	9	-	-	2,785	3,385
Unavailable Revenue - Leases	742	-	-	-	-	742
Total Deferred Inflows of Resources	<u>12,498</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>4,799</u>	<u>17,306</u>
<b>FUND BALANCES</b>						
Nonspendable	70	-	-	-	72	142
Restricted	-	-	-	-	6,418	6,418
Committed	-	-	-	-	3,369	3,369
Assigned	590	-	-	-	-	590
Unassigned	24,789	(9)	(18,758)	-	(1,548)	4,474
Total Fund Balances	<u>25,449</u>	<u>(9)</u>	<u>(18,758)</u>	<u>-</u>	<u>8,311</u>	<u>14,993</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 61,777</u>	<u>\$ 3,994</u>	<u>\$ 9,931</u>	<u>\$ 16,407</u>	<u>\$ 19,234</u>	<u>\$ 111,343</u>

See accompanying Notes to Financial Statements.

**TOWN OF EAST HARTFORD, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023  
(IN THOUSANDS)**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances - Governmental Funds (Exhibit III)	\$	14,993
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Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

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

Governmental Capital Assets		376,283
Less: Accumulated Depreciation		<u>(195,375)</u>
Net Capital Assets		180,908

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

Property Tax Receivables Greater Than 60 Days		3,584
Interest Receivable on Property Taxes		1,502
Housing Rehabilitation Loans Receivable		2,014
Other Accounts Receivable		3,385
Deferred Outflows of Resources Related to Pension		28,068
Deferred Outflows of Resources Related to OPEB		20,786
Deferred Charge on Refunding		275

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.

10,782

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

Net Pension Liability		(295,948)
Net OPEB Obligation		(111,331)
Bonds and Notes Payable		(40,100)
Unamortized Bond Premiums		(2,526)
Interest Payable on Bonds and Notes		(391)
Landfill Post Closure Monitoring		(252)
Compensated Absences		(14,952)
Retirement Obligations		(11)
Financing Arrangements		(8,561)
Deferred Inflows of Resources Related to OPEB		<u>(47,150)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)	\$	<u><u>(254,925)</u></u>
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**TOWN OF EAST HARTFORD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**  
**(IN THOUSANDS)**

	General	State and Federal Education Grants	Capital Improvement	American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
General Property Taxes	\$ 140,252	\$ -	\$ -	\$ -	\$ -	\$ 140,252
Licenses and Permits	3,477	-	-	-	-	3,477
Intergovernmental Revenues	83,772	46,930	1,785	6,046	18,268	156,801
Charges for Services	9,778	-	-	-	6,181	15,959
Investment Income	1,626	-	65	-	-	1,691
Other	724	-	-	-	2,753	3,477
Total Revenues	<u>239,629</u>	<u>46,930</u>	<u>1,850</u>	<u>6,046</u>	<u>27,202</u>	<u>321,657</u>
<b>EXPENDITURES</b>						
Current:						
General Government	51,211	-	-	202	8,123	59,536
Public Safety	33,319	-	-	62	1,291	34,672
Inspection and Permits	702	-	-	-	-	702
Public Works	11,420	-	-	117	2,663	14,200
Parks and Recreation	3,733	-	-	108	432	4,273
Health and Social Services	5,110	-	-	1,946	2,287	9,343
Education	119,721	46,939	-	-	6,871	173,531
Capital Outlay	-	-	22,547	3,611	-	26,158
Debt and Sundry	10,151	-	720	-	-	10,871
Total Expenditures	<u>235,367</u>	<u>46,939</u>	<u>23,267</u>	<u>6,046</u>	<u>21,667</u>	<u>333,286</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	4,262	(9)	(21,417)	-	5,535	(11,629)
<b>OTHER FINANCING SOURCES (USES)</b>						
Financing Arrangements Issued	-	-	1,573	-	-	1,573
Transfers In	1,166	-	3,401	-	-	4,567
Transfers Out	(3,401)	-	(9)	-	(1,157)	(4,567)
Total Other Financing Sources (Uses)	<u>(2,235)</u>	<u>-</u>	<u>4,965</u>	<u>-</u>	<u>(1,157)</u>	<u>1,573</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,027	(9)	(16,452)	-	4,378	(10,056)
Fund Balances - Beginning of Year	<u>23,422</u>	<u>-</u>	<u>(2,306)</u>	<u>-</u>	<u>3,933</u>	<u>25,049</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 25,449</u>	<u>\$ (9)</u>	<u>\$ (18,758)</u>	<u>\$ -</u>	<u>\$ 8,311</u>	<u>\$ 14,993</u>

See accompanying Notes to Financial Statements.

**TOWN OF EAST HARTFORD, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2023  
(IN THOUSANDS)**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ (10,056)

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

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital Outlay	31,977
Depreciation Expense	(6,254)
Loss on Disposal of Capital Assets	(838)

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

Property Tax Receivable - Accrual Basis Change	574
Property Tax Interest and Lien Revenue - Accrual Basis Change	195
Housing Rehabilitation Loans - Accrual Basis Change	117
Other Accounts Receivable - Accrual Basis Change	2,117
Change in Deferred Outflows Amounts Related to Pension	(12,892)
Change in Deferred Outflows Amounts Related to OPEB	(7,762)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities.

The details of these differences in the treatment of long-term debt and related items are as follows:

Bond Principal Payments	6,285
Financing Arrangement Principal Payments	2,871
Financing Arrangements Issued	(1,573)
Amortization of Deferred Charge on Refunding	(71)
Amortization of Bond Premiums	1,003

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

Compensated Absences	(207)
Accrued Interest	270
Retirement Obligations	4
Change in Net Pension Liability	(8,935)
Change in Net OPEB Liability	(3,051)
Landfill Postclosure Expense	28
Change in Deferred Inflows Amounts Related to OPEB	12,489

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

1,378

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)

\$ 7,669

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

	Governmental Activities
	Internal Service Funds
<b>ASSETS</b>	
Current:	
Cash and Cash Equivalents	\$ 17,508
Other Assets	200
Total Assets	17,708
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	85
Risk Management Claims	2,784
Total Current Liabilities	2,869
Noncurrent Liabilities:	
Risk Management Claims	4,057
Total liabilities	6,926
<b>NET POSITION</b>	
Unrestricted	\$ 10,782

See accompanying Notes to Financial Statements.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2023**  
**(IN THOUSANDS)**

	Governmental Activities
	Internal Service Funds
<b>OPERATING REVENUES</b>	
Employer Contributions	\$ 23,755
Employee Contributions	3,254
Other	1,080
Total Operating Revenues	28,089
<b>OPERATING EXPENSES</b>	
Claims	22,476
Premiums and Administrative Charges	5,062
Total Operating Expenses	27,538
<b>OPERATING INCOME</b>	551
<b>NONOPERATING REVENUE</b>	
Interest Income	827
<b>CHANGE IN NET POSITION</b>	1,378
Net Position - Beginning of Year	9,404
<b>NET POSITION - END OF YEAR</b>	\$ 10,782

See accompanying Notes to Financial Statements.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2023**  
**(IN THOUSANDS)**

	Governmental Activities
	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Employer Contributions	\$ 23,755
Cash Received from Charges for Services	3,254
Cash Received from Other Revenues	1,080
Cash Paid for Claims	(23,320)
Cash Paid to Other Suppliers for Services	(5,062)
Net Cash Used by Operating Activities	(293)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment Income	827
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	534
Cash and Cash Equivalents - Beginning of Year	16,974
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 17,508
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 551
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:	
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(758)
Increase (Decrease) in Risk Management Claims	(86)
Total Adjustments	(844)
Net Cash Used by Operating Activities	\$ (293)

See accompanying Notes to Financial Statements.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

	Pension and Other Employee Benefit Trust Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,398
Accounts Receivable	553
Investments - Guaranteed Interest Contract	3,213
Investments - Mutual Funds	251,966
Total Assets	258,130
<b>LIABILITIES</b>	
Accounts Payable	115
<b>NET POSITION</b>	
Restricted for Pension	244,200
Restricted for Other Post-Employee Benefits	13,815
Restricted for Pension and Other Benefits	\$ 258,015

See accompanying Notes to Financial Statements.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2023**  
**(IN THOUSANDS)**

	<u>Pension and Other Employee Benefit Trust Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 26,691
Plan Members	3,387
Total Contributions	<u>30,078</u>
Investment Income:	
Net Change in Fair Value of Investments	13,132
Interest and Dividends	7,702
Total Investment Income	<u>20,834</u>
Less: Investment Expense	<u>(71)</u>
Net Investment Income	20,763
Total Additions	50,841
<b>DEDUCTIONS</b>	
Benefits	37,330
Administration	231
Total Deductions	<u>37,561</u>
<b>CHANGE IN NET POSITION</b>	13,280
Net Position - Beginning of Year	<u>244,735</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 258,015</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Town was incorporated in October 1783 under the provisions of the State of Connecticut General Assembly.

In June 1929, the form of government was changed to Town Council/Council President. Under home rule, the form of government was again changed to Strong Mayor/Council in April 1968, and exists as such today. The Town provides the full range of municipal services including public safety (police, fire, emergency medical service), streets, sanitation (collection and waste disposal), health and social, recreation (parks and golf course), libraries, education, planning and zoning, and general administrative services.

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

Fiduciary Component Units

The Town has established a single-employer Public Retirement Systems (PERS) and a postretirement retiree health plan (OPEB) to provide retirement benefits and postretirement healthcare benefits to employees and their beneficiaries. The Town appoints a majority of the Pension Board and is required to make contributions to the pension and OPEB plans and can impose its will.

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

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, including fiduciary component units, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of grant receivables which are considered available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Property taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

**General Fund**

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

**State and Federal Education Grants Fund**

The State and Federal Education Grants Fund accounts for education programs not included in the General Fund budget. The major source of revenue for this fund is education grants.

**Capital Improvement Fund**

The Capital Improvement Fund accounts for all the financial resources including school construction grants, bonds, and lease proceeds used to finance expenditures for capital improvement projects.

**American Rescue Plan Fund**

The American Rescue Plan Fund accounts for the grant revenues and expenditures of the American Rescue Plan Act Grant.

Additionally, the Town reports the following fund types:

**Internal Service Funds**

The Internal Service Funds account for the Town's risk management program.

**Pension and Other Employee Benefit Trust Funds**

The Pension and Other Employee Benefit Trust Funds account for the fiduciary activities of the Town's retirement system and the Town's retiree healthcare system, which accumulate resources for pension benefit payments and healthcare benefit payments, respectively, to qualified Town employees.

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

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service funds are charges to customers for services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**D. Deposits and Investments**

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

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

Investments for the Town are reported at fair value.

**E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowances are computed based on historical data.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Receivables and Payables (Continued)**

Property taxes on all property are assessed as of October 1 prior to the beginning of the fiscal year and become legally due and payable on the following July 1 and January 1. If taxes are unpaid as of June 30 following the payable date, a lien is placed on the real property. Property assessments are made at 70% of the market value. Property taxes receivable are recorded on the due date. Taxes not paid within 30 days of the due date are subject to an interest charge of 1-1/2% per month. The Town is not a part of any overlapping government that assesses separate property taxes.

Property tax revenue is recorded when it becomes available. Available means due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period; such time thereafter shall not exceed 60 days.

**F. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Buildings	50 Years
Other Improvements	20 Years
Infrastructure	50 Years
Vehicles	10 to 15 Years
Equipment	10 Years
Furniture and Fixtures	20 Years

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions, or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to pension and OPEB in the government-wide statement of net position. The Town also reports a deferred inflow of resources for advance property tax collections and leases receivable in the government-wide statement of net position and in the governmental funds balance sheet. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees). Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, long-term loans, and other receivables. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Compensated Absences**

Vacation earned can be accumulated by individual employees. In addition, employees may accumulate an additional amount of unused sick leave (as determined by individual union contracts) until termination of their employment.

Holiday pay earned by fire department personnel in the current year is not paid until the following year. Certain employees having at least two years of service with the Town are eligible for longevity benefits. These benefits are earned in the current year and paid in the following year.

**J. Net Pension Liability**

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

**K. Other Post-Employment (OPEB) Liability**

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees past periods of service (total OPEB asset), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

**L. Long-Term Obligations**

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

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Long-Term Obligations (Continued)**

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**M. Fund Equity**

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

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

*Restricted Net Position* – Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

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

*Nonspendable Fund Balance* – This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

*Restricted Fund Balance* – This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of other governments.

*Committed Fund Balance* – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority, East Hartford Town Council, by adopting a resolution.

*Assigned Fund Balance* – This balance represents amounts constrained for the intent to be used for a specific purpose by the Town Council or department head as specified in the Town Charter.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Fund Equity (Continued)**

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

**N. Accounting Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**O. Adoption of New Accounting Standards**

*GASB Statement No. 96, Subscription-Based Information Technology Arrangements*

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The Town adopted the requirements of the guidance effective July 1, 2022. There was no material impact on the Town's net position and changes in net position as a result of adoption of this standard.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

The Town established its General Fund budget in accordance with provisions of its Charter and the Connecticut General Statutes.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

A budget for the General Fund is authorized annually by the Town Council. The Council follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to February 23, the Mayor submits to the Town Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- Not later than March 11, a public hearing is conducted to obtain taxpayers' comments.
- Prior to March 31, the budget is legally enacted through passage of an ordinance.
- Prior to April 15, referendum petitions on the budget can be filed with the Town Clerk. Once these petitions are certified by the Town Clerk, the Town Council sets a referendum date.
- During the middle of April, a referendum on the budget is held and within five days the Town Council adopts the final budget.
- Under the Town Charter, no department or board may involve the Town in any obligation to spend money for any purpose in excess of the amount appropriated. However, upon approval of the Director of Finance and the Mayor, transfers from one budgetary line item to another may be made within a department, and notification is subsequently given to the legislative body. In addition, the Council may, by resolution, transfer monies from the contingency account to other line items during the first nine months of the fiscal year and may transfer from any account except the debt service line item within the General Fund during the last three months of the fiscal year. There were additional appropriations of \$4,961 during the year. Appropriations lapse at year-end, except appropriations for capital projects that continue until completion of the applicable project.

The budget is administered on a modified accrual basis of accounting except for encumbrances. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order is issued, and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

Encumbrances are reported in the governmental funds in accordance with accounting principles generally accepted in the United States of America. Open encumbrances are reported as either restricted, committed or assigned fund balance depending on the level of restriction. The commitments will be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor were as follows:

General Fund	\$	590
Capital Improvement Fund		19,349
American Rescue Plan		7,766
Nonmajor Governmental Funds		8,598
Total	<u>\$</u>	<u>36,303</u>

**B. Deficit Fund Equity**

Capital Improvement	\$	18,758
State and Federal Education Grants		9
Special State Grant Programs		1,487
Internal Service Funds:		
Workers' Compensation		3,324

Deficit within the capital improvement fund will be reduced in future years when additional debt is issued, and grants are received. The deficit within the internal service fund - workers compensation will be reduced in future years when additional revenues are realized, or the General Fund appropriates and transfers funds.

**C. Overexpended Appropriations**

The Town overexpended the final budget for fire and public works by \$18 and \$110, respectively.

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

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

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

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

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

**A. Deposits**

Deposit Custodial Credit Risk

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

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**A. Deposits (Continued)**

Deposit Custodial Credit Risk (Continued)

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$21,834 of the Town's bank balance of \$23,085 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$	19,571
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name		2,263
Total Amount Subject to Custodial Credit Risk	\$	21,834

**B. Cash Equivalents**

At June 30, 2023, the Town's cash equivalents amounted to \$53,071. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than 90 days.

		Standard & Poor's
State Short-Term Investment Fund (STIF)		AAAm
Charles Schwab		*
Northern Lights Capital		*

\*Not Rated

STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**C. Investments**

As of June 30, 2023, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More Than 10
Interest-Bearing Investments:					
Certificate of Deposit		\$ 271	\$ 271	\$ -	\$ -
U.S. Government Agencies	AAA	55	55	-	-
Total		326	<u>\$ 326</u>	<u>\$ -</u>	<u>\$ -</u>
Other Investments:					
Guaranteed Interest Contract	N/A	3,213			
Mutual Funds	N/A	251,966			
Total Investments		<u>\$ 255,505</u>			

N/A Not applicable

**Interest Rate Risk**

The Town's general investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increased interest rates. The Town primarily invests general funds in short-term securities unless it is anticipated that long-term securities can be held to maturity without jeopardizing liquidity requirements. The Town's Retirement Board investment policy for the Town's Pension Trust investments assumes a three- to five-year holding period based on a required minimum annual rate of return of 8.5%.

**Credit Risk - Investments**

As indicated above, State Statutes limit the investment options of cities and towns. The Town's Retirement Board investment policy limits the Town's Pension Trust investment choices. The investment policy for Pension Trust investments specifically permits investments in individual marketable securities or packages products in the following categories: cash and cash equivalents, fixed income - domestic bonds (investment grade), fixed income - non-U.S. bonds (investment grade), equities - U.S., equities - non-U.S., equities - emerging markets, and equities - REITS. Prohibited asset classes and/or security types are listed in the policy. All of the Town's investments are invested in various pooled accounts and mutual funds that have not been rated by nationally recognized statistical rating organizations.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

Concentration of Credit Risk

The Town's general investment policy requires the diversification of investment instruments to avoid incurring unreasonable risks. Percentages of portfolio limitations are included in the policy. The Town's Retirement Board investment policy provides targeted general asset allocation guidelines. Should the general asset allocation exceed a variance of 10% from the target allocation, rebalancing of the portfolio is required. The Town's Retirement Board investment policy does specifically restrict investments in any one issuer.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town's Retirement Board investment policy requires its investment manager to be registered with the Securities and Exchange Commission and to manage the investments in accordance with State and Federal law and the Uniform Prudent Investor Act. The Town's investments, excluding U.S. government obligations, are held in open-end mutual funds which, because they are pooled investments rather than separate identifiable securities, are not subject to custodial risk determination.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2023:

	June 30, 2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Agencies	\$ 55	\$ 55	\$ -	\$ -
Guaranteed Interest Contract	3,213	-	3,213	-
Mutual Funds	251,966	251,966	-	-
Total Investments by Fair Value Level	255,234	<u>\$ 252,021</u>	<u>\$ 3,213</u>	<u>\$ -</u>
Certificates of Deposit	271			
Total Investments	<u>\$ 255,505</u>			

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

Fair Value (Continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Guaranteed interest contracts in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

**NOTE 4 RECEIVABLES**

Receivables as of June 30, 2023, for the Town's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	State and Federal Education Grants	Capital Improvement Fund	Nonmajor and Other Funds	Total
Receivables:					
Taxes	\$ 4,878	\$ -	\$ -	\$ -	\$ 4,878
Accrued Interest	2,167	-	-	-	2,167
Intergovernmental	-	3,994	94	5,076	9,164
Accounts	2,163	-	-	1,317	3,480
Leases	768	-	-	-	768
Pension Trust Fund	92	-	-	-	92
Interest on Loans	-	-	-	2,014	2,014
Gross Receivables	<u>10,068</u>	<u>3,994</u>	<u>94</u>	<u>8,407</u>	<u>22,563</u>
Less Allowance for Uncollectibles:					
Taxes	(408)	-	-	-	(408)
Accrued Interest on Taxes	(665)	-	-	-	(665)
Accounts	(219)	-	-	-	(219)
Total Allowance	<u>(1,292)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,292)</u>
Net Total Receivables	<u>\$ 8,776</u>	<u>\$ 3,994</u>	<u>\$ 94</u>	<u>\$ 8,407</u>	<u>\$ 21,271</u>

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 16,126	\$ -	\$ -	\$ 16,126
Construction in Progress	24,143	20,492	6,897	37,738
Total Capital Assets Not Being Depreciated	40,269	20,492	6,897	53,864
Capital Assets Being Depreciated:				
Buildings and Improvements	151,425	15,165	-	166,590
Furniture, Fixtures, Vehicles, and Equipment	36,112	3,217	1,952	37,377
Infrastructure	118,452	-	-	118,452
Total Capital Assets Being Depreciated	305,989	18,382	1,952	322,419
Less Accumulated Depreciation for:				
Buildings and Improvements	81,914	2,927	-	84,841
Furniture, Fixtures, Vehicles, and Equipment	25,383	1,883	1,114	26,152
Infrastructure	82,938	1,444	-	84,382
Total Accumulated Depreciation	190,235	6,254	1,114	195,375
Total Capital Assets Being Depreciated, Net	115,754	12,128	838	127,044
Governmental Activities Capital Assets, Net	<u>\$ 156,023</u>	<u>\$ 32,620</u>	<u>\$ 7,735</u>	<u>\$ 180,908</u>

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

Governmental Activities:	
General Government	\$ 303
Public Safety	1,371
Public Works	2,288
Parks and Recreation	157
Health and Social Services	5
Education	2,130
Total Depreciation Expense - Governmental Activities	<u>\$ 6,254</u>

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 5 CAPITAL ASSETS (CONTINUED)**

**Construction Commitments**

The Town has the following active construction projects as of June 30, 2023. At year-end, the Town's projects and commitments with contractors are as follows:

<u>Project</u>	<u>Cumulative Expenditures</u>	<u>Remaining Commitment</u>
Road Construction	\$ 5,416	\$ 8,422
Levee Construction	1,025	181
Town Hall Renovation	7,565	12,762
Veteran Memorial Clubhouse Project	289	65
McAuliffe Railroad Crossing	1	321
Total	<u>\$ 14,296</u>	<u>\$ 21,751</u>

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

During the course of operations, transactions are processed through one fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. The General Fund provides for working capital advances to/from other funds. A summary of interfund balances as of June 30, 2023, is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Fund	\$ 18,687
	State and Federal Education Grants	872
	Nonmajor Governmental Funds	677
		<u>20,236</u>
Capital Improvement Fund	General Fund	7,953
Nonmajor Governmental Funds	General Fund	7,797
Total		<u>\$ 35,986</u>

The Nonmajor Governmental Funds owe the General Fund for expenditures paid by the General Fund, including grant receivables related to the acquisition and maintenance of Church Corner's Inn and Silver Lane Plaza. The Capital Improvement Fund owes the General Fund for capital project expenditures that have been incurred.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

A summary of interfund transfers is presented below:

	Transfers In		Transfers Out
	General Fund	Capital Improvements	
Transfers Out:			
General Fund	\$ -	\$ 3,401	\$ 3,401
Capital Improvements	9	-	9
Nonmajor Governmental	1,157	-	1,157
Total Transfers In	<u>\$ 1,166</u>	<u>\$ 3,401</u>	<u>\$ 4,567</u>

The General Fund transferred funds to the Capital Improvement Fund for budgeted capital expenditures for the Town and the Board of Education, including the Town Hall Renovation Project and the Board of Education Capital Reserve Fund. The Nonmajor Governmental Funds transferred funds to the General Fund for reimbursement of expenditures paid by the General Fund.

**NOTE 7 LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 42,160	\$ -	\$ 4,160	\$ 38,000	\$ 5,805
General Obligation Bonds - Direct Placement	4,225	-	2,125	2,100	2,100
Total General Obligation Bonds	46,385	-	6,285	40,100	7,905
Premium on Bonds	3,529	-	1,003	2,526	-
Total Bonds Payable	49,914	-	7,288	42,626	7,905
Financing Arrangements	9,859	1,573	2,871	8,561	2,691
Landfill Postclosure Monitoring	280	-	28	252	28
Compensated Absences	14,745	5,775	5,568	14,952	5,986
Retirement Obligations	15	-	4	11	-
Net OPEB Liability	108,280	3,051	-	111,331	-
Net Pension Liability	287,013	8,935	-	295,948	-
Risk Management Claims	6,930	22,387	22,476	6,841	2,784
Long-Term Liabilities	<u>\$ 477,036</u>	<u>\$ 41,721</u>	<u>\$ 38,235</u>	<u>\$ 480,522</u>	<u>\$ 19,394</u>

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**Changes in Long-Term Liabilities (Continued)**

The risk management claims accounted for in the Internal Service Funds are reported in the long-term liabilities as part of the above totals for governmental activities. All long-term liabilities are generally liquidated by the General Fund.

The Town's outstanding note from direct borrowings and direct placements related to governmental activities of \$2,100 is not subject to any special or financial covenants and in the event of default the registered owner of the bonds may exercise any remedy available to it at law or in equity.

Bonds payable at June 30, 2023, are comprised of the following individual issues:

Description	Interest Rate Percent	Issue Date	Maturity Date	Original Amount	Balance Outstanding June 30, 2023
General Purpose and School Improvements	2.000 - 3.000	2/26/2013	2/26/2028	\$ 12,230	\$ 1,675
General Purpose - Direct Placement	2.12	6/17/2014	1/15/2024	19,100	2,100
General Purpose	2.125 - 4.000	9/28/2016	10/15/2026	14,835	6,600
General Purpose	2.150 - 3.160	10/31/2018	10/15/2024	14,600	9,725
General Purpose	2.0 - 4.0	8/11/2021	8/1/2031	20,000	20,000
Total					<u>\$ 40,100</u>

The annual requirements to amortize bonds payable as of June 30, 2023, are as follows:

<u>Year Ending June 30,</u>	Principal	Interest	Total
2024	\$ 5,805	\$ 979	\$ 6,784
2025	5,825	773	6,598
2026	5,820	559	6,379
2027	5,810	372	6,182
2028	4,150	226	4,376
2029-2033	10,590	215	10,805
Total	<u>\$ 38,000</u>	<u>\$ 3,124</u>	<u>\$ 41,124</u>

The annual requirements to amortize bonds payable - direct placement as of June 30, 2023, are as follows:

<u>Year Ending June 30,</u>	Principal	Interest	Total
2024	<u>\$ 2,100</u>	<u>\$ 33</u>	<u>\$ 2,133</u>

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**Changes in Long-Term Liabilities (Continued)**

Bonds authorized/unissued outstanding are as follows:

Description	Authorized	Grants Received	Bonds Issued/ Paydowns	Authorized Unissued
East Hartford Middle School Improvements	\$ 5,731	\$ 2,445	\$ 3,226	\$ 60
East Hartford High School Renovations and Improvements	11,640	7,184	4,100	356
Flood Control System Improve 2011	7,000	-	7,000	-
Road Improvements 2014	15,000	-	14,996	4
Road Improvements/Flood Control 2016	15,000	-	10,000	5,000
Senior Center/Multi-purpose Facility 2016	5,000	-	5,000	-
Road Improvements 2018	15,000	-	9,000	6,000
Town Hall HVAC 2018	3,900	-	1,000	2,900
Silver Lane Corridor Improvements 2016	3,000	-	-	3,000
Road Improvements 2020	15,000	-	-	15,000
Town Buildings 2020	10,000	-	-	10,000
BOE School Roofs	4,000	-	-	4,000
Road Improvements 2022	15,000	-	-	15,000
Fire Equipment	3,000	-	-	3,000
Total	<u>\$ 128,271</u>	<u>\$ 9,629</u>	<u>\$ 54,322</u>	<u>\$ 64,320</u>

The Town's indebtedness, \$208,282, does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 314,703	\$ 99,964	\$ 214,739
Schools	629,406	4,456	624,950
Sewers	524,505	103,842	420,663
Urban Renewal	454,571	-	454,571
Pension Deficit	419,604	-	419,604

The total overall statutory debt limitation for the Town is equal to seven times annual receipts from taxation \$979,076.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which debt is issued and outstanding.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**Changes in Long-Term Liabilities (Continued)**

The Town is a member of the Metropolitan District (a quasi-municipal corporation that provides water supply, sewerage collection and disposal facilities for members). Member towns are assessed a percentage of the Metropolitan District's net outstanding debt. As such, the Town's overlapping share of debt issued by the Metropolitan District is \$103,842 as of June 30, 2023.

**Financing Arrangements**

The Town has entered into multi-year financing arrangements for the purchase of various capital items including public works equipment, vehicles and computer hardware and software.

The assets acquired through financing arrangements are as follows:

Asset Class:	
Building Improvements	\$ 14,417
Vehicles	14,494
Equipment	5,901
Furniture	562
Total Gross Value	<u>35,374</u>
Less: Accumulated Depreciation	(24,326)
Net Book Value	<u><u>\$ 11,048</u></u>

The net book value approximates the financing arrangements principal balance payable at June 30, 2023.

The following is a summary of financing arrangement commitments as of June 30, 2023:

<u>Year Ending June 30,</u>	
2024	\$ 2,967
2025	2,633
2026	2,636
2027	928
2028	-
Total Minimum Lease Payments	<u>9,164</u>
Less: Amount Representing Interest	(603)
Present Value of Minimum Lease Payments	<u><u>\$ 8,561</u></u>

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**Landfill Closure**

The Town capped the eastern and western landforms (the landfill) to comply with a consent order issued by the State of Connecticut Department of Environmental Protection (now the Department of Energy and Environmental Protection, DEEP). Solid waste landfill closure and post-closure requirements were established by DEEP. The Town began post-closure monitoring during fiscal year 2003. The cost associated with monitoring and maintaining the landfill area during the post-closure period is the responsibility of the Town and will be paid by the General Fund. The estimated cost to complete monitoring requirements during the 30-year (minimum) monitoring period is \$252. This estimate is subject to change due to inflation, changes in regulations or if environmental problems are identified during post-closure monitoring period. In November 2019, DEEP approved changes to the post-closure monitoring plan that reduce the frequency of sampling events and the number of sampling locations. The cost of water sampling, testing and reporting for the year ended June 30, 2023 was \$15.

**Compensated Absences**

Employees can accumulate additional amounts of unused vacation and sick leave, and earn compensatory time (as determined by individual union contracts) until termination of their employment. At termination, pay-out provisions as determined by individual union contract provides for payments to vested employees.

**Retirement Obligations**

Board of Education retirement obligations in the amount of \$11 consist of amounts due to employees, payable upon retirement, representing deferred commitments awarded to employees in 1992 in lieu of receiving raises for that year.

**NOTE 8 MANAGEMENT AGREEMENT**

In November 2013, the Town entered into a management agreement with a company to manage the operations of the Town's golf course. The initial term of the contract was effective on November 8, 2013, for a five-year term with an option to renew for two additional three-year terms if mutually agreed. The agreement calls for an initial funding by the Town of \$50 and includes an annual base management fee of \$81 per year. An additional incentive management fee is also provided for if the company outperforms the annual revenue budget projection at \$5 for each \$50 increase in total revenue over the budgeted projection.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 9 FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2023, are as follows:

	Major Funds			Nonmajor Governmental Funds	Total
	General Fund	State and Federal Education Grants Fund	Capital Improvement Fund		
Fund Balances:					
Nonspendable:					
Prepaid Expenditures	\$ 70	\$ -	\$ -	\$ 72	\$ 142
Restricted for:					
Grants	-	-	-	51	51
Donations	-	-	-	6,235	6,235
Scholarships	-	-	-	132	132
Committed to:					
School Cafeteria	-	-	-	2,680	2,680
Student Activities	-	-	-	282	282
Youth Services	-	-	-	24	24
Health Services	-	-	-	31	31
Education Programs	-	-	-	351	351
Dog Fund				1	1
Assigned to:					
Purchases on Order:					
General Government	89	-	-	-	89
Public Works	469	-	-	-	469
Public Safety	32	-	-	-	32
Unassigned	24,789	(9)	(18,758)	(1,548)	4,474
Total Fund Balances	<u>\$ 25,449</u>	<u>\$ (9)</u>	<u>\$ (18,758)</u>	<u>\$ 8,311</u>	<u>\$ 14,993</u>

Significant encumbrances at June 30, 2023, are contained in the above table in the assigned category of the General Fund.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 10 RISK MANAGEMENT**

The Town is exposed to various risks of loss including torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The Town has chosen to retain the risks for workers' compensation through a Workers' Compensation Fund, employee health and medical claims (Health Benefits Fund), and general and auto liability claims (General Liability Fund). These funds are reported as Internal Service Funds. The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. Various Town funds contribute to the self-insurance funds based on estimates made using historical data. The Town contracted with outside organizations to pay claims and provide administrative services. Additionally, stop-loss insurance coverage has been purchased to limit the Town's liability for health and medical claims. A claims liability of \$4,057 for the Workers' Compensation Fund, reported at June 30, 2023, is based on a summary report of outstanding liabilities for workers' compensation and heart and hypertension claims. The claims liability of \$1,655 for the Health Benefits Fund, reported at June 30, 2023, is based on estimated claims incurred but not reported.

A claims liability of \$1,129 for the General Liability Fund, reported at June 30, 2023, is based on a summary loss report of outstanding liabilities by coverage. The changes in the claim's liability were as follows:

Fiscal Year	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
2022-23	\$ 6,930	\$ 22,387	\$ 22,476	\$ 6,841
2021-22	6,486	25,277	24,833	6,930

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**NOTE 11 TAX ABATEMENTS**

As of June 30, 2023, the Town provides tax abatements through the Economic Development Tax Abatement Program.

Program:	Economic Development Tax Abatement Program	
Purpose of Program:	Economic development, job growth, increased property value/personal property taxes, revenue growth	
Tax being abated:	Real Property	Real & Personal Property
Authority under which abatement agreement is entered into:	CGS 12-65b	Chapter 585 CGS Sec 32-70
Criteria to be eligible to receive abatement:	<p>Project: New building (29,346 sq feet) at 178-182 Roberts Street.</p> <p>Developer had to spend in excess of \$3m on the development of the Project.</p> <p>Improvements must be for one of the following: (1) Office use; (2) retail use; (3) permanent residential use 4+ dwelling units; (4) transient residential use 4+ dwelling units; (5) manufacturing use; (6) warehouse, storage or distribution use; (7) structured multilevel parking use with a mass transit system; (8) information technology; (9) recreation facilities; (10) transportation facilities; (11) mixed-use development; or (12) use by or on behalf of a health system</p> <p>Must provide economic value to the town (increased taxes / jobs). Estimated to provide employment for 36 employees.</p>	<p>Project: Horst Engineering</p> <p>Complete renovation of the building at 141 Prestige Park, including but not limited to: HVAC, roof, windows, all interior finishes, exterior pavement. Included in excess of \$4 million for new machinery and equipment and over Total renovation cost of \$9.6 million</p> <p>Approved for CT's Enterprise Zone Program: Companies involved in manufacturing, research, associated with manufacturing and distribution warehousing (new construction/expansion only), as well as certain service companies, that develop properties in an Enterprise Zone or a zone that is eligible for Enterprise Zone-level benefits are eligible to receive:</p> <p>a five-year 80% abatement of local property taxes on qualifying real estate and personal property (machinery and equipment)—the investment must be new to the municipality's Grand List as a direct result of a business expansion and/or renovation.</p> <p>Criteria for eligibility: -renovate an existing facility by investing at least 50% of the facility's prior assessed value in the renovation; or -construct a new facility or expand an existing facility; or -acquire a facility that has been idle for a stated minimum timeframe (sliding scale dependent on average number of employees for previous six months): (if 19+ employees) at least one year (if 6-19 employees) at least six months (if 5 or fewer employees) no idleness requirement applies</p>
How recipients' taxes are reduced:	<p>The increase in real property assessment, calculated by the assessed value less the baseline assessed value was agreed to be abated as follows:</p> <p>100% of the increase in real property assessment in Year 1, 80% of the increase in Year 2; 60% of the increase in Year 3; 40% of the increase in Year 4; 20% in Year 5.</p> <p>The first year was the assessment year commencing October 1, following the issuance of the Certificate of Occupancy (COC). The COC was issued in 2019. Therefore the Year 1 of the tax abatement was the Grand List (assessed value) as of October 1, 2020 (FY22).</p>	<p>For the 2021 Grand List (FY23) the exemption would be 40% of the assessed value on Real Estate and 40% Assessed Value on Personal Property</p>
How amount of abatement is determined:	<p>The baseline year as specified in the agreement is October 1, 2018 grand list assessed value, which totaled \$758,410.</p> <p>The assessed value as of October 1, 2020 grand list was \$1.626M. In Year 1, 100% of the increase from the assessed value as of Oct 1, 2018 was to be abated. The increase was \$868,440 (\$1,626,850-868,440 = \$758,410). The net assessment was held at \$758,410, which therefore abated the increase 100% as compared to the assessment as of 10/1/2018.</p> <p><del>The amount of tax revenue forgone in the fiscal year ending 6/30/2022</del></p>	<p>2021 Grand List Real Estate Assessed value was \$4,201,600. 40% on the assessed value equals to the exemption of \$1,680,640.</p> <p>The 2021 Grand List Personal Property Assessment (after manufacturer exemption) \$717,125. 40% on the assessed value equals to the exemption of \$286,850.</p> <p>The amount of tax revenue forgone in the fiscal year ending 6/30/2023 totaled \$80,667.09.</p>
Provisions for recapturing abated taxes:	<p>In the event the Developer discontinues its operation of the Project or moves a substantial amount of its operations as they currently exist on the date of this Agreement and the new development project/expansion out of East Hartford prior to the 10-year period after construction is completed, the Town may terminate future property tax savings and the Developer is responsible for repayment of a portion of the abated taxes as follows:</p> <p>Year 1-5: 100% of the total taxes abatement received to date Year 6-10: 50% of the total tax abatement received to date</p>	<p>Program does not commence until Certificate of Occupancy is issued confirming renovations/construction completed.</p>
Types of commitments made by the City other than to reduce taxes:	N/A	N/A
Gross dollar amount (accrual basis) by which the City's taxes were reduced as a result of the abatement agreement program:	The amount of tax revenue forgone in the fiscal year ending 6/30/2023 totaled \$42,857.51.	The amount of tax revenue forgone in the fiscal year ending 6/30/2023 totaled \$80,667.09.

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**NOTE 11 TAX ABATEMENTS (CONTINUED)**

Program:	Economic Development Tax Abatement Program	
Purpose of Program:	Economic development, job growth, increased property value/personal property taxes, revenue growth	
Tax being abated:	Real Property	Real & Personal Property
Authority under which abatement agreement is entered into:	Chapter 585 CGS Sec 32-70	Chapter 585 CGS Sec 32-70
Criteria to be eligible to receive abatement:	<p>Project: Rooke Realty</p> <p>Renovation of the building at 654 Tolland Street, including but not limited to: exterior windows/walls, flooring, staircases, bathrooms, HVAC, code updates, roof, siding, new signage, facade, interior finishes and exterior pavement. Estimated investment of over \$800,000</p> <p>Approved for CT's Enterprise Zone Program: Companies involved in manufacturing, research, associated with manufacturing and distribution warehousing (new construction/expansion only), as well as certain service companies, that develop properties in an Enterprise Zone or a zone that is eligible for Enterprise Zone-level benefits are eligible to receive:</p> <p>a five-year 80% abatement of local property taxes on qualifying real estate and personal property (machinery and equipment)—the investment must be new to the municipality's Grand List as a direct result of a business expansion and/or renovation.</p> <p>Criteria for eligibility: -renovate an existing facility by investing at least 50% of the facility's prior assessed value in the renovation; or -construct a new facility or expand an existing facility; or -acquire a facility that has been idle for a stated minimum timeframe (sliding scale dependent on average number of employees for previous six months): <i>(if 19+ employees) at least one year</i> <i>(if 6-19 employees) at least six months</i> <i>(if 5 or fewer employees) no idleness requirement applies</i></p>	<p>Project: UTC Engineering and Research Building</p> <p>New construction of 425,000 sq feet Engineering Building and renovation and expansion of Research Building (50,000 sq foot addition). Investment of over \$150 million for new construction and \$60 million for expansion/renovation of building 2.</p> <p>Approved for CT's Enterprise Zone Program: Companies involved in manufacturing, research, associated with manufacturing and distribution warehousing (new construction/expansion only), as well as certain service companies, that develop properties in an Enterprise Zone or a zone that is eligible for Enterprise Zone-level benefits are eligible to receive:</p> <p>a five-year 80% abatement of local property taxes on qualifying real estate and personal property (machinery and equipment)—the investment must be new to the municipality's Grand List as a direct result of a business expansion and/or renovation.</p> <p>Criteria for eligibility: -renovate an existing facility by investing at least 50% of the facility's prior assessed value in the renovation; or -construct a new facility or expand an existing facility; or -acquire a facility that has been idle for a stated minimum timeframe (sliding scale dependent on average number of employees for previous six months): <i>(if 19+ employees) at least one year</i> <i>(if 6-19 employees) at least six months</i> <i>(if 5 or fewer employees) no idleness requirement applies</i></p>
How recipients' taxes are reduced:	<p>Project: Rooke Realty</p> <p>Renovation of the building at 654 Tolland Street, including but not limited</p>	For the 2021 Grand List (FY23) the exemption would be 80% of the assessed value on the new buildings and newly renovated areas.
How amount of abatement is determined:	<p>2021 Grand List Real Estate Assessed Value was \$718,570. 80% on the assessed value equals to the exemption amount of \$574,856.</p> <p>The amount of tax revenue forgone in the fiscal year ending 6/30/2023 totaled \$23,569.10.</p>	<p>2021 Grand List Real Estate Assessed value \$44,240,840. 80% on the assessed value equals to the exemption amount of \$35,392,672.</p> <p>The amount of tax revenue forgone in the Fiscal year ending 6/30/2023 totaled \$1,451,099.55.</p>
Provisions for recapturing abated taxes:	Program does not commence until Certificate of Occupancy is issued confirming renovations/construction completed.	Program does not commence until Certificate of Occupancy is issued confirming renovations/construction completed.
Types of commitments made by the City other than to reduce taxes:	N/A	N/A
Gross dollar amount (accrual basis) by which the City's taxes were reduced as a result of the abatement agreement program:	The amount of tax revenue forgone in the fiscal year ending 6/30/2023 total	The amount of tax revenue forgone in the Fiscal year ending 6/30/2023 totaled \$1,451,099.55.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**A. Plan Description and Benefits Provided**

The Town is the administrator of a single-employer Public Employee Retirement System (PERS) established by the Town to provide pension benefits for its employees. The Public Employee Retirement System was enacted by Special Act of the Connecticut Legislature. The plan is managed by the Pension and Retiree Benefit board consisting of five members appointed by Town Council including the Town Treasurer, a Town Councilor, and three electors of the Town, one of whom shall be a member of the Town's retirement system. The board serves as trustee of the funds and shall determine contributions payable by the Town in accordance with sound actuarial principles. The Pension and Retiree Benefit Board shall ensure the pension funds are prudently invested for long-term, safe growth of invested funds. There are no stand-alone financial statements issued for the PERS. The PERS is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund.

The Town of East Hartford Retirement System covers all full-time police, firefighter, dispatchers, and general employees of the Town and full-time paraprofessionals and noncertified employees of the Board of Education hired prior to December 31, 2005, and only police, firefighter, paraprofessionals, and dispatchers hired after December 31, 2005. The Town provides all retirement, death, and disability benefits through a single-employer, contributory, defined benefit plan. Firefighters and police officers are 100% vested after 15 years of service. Dispatchers are 100% vested after five years of service. All other participants in the plan are 100% vested after 10 years of service. Firefighters and police officers who retire at normal retirement (25 years of service regardless of age, or age 65 with the completion of 15 years of service) receive a benefit of 2.5% of final average salary per year of service to a maximum of 75% of final average salary. Paraprofessional employees who retire at normal retirement (attainment of age 65 and completion of 10 years of service; attainment of age 62 and completion of 25 years of service; the latter of age 65 or five years of participation in the plan; or the Rule of 85) receive a benefit of 2.2% of the employee's final average salary multiplied by the number of years and full months of credited service, not to exceed 70% of the employee's final average salary. The paraprofessional employee pension plan closed as of June 30, 2015. Dispatchers who retire at normal retirement (attainment of age 65 and completion of 5 years of credited service; 25 years of credited service regardless of age; or the Rule of 75) receive a benefit of 2.2% of the employee's final average salary multiplied by the number of years and full months of credited service, not to exceed 70% of the employee's final average salary. All other participants of the plan who retire at normal retirement (the latter of age 65 and the completion of ten years of service, or the latter of age 62 and the completion of 25 years of service) receive a benefit of 2.33% of final average salary per year of service to a maximum of 70% of final average salary. Final average salary is defined as the average of salary earned during the highest 36 consecutive months of employment based upon the plan year prior to termination.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**A. Plan Description and Benefits Provided (Continued)**

Cost-of-living adjustments are provided to retirees as follows:

General Town and Board of Education Employees

Retirees and beneficiaries who retired prior to January 1, 1991, receive an annual 2% increase. Retirees and beneficiaries who retired on or after January 1, 1991, but prior to January 1, 2002, receive an annual 1% increase. Retirees and beneficiaries who retired on a Disability Pension after December 1, 1996, and prior to December 31, 2005 receive a 1% annual increase. Participants retiring after July 1, 2005, receive a 2% annual increase.

Police and Fire Employees

Police retirees who retired after January 1, 2000, receive 2% increase per year with the first increase paid in the fifth year of retirement. Fire retirees who retired after July 1, 2005, receive a 1% increase beginning in the fifth year of retirement, increasing to 2% per year starting with the ninth year of retirement. Police and Fire retirees who retired prior to January 1, 1991, receive a 2% annual increase. Retirees and beneficiaries who retired on or after January 1, 1991, but prior to January 1, 2002, receive a 1% annual increase. (The 2% Police COLA supersedes the 1% for retirees and beneficiaries who retired in 2000 or 2001).

Plan benefits may be amended by the Town Council.

The membership of the plan consisted of the following at July 1, 2022:

Retired Members or Beneficiaries Currently Receiving Benefits	780
Vested Terminated Members Entitled to but Not Yet Receiving Benefits	43
Active Members	356
Total	1,179

The pension plan was closed to new entrants on July 1, 2006.

**B. Summary of Significant Accounting Policies, Plan Asset Matters, and Plan Changes**

Basis of Accounting

The Town's Pension Trust Funds' financial statements are prepared on the accrual basis of accounting. Employer and employee contributions are recognized when due, pursuant to plan provisions and contractual requirements. Benefit payments and refunds are payable when due and payable in accordance with the terms of the plan.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**B. Summary of Significant Accounting Policies, Plan Asset Matters, and Plan Changes (Continued)**

Method Used to Value Investments

Investments are valued at fair value.

Plan Change

The net investment return assumption was lowered from 7.25% to 7.20% to better reflect future expected experience.

Plan Expenses

Expenses of administering the plan are paid for by the plan.

**C. Funding Policy**

The contribution requirements of plan members are fixed by contract and may be amended by union negotiations as approved by the Town Council.

Employee contribution requirements as a percentage of their earnings to the PERS are as follows:

General Employees	9.00%
Firefighters	9.00%
Police Officers	8.00% to 9.00%
Paraprofessionals	6.00%
Dispatchers	8.00%

If an employee leaves employment before meeting the vesting requirements, accumulated employee contributions and interest are refunded. Effective July 1, 2016, the contributions are credited at 120% of the Federal Mid-Term rate as of July. The Town is required to contribute the remaining actuarially determined amount necessary to provide the benefits for its employees. The Town's current contribution percentage is 67.26% of covered payroll. The annual required contribution for the current year was determined as part of the PERS actuarial valuation dated July 1, 2021.

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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**D. Investments**

Investment Policy

The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board’s adopted asset allocation policy as of June 30, 2023:

Asset Class	Target Allocation
Domestic Equities	35.00 %
International Developed Markets Equities	20.00
Emerging Markets	5.00
REITs	5.00
Core Fixed Income	35.00
Total Portfolio	100.00 %

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.82%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Deferred Retirement Option Plan (DROP)**

The Town offers a DROP to bargaining unit members employed on or after July 1, 2001. Any bargaining unit member who is a member of the Retirement Plan for full-time employees of the Police Department of the Town upon completing his/her 25th year of service may elect the DROP at any time up to and through the completion of his/her 29th year of service. No bargaining unit member may elect the DROP after the completion of his/her 29th year of service. Upon the election of the DROP, no further pension benefits will accrue. During the DROP period, the employee’s monthly pension benefits will be made to the employee’s separately designated DROP account equal to 96% of the pension payment the employee was entitled to receive had that employee not elected the DROP. Upon separation from Town service, the monthly pension benefit shall increase to 100% of the monthly pension payment. During the DROP period, the employee will continue to make employee contributions equivalent to the amounts in effect at the time the DROP was elected, and these contributions will be made to the Town’s Pension Fund, not the member’s separate DROP account. The DROP period has a minimum length of one year and a maximum of five years.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**F. Net Pension Liability of the Town**

The components of the net pension liability of the Town at June 30, 2023, were as follows:

Total Pension Liability	\$ 540,148
Plan Fiduciary Net Position	244,200
Net Pension Liability	<u>\$ 295,948</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	45.21 %
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The total pension liability was determined by an actuarial valuation as of July 1, 2021, rolled forward to June 30, 2023, using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	3.25%
Salary Increases	Varies by Age and Department
Investment Rate of Return	7.20%, Including Inflation

Mortality rates for males was based on the RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment, projected 25 years with Scale BB. Mortality rates for females was based on Separate RP-2014 Tables, projected generationally with Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2017.

Long-term returns are determined using a building-block method in which the 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 allocation as of June 30, 2023, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Weighting
Domestic Equities	9.31 %	3.26 %
International Developed Markets Equities	9.61	1.92
Emerging Markets	11.11	0.56
REITs	6.01	0.30
Core Fixed Income	4.01	140.35
Total Portfolio		<u>146.39</u>
Long-Term Inflation Expectation		2.30
Long-Term Expected Nominal Return		<u><u>148.69 %</u></u>

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**F. Net Pension Liability of the Town (Continued)**

Discount Rate

The discount rate used to measure the total pension liability was 7.20%, a decrease from 7.25% from the prior year. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Town contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries, are included. Projected employer contributions that are intended to fund the service costs of future plan members, and their beneficiaries, as well as projected contributions from future plan members, are not included. 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.

**G. Changes in the Net Pension**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances - July 1, 2022	\$ 519,095	\$ 232,082	\$ 287,013
Changes for the Year:			
Service Cost	5,775	-	5,775
Interest on Total Pension Liability	36,852	-	36,852
Differences Between Expected and Actual Experience	6,987	-	6,987
Changes of Assumptions	3,603	-	3,603
Benefit Payments	(32,164)	(32,164)	-
Employer Contributions	-	21,464	(21,464)
Member Contributions	-	3,090	(3,090)
Net Investment Income	-	19,917	(19,917)
Administrative Expenses	-	(189)	189
Net Changes	<u>21,053</u>	<u>12,118</u>	<u>8,935</u>
Balances - June 30, 2023	<u>\$ 540,148</u>	<u>\$ 244,200</u>	<u>\$ 295,948</u>

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

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

The following presents the net pension liability of the Town, 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:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Net Pension Liability as of June 30, 2023	\$ 355,819	\$ 295,948	\$ 245,746

**I. Pension Expense and Deferred Outflows of Resources**

For the year ended June 30, 2023, the Town recognized pension expense of \$43,245. At June 30, 2023, the Town reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 5,967	\$ -
Changes of Assumptions	7,617	-
Changes in Pension Investment Gains or Losses	14,484	-
Total	\$ 28,068	\$ -

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

Year Ending June 30,	Amount
2024	\$ 16,007
2025	4,008
2026	8,743
2027	(690)
Total	\$ 28,068

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 13 CONNECTICUT TEACHERS RETIREMENT SYSTEM - PENSION**

**A. Plan Description**

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

**B. Benefit Provisions**

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

Normal Retirement

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

Early Retirement

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

**C. Contributions**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the state of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

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**NOTE 13 CONNECTICUT TEACHERS RETIREMENT SYSTEM – PENSION (CONTINUED)**

**C. Contributions (Continued)**

Employer (School Districts)

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

The statutes require the state of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the State was \$18,524 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

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

At June 30, 2023, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	234,944
Total	<u>\$ 234,944</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. At June 30, 2023, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2023, the Town recognized pension expense and revenue of \$22,708 in Exhibit II.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 13 CONNECTICUT TEACHERS RETIREMENT SYSTEM – PENSION (CONTINUED)**

**E. 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:

Inflation	2.50%
Salary Increases	3.00-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Pension Plan Investment Expense, Including Inflation

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

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

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.

Cost-of-Living Allowance

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 13 CONNECTICUT TEACHERS RETIREMENT SYSTEM – PENSION (CONTINUED)**

**E. Actuarial Assumptions (Continued)**

Long-Term Rate of Return

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

Asset Class	Expected Return	Target Allocation
Domestic Equity Fund	5.40 %	20.00 %
Developed Market Intl. Stock Fund	6.40	11.00
Emerging Market Intl. Stock Fund	8.60	9.00
Core Fixed Income Fund	0.80	13.00
Emerging Market Debt Fund	3.80	5.00
Hight Yield Bond fund	3.40	3.00
Real Estate Fund	5.20	19.00
Private Equity	9.40	10.00
Private Credit	6.50	5.00
Alternative Investments	3.10	3.00
Liquidity Fund	(0.40)	2.00
Total		<u>100.00 %</u>

**F. Discount Rate**

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

**G. 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.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 13 CONNECTICUT TEACHERS RETIREMENT SYSTEM – PENSION (CONTINUED)**

**H. Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

**I. Other Information**

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

**NOTE 14 POST-EMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN**

**A. Summary of Significant Accounting Policies**

Basis of Accounting

The financial statements of the Retiree Health Plan (RHP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the Town.

Investments are reported at fair value. Investment income is recognized as earned.

**B. Plan Description**

The RHP is a single-employer defined benefit healthcare plan administered by the Town. The RHP provides medical, dental, and life insurance benefits to eligible retirees and their spouses. All employees of the Town are eligible to participate in the plan. Benefit provisions are established through negotiations between the Town and the various unions representing the employees.

The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Retiree Benefit Trust Fund. The plan does not issue a stand-alone financial report.

Management of the post-employment benefits plan is vested with the Director of Finance and the Pension and Retiree Benefits Board. Policy oversight is provided by the Pension and Retiree Benefits Board, which consists of five members, including the Town Treasurer, one member of the Town Council, two electors of the Town, and one labor member.

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**NOTE 14 POST-EMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN (CONTINUED)**

**B. Plan Description (Continued)**

At July 1, 2021, plan membership consisted of the following:

	Retiree Health Plan <i>(Not Rounded)</i>
Actives	1,122
Retirees	1,113
Spouses of Retirees	140
Beneficiaries	25
Total Participants	2,400

**C. Funding Policy**

The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

Town Employees (Not Rounded)

The cost per month for Town employees receiving medical coverage under Anthem or ConnectiCare is \$787 per month for retiree only coverage and \$1,574 per month for retiree and spouse coverage to age 65, and \$169 and \$338 per month, respectively, thereafter.

Board of Education Employees (Not Rounded)

The cost per month for Board of Education employees receiving medical coverage under Anthem is \$825 per month for retiree only coverage and \$1,649 per month for retiree and spouse coverage. The cost per month for Board of Education employees receiving dental coverage under Anthem is \$50 per month for retiree only coverage and \$100 per month for retiree and spouse coverage.

For the year ended June 30, 2023, plan members contributed \$297. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

Employer contributions to the plan of \$5,227 were made in accordance with actuarially determined requirements, which represent premium payments.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 14 POST-EMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN (CONTINUED)**

**D. Investment Policy**

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

The following was the Board’s adopted asset allocation policy as of June 30, 2023:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	18.00 %	4.08 %
U.S. Small Cap	6.00	4.65
Foreign Developed Equity	15.00	5.56
Non-U.S. Small Cap	7.50	5.70
Emerging Markets Equity	7.50	5.97
U.S. REITs	6.00	4.11
U.S. Core Fixed Income	40.00	1.84
Total	100.00 %	

**Rate of Return**

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 6.59%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Net OPEB Liability of the Town**

The Town’s net OPEB liability was measured as of June 30, 2023. The components of the net OPEB liability of the Town at June 30, 2023, were as follows:

Total OPEB Liability	\$ 125,146
Plan Fiduciary Net Position	13,815
Net OPEB Liability	\$ 111,331

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.04 %
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**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 14 POST-EMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN (CONTINUED)**

**E. Net OPEB Liability of the Town (Continued)**

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, rolled forward to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Interest	3.65% (Prior 3.54%)
Inflation	2.60%
Healthcare Cost Trend Rates	Pre-65: 5.40% - 4.10% Over 52 Years Post-65: 4.90% - 4.10% Over 52 Years

Mortality

For healthy retirees and beneficiaries – Pub-2010 Mortality Table with generational projection per the MP-2021 (Prior: MP-2019) Ultimate scale, with employee rates before commencement and healthy annuitant rates after benefit commencement.

The Public Safety variant is used for Police and Fire and the General variant is used for all other groups. This assumption includes a margin for future improvements in longevity.

For BOE Certified – PubT-2010 Mortality Table for Employees and Healthy Annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP- 2021 (Prior: MP-2019) Ultimate scale. The PubT-2010 Contingent Survivor Table projected generationally per the MP-2021 (Prior: MP-2019) Ultimate scale and set forward one year for both males and females is used for survivors and beneficiaries. This assumption includes a margin for improvements in longevity beyond the valuation date.

Prior – For healthy retirees and beneficiaries, the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80 projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80.

The actuarial assumptions used in the July 1, 2021 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. A full actuarial experience study has not been completed.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 14 POST-EMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN (CONTINUED)**

**E. Net OPEB Liability of the Town (Continued)**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the OPEB plan's target asset allocation, as summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	18.00 %	4.08 %
U.S. Small Cap	6.00	4.65
Foreign Developed Equity	15.00	5.56
Non-U.S. Small Cap	7.50	5.70
Emerging Markets Equity	7.50	5.97
U.S. REITs	6.00	4.11
U.S. Core Fixed Income	40.00	1.84
Total	100.00 %	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.60% (prior 3.54). Since the OPEB plan's fiduciary net position and future contributions was not projected to be available to make all projected future benefit payments of current active and inactive employees, the discount rate used for calculating the total OPEB liability is equal to the 20-year published Bond Buyer GO 20-Bond Municipal Index.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 14 POST-EMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN (CONTINUED)**

**F. Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances - July 1, 2022	\$ 120,933	\$ 12,653	\$ 108,280
Changes for the Year:			
Service Cost	4,332	-	4,332
Interest on Total OPEB Liability	4,343	-	4,343
Effect of Assumptions Changes or Inputs	704	-	704
Benefit Payments	(5,166)	(5,166)	-
Employer Contributions	-	5,227	(5,227)
Member Contributions	-	297	(297)
Net Investment Income	-	846	(846)
Administrative Expenses	-	(42)	42
Net Changes	<u>4,213</u>	<u>1,162</u>	<u>3,051</u>
Balances - June 30, 2023	<u>\$ 125,146</u>	<u>\$ 13,815</u>	<u>\$ 111,331</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	\$ 125,909	\$ 111,331	\$ 99,174

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 95,966	\$ 111,331	\$ 130,354

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 14 POST-EMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN (CONTINUED)**

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

For the year ended June 30, 2023, the Town recognized OPEB expense of \$3,552. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (22,891)
Changes of Assumptions	19,917	(24,259)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	869	-
Total	\$ 20,786	\$ (47,150)

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

Year Ending June 30,	Amount
2024	\$ (4,035)
2025	(4,332)
2026	(7,239)
2027	(8,168)
2028	(2,590)
Thereafter	-
Total	\$ (26,364)

**NOTE 15 OTHER POST-EMPLOYMENT BENEFIT - CONNECTICUT TEACHERS RETIREMENT PLAN**

**A. Plan Description**

Teachers, principals, superintendents, or supervisors engaged in service of public schools plus professional employees at state schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost-sharing, multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at [www.ct.gov/trb](http://www.ct.gov/trb).

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 15 OTHER POST-EMPLOYMENT BENEFIT - CONNECTICUT TEACHERS RETIREMENT PLAN (CONTINUED)**

**B. Benefit Provisions (Not Rounded)**

There are two types of the healthcare 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 Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue healthcare 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, and 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 who is currently participating in Medicare Parts A & B is eligible to either continue healthcare 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 Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees, and the state pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their healthcare coverage or elect to not enroll in a CTRB sponsored healthcare coverage option must wait two years to re-enroll.

Survivor Healthcare Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 15 OTHER POST-EMPLOYMENT BENEFIT - CONNECTICUT TEACHERS RETIREMENT PLAN (CONTINUED)**

**C. Eligibility**

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

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, state employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

**D. Contributions (Not Rounded)**

State of Connecticut

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

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 15 OTHER POST-EMPLOYMENT BENEFIT - CONNECTICUT TEACHERS RETIREMENT PLAN (CONTINUED)**

**D. Contributions (Not Rounded) (Continued)**

Employer (School Districts)

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

For the year ended June 30, 2023, the amount of “on-behalf” contributions made by the State was \$262 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows:

- Active teachers’ pay for one-third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

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

At June 30, 2023, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related state support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town’s Proportionate Share of the Net OPEB Liability	\$	-
State’s Proportionate Share of the Net OPEB Liability Associated with the Town		20,576
Total	<u>\$</u>	<u>20,576</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 June 30, 2022. At June 30, 2023, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2023, the Town recognized OPEB expense and revenue of \$1,240 in Exhibit II.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 15 OTHER POST-EMPLOYMENT BENEFIT - CONNECTICUT TEACHERS RETIREMENT PLAN (CONTINUED)**

**F. Actuarial 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:

Inflation	2.50%
Healthcare Costs Trend Rate	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.50% by 2031
Salary Increases	3.00%, Net of OPEB Plan
Investment Rate of Return	Investment Expense, Including Inflation
Year Fund Net Position will be Depleted	2027

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 2.17% to 3.53%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
- The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated;
- Long-term health care cost trend rates were updated; and
- The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

The changes in the benefit terms since the prior year are as follows:

- There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
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**NOTE 15 OTHER POST-EMPLOYMENT BENEFIT - CONNECTICUT TEACHERS RETIREMENT PLAN (CONTINUED)**

**F. Actuarial Assumptions (Continued)**

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.98%).

**G. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2022.

In addition to the actuarial methods and assumptions of the June 30, 2022 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual state contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

**NOTE 15 OTHER POST-EMPLOYMENT BENEFIT - CONNECTICUT TEACHERS RETIREMENT PLAN (CONTINUED)**

**H. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate and the Discount Rate**

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

**I. OPEB 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 at [www.ct.gov](http://www.ct.gov).

**J. Other Information**

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

**NOTE 16 PENSION AND OPEB COMBINING SCHEDULES**

**Pension and OPEB Combining Statement of Net Position**

	Pension Trust Fund	Retiree Benefit Trust Fund	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,124	\$ 274	\$ 2,398
Accounts Receivable	-	553	553
Investments - Guaranteed Interest Contract	3,213	-	3,213
Investments - Mutual Funds	238,971	12,995	251,966
Total Assets	244,308	13,822	258,130
<b>LIABILITIES</b>			
Accounts Payable	108	7	115
<b>NET POSITION</b>			
Restricted for Pension and Other Benefits	\$ 244,200	\$ 13,815	\$ 258,015

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

**NOTE 16 PENSION AND OPEB COMBINING SCHEDULES (CONTINUED)**

**Pension and OPEB Combining Statement of Changes in Net Position**

	Pension Trust Fund	Retiree Benefit Trust Fund	Total
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 21,464	\$ 5,227	\$ 26,691
Plan Members	3,090	297	3,387
Total Contributions	<u>24,554</u>	<u>5,524</u>	<u>30,078</u>
Investment Income:			
Net Change in Fair Value of Investments	12,794	338	13,132
Interest and Dividends	<u>7,194</u>	<u>508</u>	<u>7,702</u>
Total Investment Income	19,988	846	20,834
Less: Investment Expense	<u>(71)</u>	<u>-</u>	<u>(71)</u>
Net Investment Income	<u>19,917</u>	<u>846</u>	<u>20,763</u>
Total Additions	44,471	6,370	50,841
<b>DEDUCTIONS</b>			
Benefits	32,164	5,166	37,330
Administration	<u>189</u>	<u>42</u>	<u>231</u>
Total Deductions	<u>32,353</u>	<u>5,208</u>	<u>37,561</u>
<b>CHANGE IN NET POSITION</b>	12,118	1,162	13,280
Net Position - Beginning of Year	<u>232,082</u>	<u>12,653</u>	<u>244,735</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 244,200</u>	<u>\$ 13,815</u>	<u>\$ 258,015</u>

**NOTE 17 DEFINED CONTRIBUTION PLAN**

The Town established a defined contribution plan effective January 31, 2007, to provide benefits at retirement to full-time, nonpublic safety, nonteacher, and nondispatcher hired after January 1, 2006, for both the Town and Board of Education. The Town's Finance Department in cooperation with the Human Resources Department administers this single employer defined contribution benefit plan. Employees are required to contribute 6% of covered salary, which are matched by employer contributions of 4% of covered salary. Employees are fully vested in employee contributions and are fully vested after five years in employer contributions.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

**NOTE 17 DEFINED CONTRIBUTION PLAN (CONTINUED)**

The value of the plan at June 30, 2023, is \$10,179. There were 389 participants as of June 30, 2023. During the fiscal year ended June 30, 2023, employees contributed \$1,513 (exclusive of lump-sum conversion amounts) and the Town contributed a matching employer contribution of \$985. Covered payroll totaled \$25,252. Plan provisions and contribution requirements are determined by contract approval by the East Hartford Town Council and may be amended only with bargaining unit approvals.

**NOTE 18 COMMITMENTS AND CONTINGENCIES**

**Construction Commitment – Flood Protection System**

The Town of East Hartford is located on the eastern bank of the Connecticut River, a major tributary which outlets to Long Island Sound and ultimately to the Atlantic Ocean. After extensive flooding caused by the 1938 Hurricane, the United States Army Corps of Engineers (USACE), with the Town's assistance, constructed a Flood Protection System (FPS) to protect a significant area of Town. The Town entered into an agreement with the Federal Government to own, operate and maintain the FPS after construction. The FPS consists of earthen levee, concrete floodwall, two closure structures, three storm water pump stations, a stormwater storage pond and other associated infrastructure.

In 2005, as a result of overwhelming damage caused by Hurricane Katrina to levees around New Orleans, the USACE reviewed their nationwide policies and standards – ultimately yielding a new interim policy for flood protection systems. As a result, the Town needed to address deficiencies to ensure that the FPS provides an appropriate level of protection. In addition, the Federal Emergency Management Agency (FEMA) required reaccreditation of the FPS.

Since 2007, the Town has systematically addressed repairs to the FPS in order to improve stability and integrity of the FPS. The repairs include, but are not limited to, the following: the installation of sheet pile cut-off walls, a soil bentonite cut-of wall, replacement of a timber bulkhead with a new steel sheeting bulkhead, replacement of a concrete retaining wall, repair of the Meadow Hill Outfall box culvert, and various repairs to the three storm water pump stations.

Other repairs identified by the USACE include renovation of the two closure structures, renovations of the storm water pump stations (e.g. electrical systems and new pumps), removal of sediment from the Meadow Hill storage pond, acquisition of various property rights for the FPS, and replacement of the toe drain system.

Town voters approved two (2) \$7,000 bond authorizations, in November 2007 and November 2011, to fund various repairs and an additional \$5,000 bond authorization in November 2016. The Town also secured a Connecticut Department of Energy and Environmental Protection grant of \$7,000 for the rehabilitation of the FPS. To date the Town has expended a majority of the \$26,000 on required FPS improvements. The remaining funds have been programmed to complete required repairs which are currently in the design or construction phase.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

**NOTE 18 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Construction Commitment – Flood Protection System (Continued)**

The Public Works Department continues to develop a list of unfunded repairs and operational improvements for the FPS. The projected cost of the unfunded items is estimated at \$28,000 (in 2014 dollars). In 2023, the Town entered into an agreement that requires the USACE to complete a comprehensive 3-year study of the FPS under the Water Resources Development Act. It is anticipated that the study will identify all remaining updates and improvements to the FPS. If funded by Congress, half the cost of the work will be provided by Federal funds.

**Landfill Remediation**

Prior to the landfill closure, citizens fishing in the Hockanum River reported partially buried drums along the river, south of the eastern landform. The drums and their contents were removed. Subsequently, two pockets of contamination that were above acceptable levels were identified. Additional testing and characterization was conducted to determine the scope of the remediation project. The Town met with DEEP and the United States Environmental Protection Agency to determine the extent of contamination in the soil, applicable clean-up standards, and an appropriate remediation plan.

The Town will provide a remediation plan based on DEEP's required standards. Once the plan is approved by the state and federal agencies, the Town will proceed with the design and associated land use permits. The Town will competitively bid the remediation work to be completed. Once that plan is developed, the cost will be estimated.

**Shea Park Remediation**

Prior to the late 1960s, Shea Park was a commercial sand pit operation. The Town acquired the property and filled the pit with available materials, reported to include excavation spoils from commercial developments, incinerator ash and crushed vehicles. Topsoil was placed over the fill materials and grass established for the park. From 2000 to 2003, the Town evaluated the surface soils and reported the results to the Connecticut Department of Environmental Protection. As a result, 300 tons of impacted soils were removed from the park and replaced with clean topsoil. In addition, an environmental use restriction for the park was filed on the land records.

In 2022, the Connecticut Department of Energy and Environmental Protection (DEEP) determined that the environmental use restriction was not adequate. The Town has engaged with a consultant to prepare a fully compliant environmental land use restriction that will be filed on the land records. DEEP also indicated that the amount of topsoil over the fill materials would need to increase from 2 feet to 4 feet. It is unclear at this time if DEEP will also ask, or order, the Town to evaluate soil or groundwater conditions at the park. The consultant is currently preparing designs for the park that will provide the additional 2 feet of separation.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

**NOTE 19 LITIGATION**

During the normal course of business, claims against the Town arise from personal injury suits, contract disputes, property damage claims, and other normal type claims related to a municipality.

It is the opinion of the Town Attorney that the ultimate liability of the Town for these cases currently pending will not have a material adverse effect upon the Town's financial position.

During 2009, a personal property settlement was assessed against the Town by a manufacturing company. The settlement stipulated that the Town refund personal property taxes in the amount of \$4,000 in 36 bi-annual credits commencing with the property tax bills due July 1, 2009, and ending with the property tax bills due January 1, 2027. The first 35 credits each will be in the amount of \$113. The final credit, to be provided as of January 1, 2027, will be in the amount of \$63.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF EAST HARTFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023  
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>General Property Taxes:</b>				
Current Tax Levy	\$ 134,748	\$ 135,748	\$ 137,618	\$ 1,870
Prior Years Levy	1,500	1,500	1,293	(207)
Interest and Liens	1,650	1,650	1,341	(309)
Total General Property Taxes	<u>137,898</u>	<u>138,898</u>	<u>140,252</u>	<u>1,354</u>
<b>Licenses and Permits:</b>				
Protective	40	40	40	-
Amusement	1	1	-	(1)
Fire Marshall	550	550	1,200	650
Building Structures and Equipment	1,270	1,270	2,133	863
Street Privilege and Use	23	23	20	(3)
Health	55	55	79	24
Other Licenses and Fees	7	7	5	(2)
Total Licenses and Permits	<u>1,946</u>	<u>1,946</u>	<u>3,477</u>	<u>1,531</u>
<b>Intergovernmental Revenues:</b>				
HSG State Pilot	27	27	28	1
Pilot and Telephone	122	122	138	16
Tiered Pilot	3,057	3,057	3,019	(38)
Controlling Interest Trans Tax	1	1	1	-
MV Mill Rate Grant	4,326	4,326	4,330	4
Municipal Project Grant	8,053	8,053	8,053	-
FEMA	-	-	132	132
Urban Stabilization Grant	201	201	201	-
Distressed Municipalities	1,400	1,400	775	(625)
Disability Exemptions	10	10	9	(1)
Veterans Exemptions	36	36	24	(12)
Abandoned Motor Vehicles	1	1	10	9
Education Cost Sharing	41,711	41,711	41,632	(79)
Pequot Funds	157	157	157	-
Special Education	1,000	1,000	1,029	29
Health and Welfare	30	30	-	(30)
UMTA	14	14	14	-
Youth Services	39	39	40	1
Municipal Revenue Sharing	-	648	1,349	701
Total Intergovernmental Revenues	<u>60,185</u>	<u>60,833</u>	<u>60,941</u>	<u>108</u>
<b>Charges for Services:</b>				
Town Clerk	1,823	1,823	1,876	53
Public Safety	632	632	48	(584)
Building	14	14	80	66
Public Works	158	158	152	(6)
Libraries	17	17	15	(2)
Recreation	30	30	13	(17)
Cemeteries	240	240	267	27
Total Charges for Services	<u>2,914</u>	<u>2,914</u>	<u>2,451</u>	<u>(463)</u>

**TOWN OF EAST HARTFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2023  
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Use of Money:				
Interest from Investments	\$ 50	\$ 1,150	\$ 1,626	\$ 476
Fines and Forfeits:				
Traffic Tags and Motor Vehicle Fines	58	58	77	19
Other Revenue:				
Rentals	100	100	56	(44)
Compensation and Insurance Refunds	280	280	269	(11)
Miscellaneous	679	2,892	473	(2,419)
Total Other Revenue	1,059	3,272	798	(2,474)
Total Revenue	204,110	209,071	209,622	551
Other Financing Sources:				
Transfers In:				
Capital Improvement Fund	10	10	8	(2)
Nonmajor Funds	312	312	1,158	846
Total Other Financing Sources	322	322	1,166	844
Total Revenue and Other Financing Sources	\$ 204,432	\$ 209,393	210,788	\$ 1,395
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf payment related to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			18,524	
State of Connecticut on-behalf payment related to the Connecticut State Teachers' OPEB System for Town teachers are not budgeted.			262	
State of Connecticut on-behalf contributions for WIC.			3,623	
Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for GAAP financial reporting purposes.			(144)	
The Board of Education does not budget for a combination of intergovernmental grants and charges for services amounts received which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for as GAAP financial reporting purposes.			7,742	
Total Revenue and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ 240,795	

**TOWN OF EAST HARTFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023  
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		
General Government:				
Town Council	\$ 178	\$ 200	\$ 190	\$ 10
Town Clerk	343	348	337	11
Registrar	133	176	170	6
Selectmen	2	2	2	-
Mayor's Office	439	443	443	-
Corporation Counsel	431	589	542	47
Personnel	401	556	497	59
Libraries	1,399	1,415	1,384	31
Probate	23	23	19	4
Youth Services	473	453	430	23
Grants Administration	116	108	100	8
Finance Administration	272	350	350	-
Accounts and Control	398	520	520	-
Data Processing	2,121	2,065	2,016	49
Purchasing	206	195	179	16
Treasury	4	4	4	-
Assessing	445	443	443	-
Revenue and Collections	445	443	427	16
Employee Benefits	33,218	35,422	35,406	16
Risk Management	903	932	932	-
Development	318	367	363	4
Economic Development	6	10	7	3
Planning and Zoning	62	40	36	4
Inland Wetlands	7	7	2	5
Z.B.A.	5	5	2	3
Boards, Committees, and Commissions	60	60	49	11
M.D.C.	6,389	6,389	6,389	-
Contingency	449	48	-	48
Total General Government	49,246	51,613	51,239	374
Public Safety:				
Police:				
Administration	14,917	14,845	14,796	49
Operations	40	34	27	7
Criminal Investigation	28	28	27	1
Communications	1,805	1,837	1,801	36
Total Police	16,790	16,744	16,651	93
Fire:				
Administration	721	717	716	1
Fire Suppression	12,089	13,261	13,261	-
Fire Marshal	475	462	462	-
Fire Apparatus Maintenance	547	565	565	-
Fire Alarm Maintenance	394	413	432	(19)
Emergency Medical Services	766	826	826	-
Emergency Management	94	126	126	-
Training	198	195	195	-
Total Fire	15,284	16,565	16,583	(18)
Total Public Safety	32,074	33,309	33,234	75
Inspections and Permits	910	720	702	18

**TOWN OF EAST HARTFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2023  
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Public Works:				
Administration	\$ 539	\$ 557	\$ 556	\$ 1
Engineering	699	696	696	-
Highway Services	2,935	2,932	2,932	-
Waste Services	3,171	4,271	4,271	-
Fleet Services	1,699	1,270	1,270	-
Building Maintenance	1,763	1,940	2,051	(111)
Total Public Works	10,806	11,666	11,776	(110)
Parks And Recreation:				
Administration	1,201	1,323	1,316	7
Maintenance	2,092	2,186	2,186	-
Park Other Facilities	294	229	208	21
Total Parks and Recreation	3,587	3,738	3,710	28
Health and Social Services:				
Administration	137	137	134	3
Community Health and Nursing	159	149	144	5
Social Services	354	339	333	6
Elderly Services - Commissions	9	9	7	2
Elderly Services	630	553	549	4
Environment Control	285	324	324	-
Total Health and Social Services	1,574	1,511	1,491	20
Education	95,994	95,994	93,193	2,801
Debt Service:				
Bond Principal and Interest	8,105	8,105	8,105	-
Capital Improvement - Financing Arrangements	2,136	2,137	2,046	91
Total Debt Service	10,241	10,242	10,151	91
Special Revenue Funds	-	600	3,401	(2,801)
Total Transfers Out	-	600	3,401	(2,801)
Total Expenditures and Other Financing Uses	<u>\$ 204,432</u>	<u>\$ 209,393</u>	208,897	<u>\$ 496</u>

Budgetary expenditures are different than GAAP expenditures because:

- State of Connecticut on-behalf payment related to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted. 18,524
- State of Connecticut on-behalf payment related to the Connecticut State Teachers' OPEB System for Town teachers are not budgeted. 262
- State of Connecticut on-behalf payments for WIC. 3,623
- Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for GAAP financial reporting purposes. (590)
- Encumbrances for purchases and commitments ordered in the previous year that were received and liquidated in the current year are reported for GAAP financial statement reporting purposes. 310
- The Board of Education does not budget for a combination of intergovernmental grants, charges for services and other revenue amounts received which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes. 7,742

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV \$ 238,768

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**EAST HARTFORD RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 5,775	\$ 5,635	\$ 5,355	\$ 5,408	\$ 5,921	\$ 5,819	\$ 5,896	\$ 6,357	\$ 6,284	\$ 5,581
Interest	36,852	35,821	34,933	33,946	31,317	31,058	30,694	28,661	27,525	27,709
Changes of Benefit Terms	-	66	-	-	-	-	894	-	-	-
Differences Between Expected and Actual Experience	6,987	4,329	1,853	1,870	(1,283)	2,279	(5,376)	2,080	10,500	-
Changes of Assumptions	3,603	16,392	1,736	2,520	5,955	17,621	5,848	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(32,164)	(30,336)	(28,050)	(27,270)	(24,956)	(23,236)	(22,680)	(21,313)	(20,322)	(20,114)
Net Change in Total Pension Liability	21,053	31,907	15,827	16,474	16,954	33,541	15,276	15,785	23,987	13,176
Total Pension Liability - Beginning	519,095	487,188	471,361	454,887	437,933	404,392	389,116	373,331	349,344	336,168
Total Pension Liability - Ending	540,148	519,095	487,188	471,361	454,887	437,933	404,392	389,116	373,331	349,344
Plan Fiduciary Net Position:										
Contributions - Employer	21,464	18,964	17,509	16,415	15,430	13,707	12,738	11,856	11,046	10,251
Contributions - Member	3,090	3,185	3,307	3,446	3,285	3,288	3,398	3,182	3,285	3,233
Net Investment Income (Loss)	19,917	(27,400)	55,888	(6,689)	6,087	15,874	23,155	(298)	1,851	30,546
Benefit Payments, Including Refunds of Member Contributions	(32,164)	(30,336)	(28,050)	(27,270)	(24,956)	(23,236)	(22,680)	(21,313)	(20,322)	(20,114)
Administrative Expense	(189)	(187)	(216)	(181)	(193)	(211)	(204)	(202)	(258)	(227)
Net Change in Plan Fiduciary Net Position	12,118	(35,774)	48,438	(14,279)	(347)	9,422	16,407	(6,775)	(4,398)	23,689
Plan Fiduciary Net Position - Beginning	232,082	267,856	219,418	233,697	234,044	224,622	208,215	214,990	219,388	195,699
Plan Fiduciary Net Position - Ending	244,200	232,082	267,856	219,418	233,697	234,044	224,622	208,215	214,990	219,388
Net Pension Liability - Ending	\$ 295,948	\$ 287,013	\$ 219,332	\$ 251,943	\$ 221,190	\$ 203,889	\$ 179,770	\$ 180,901	\$ 158,341	\$ 129,956
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	45.21%	44.71%	54.98%	46.55%	51.37%	53.44%	55.55%	53.51%	57.59%	62.80%
Covered Payroll	\$ 31,913	\$ 33,587	\$ 33,645	\$ 34,593	\$ 38,123	\$ 38,498	\$ 38,956	\$ 40,059	\$ 40,940	\$ 40,451
Net Pension Liability as a Percentage of Covered Payroll	927.36%	854.54%	651.90%	728.31%	580.20%	529.61%	461.47%	451.59%	386.76%	321.27%

**TOWN OF EAST HARTFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
EAST HARTFORD RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 21,464	\$ 18,964	\$ 17,509	\$ 16,417	\$ 15,430	\$ 13,707	\$ 12,737	\$ 11,879	\$ 11,046	\$ 10,187
Contributions in Relation to the Actuarially Determined Contribution	<u>21,464</u>	<u>18,964</u>	<u>17,509</u>	<u>16,415</u>	<u>15,430</u>	<u>13,707</u>	<u>12,738</u>	<u>11,856</u>	<u>11,046</u>	<u>10,251</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ (64)</u>
Covered Payroll	\$ 31,913	\$ 33,587	\$ 33,645	\$ 34,593	\$ 38,123	\$ 38,498	\$ 38,956	\$ 40,059	\$ 40,941	\$ 40,451
Contributions as a Percentage of Covered Payroll	67.26%	56.46%	52.04%	47.45%	40.47%	35.60%	32.70%	29.60%	26.98%	25.34%

Notes to Schedule:

Valuation Date: July 1, 2023  
 Measurement Date: June 30, 2023  
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:	
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Payments Increasing, 3.25% Per Year
Remaining Amortization Period	22 Years Remaining as of July 1, 2021
Asset Valuation Method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.
Inflation	3.25%
Salary Increases (General, Dispatcher and, Professional Employees)	2.50% - 9.00%
Salary Increases (Police)	3.00% - 20.00%
Salary Increases (Fire)	4.50% - 22.00%
Investment Rate of Return	7.20% (Previously, 7.25%)

**TOWN OF EAST HARTFORD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
EAST HARTFORD RETIREMENT SYSTEM  
LAST TEN FISCAL 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>
Annual Money-Weighted Rate of Return, Net of Investment Expense	7.82%	(10.08%)	25.13%	(2.79%)	2.58%	6.99%	11.01%	(0.11%)	0.08%	15.55%

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS RETIREMENT PLAN**  
**LAST NINE FISCAL YEARS\***  
**(IN THOUSANDS)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	234,944	191,266	241,595	225,006	173,493	178,519	188,339	145,826	134,612
Total	<u>\$ 234,944</u>	<u>\$ 191,266</u>	<u>\$ 241,595</u>	<u>\$ 225,006</u>	<u>\$ 173,493</u>	<u>\$ 178,519</u>	<u>\$ 188,339</u>	<u>\$ 145,826</u>	<u>\$ 134,612</u>
Town's Covered Payroll	\$ 58,649	\$ 57,497	\$ 56,345	\$ 55,193	\$ 54,326	\$ 53,769	\$ 53,796	\$ 53,945	\$ 53,833
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.06%	61.51%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule:

Changes in Benefit Terms	Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Closed, Grading to a Level Dollar Amortization Method for the June 30, 2024 Valuation
Single Equivalent Amortization Period	27.8 Years
Asset Valuation Method	4-Year Smoothed Market
Inflation	2.50%
Salary Increase	3.00%-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Investment Related Expense

- This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**RETIREE HEALTH PLAN**  
**LAST SEVEN FISCAL YEARS\***  
**(IN THOUSANDS)**

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service Cost	\$ 4,332	\$ 6,096	\$ 5,927	\$ 2,232	\$ 3,208	\$ 5,302	\$ 4,682
Interest	4,343	3,535	3,491	5,437	4,632	5,655	5,685
Changes of Benefit Terms	-	-	-	-	-	(20,421)	-
Differences Between Expected and Actual Experience	-	(19,660)	-	(5,073)	(3,044)	(19,903)	(1,998)
Changes of Assumptions	704	(23,495)	994	50,250	(16,118)	(4,033)	8,541
Benefit Payments	(5,166)	(6,189)	(3,542)	(2,771)	(2,865)	(2,745)	(2,598)
Net Change in Total OPEB Liability	<u>4,213</u>	<u>(39,713)</u>	<u>6,870</u>	<u>50,075</u>	<u>(14,187)</u>	<u>(36,145)</u>	<u>14,312</u>
Total OPEB Liability - Beginning	<u>120,933</u>	<u>160,646</u>	<u>153,776</u>	<u>103,701</u>	<u>117,888</u>	<u>154,033</u>	<u>139,721</u>
Total OPEB Liability - Ending	125,146	120,933	160,646	153,776	103,701	117,888	154,033
Plan Fiduciary Net Position:							
Contributions - Employer	5,227	4,196	2,807	5,252	3,565	3,036	3,052
Contributions - Member	297	291	320	250	189	174	76
Contributions - TRB Subsidy	-	-	-	-	114	164	187
Net Investment Income (Loss)	846	(1,717)	3,439	(681)	401	635	901
Benefit Payments	(5,166)	(6,189)	(3,542)	(2,771)	(2,865)	(2,745)	(2,598)
Administrative Expense	(42)	(9)	(47)	(4)	(25)	(14)	(22)
Net Change in Plan Fiduciary Net Position	<u>1,162</u>	<u>(3,428)</u>	<u>2,977</u>	<u>2,046</u>	<u>1,379</u>	<u>1,250</u>	<u>1,596</u>
Plan Fiduciary Net Position - Beginning	<u>12,653</u>	<u>16,081</u>	<u>13,104</u>	<u>11,058</u>	<u>9,679</u>	<u>8,429</u>	<u>6,833</u>
Plan Fiduciary Net Position - Ending	<u>13,815</u>	<u>12,653</u>	<u>16,081</u>	<u>13,104</u>	<u>11,058</u>	<u>9,679</u>	<u>8,429</u>
Net OPEB Liability - Ending	<u>\$ 111,331</u>	<u>\$ 108,280</u>	<u>\$ 144,565</u>	<u>\$ 140,672</u>	<u>\$ 92,643</u>	<u>\$ 108,209</u>	<u>\$ 145,604</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.04%	10.46%	10.01%	8.52%	10.66%	8.21%	5.47%
Covered Payroll	\$ 89,620	\$ 89,620	\$ 83,170	\$ 83,170	\$ 84,771	\$ 82,623	\$ 90,636
Net OPEB Liability as a Percentage of Covered Payroll	124.23%	120.82%	173.82%	169.14%	109.29%	130.97%	160.65%

\*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**TOWN OF EAST HARTFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
RETIREE HEALTH PLAN  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ 7,660	\$ 14,086	\$ 13,919	\$ 13,747	\$ 14,515	\$ 13,816
Contributions in Relation to the Actuarially Determined Contribution	<u>5,227</u>	<u>4,196</u>	<u>2,807</u>	<u>5,252</u>	<u>3,565</u>	<u>3,036</u>	<u>3,052</u>	<u>5,704</u>	<u>3,831</u>	<u>4,383</u>
Contribution Deficiency (Excess)	<u>\$ (5,227)</u>	<u>\$ (4,196)</u>	<u>\$ (2,807)</u>	<u>\$ (5,252)</u>	<u>\$ 4,095</u>	<u>\$ 11,050</u>	<u>\$ 10,867</u>	<u>\$ 8,043</u>	<u>\$ 10,684</u>	<u>\$ 9,433</u>
Covered Payroll	\$ 89,620	\$ 89,620	\$ 83,170	\$ 83,170	\$ 84,771	\$ 82,623	\$ 90,636	\$ 87,571	\$ 85,819	\$ 84,103
Contributions as a Percentage of Covered Payroll	5.83%	4.68%	3.38%	6.31%	4.21%	3.67%	3.37%	6.51%	4.46%	5.21%

(1) For plans that are not funding towards the actuarially determined contribution the amount is not calculated.

**TOWN OF EAST HARTFORD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
RETIREE HEALTH PLAN  
LAST SEVEN FISCAL YEARS\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	6.59%	(10.89%)	24.81%	(5.22%)	10.31%	10.96%	13.42%

\*Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**TEACHERS RETIREMENT PLAN**  
**LAST SIX FISCAL YEARS\***  
**(IN THOUSANDS)**

	2023	2022	2021	2020	2019	2018
Town's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	<u>20,576</u>	<u>20,838</u>	<u>36,019</u>	<u>35,091</u>	<u>34,682</u>	<u>45,949</u>
Total	<u>\$ 20,576</u>	<u>\$ 20,838</u>	<u>\$ 36,019</u>	<u>\$ 35,091</u>	<u>\$ 34,682</u>	<u>\$ 45,949</u>
Town's Covered Payroll	\$ 58,649	\$ 57,497	\$ 56,345	\$ 55,193	\$ 54,326	\$ 53,769
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	6.11%	2.50%	2.08%	1.49%	1.79%

## Notes to Schedule:

Changes in Benefit Terms	There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.
Changes of Assumptions	Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2022 was updated to equal the SEIR of 3.5% as of June 30, 2022;  Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;  The assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated;  Long-term health care costs trend rates were updated; and  The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.
Actuarial Cost Method	Entry Age
Amortization Method	Level percent of payroll over an open period
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	3.00%, Net of Investment Related Expense Including Price Inflation
Price Inflation	2.50%

- This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

**SUPPLEMENTAL, COMBINING, AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

## **GENERAL FUND**

The General Fund is the principal fund of the Town and is used to account for all activities of the Town not included in other specific funds. The General Fund accounts for the normal recurring activities of the Town (i.e., police, fire, education, recreation, public works, general government, etc.). These activities are funded principally by property taxes on individuals and businesses, and grants from other governmental units.

**TOWN OF EAST HARTFORD, CONNECTICUT  
REPORT OF TAX COLLECTOR  
YEAR ENDED JUNE 30, 2023  
(IN THOUSANDS)**

Grand List Year	Uncollected Taxes July 1, 2022	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Taxes Collected	Interest	Lien Fees	Total Collected	Uncollected Taxes June 30, 2023 **
		Additions	Deductions							
2021	\$ 140,872	\$ 220	\$ 1,345	\$ -	\$ 139,747	\$ 136,748	\$ 510	\$ 43	\$ 137,301	\$ 2,999
2020	2,872 *	178	152	-	2,898	1,568	333	19	1,920	1,330
2019	1,103	43	12	612	522	439	150	4	593	83
2018	23	1	8	-	16	(58)	43	3	(12)	74
2017	37	1	6	-	32	13	25	3	41	19
2016	42	-	5	-	37	3	2	1	6	34
2015	35	3	5	-	33	3	5	-	8	30
2014	36	1	6	-	31	2	2	-	4	29
2013	45	-	5	-	40	1	2	-	3	39
2012	32	-	5	-	27	1	1	-	2	26
2011	35	-	5	-	30	-	-	-	-	30
2010	13	-	-	-	13	-	1	-	1	13
2009	5	-	-	-	5	-	-	-	-	5
2008	20	-	-	-	20	-	-	-	-	20
2007	13	-	-	-	13	-	-	-	-	13
<b>Total</b>	<b>\$ 145,183</b>	<b>\$ 447</b>	<b>\$ 1,554</b>	<b>\$ 612</b>	<b>\$ 143,464</b>	<b>\$ 138,720</b>	<b>\$ 1,074</b>	<b>\$ 73</b>	<b>139,867</b>	<b>\$ 4,744</b>
Suspense Collections:										
Tax Overpayment Balance - June 30, 2022									260	
Tax Overpayment Balance - June 30, 2023									(126)	
Total Tax Collections									<u>140,001</u>	
Property Taxes Receivable Considered Available:										
June 30, 2022									(986)	
June 30, 2023									<u>886</u>	
Total									<u>\$ 139,901</u>	

\* Includes MVS tax levy of \$2,013.

\*\*Amount represents property tax receivable of \$5,756 less overcollected balance of \$691, which is recorded as accounts payable.

**NONMAJOR GOVERNMENTAL FUNDS**

## SPECIAL REVENUE FUNDS

Special Revenue Funds are established in the Town of East Hartford pursuant to State Statutes or local ordinances and resolutions. The criteria for the creation of a Special Revenue Fund are generally the desire or need to conspicuously segregate revenues, which are to be utilized for special and specific purposes, or expenditures incurred for the performance of specific activities, or both.

Fund	Funding Source	Function
Redevelopment	Bonds	Operation of the South Meadows redevelopment
Community Development	Federal grant	Housing and community development
School Cafeteria	Sale of food and grants	School lunch and breakfast programs
WIC Fund	Federal grant	Women, Infant and Children Health Program
Youth Services	State and federal grants	Town Youth Services Department
Dog Fund	Licenses and fees	Animal control program
Town Aid Road	State grant	General town road maintenance
Special State Grant Programs	State grant	Various state funded programs
Miscellaneous Projects and Programs	Various	Miscellaneous activities
Local Capital Improvement Program	State grant	Capital improvements
Health Service Grant	State grant	Health services
Police Private Duty	Charges for services	Police services - private duty
Parks and Recreation	Charges for services	Recreational programs
Hockanum River Linear Park	State grant	Park renovations
Danahy Scholarship Fund	Trust and investment income	Scholarships to high school students
Brewer House Trust	Trust and investment income	Maintaining the Selden Brewer House
Education Scholarships Fund	Contributions	Scholarships to students
Education Fee Based Programs	Charges for services	Education programs
Student Activities	Charges for services	Education activities

**TOWN OF EAST HARTFORD, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2023  
(IN THOUSANDS)**

	Special Revenue								
	Community Development	School Cafeteria	Student Activity Fund	WIC Fund	Youth Services	Dog Fund	Town Aid Road	Special State Grant Programs	Miscellaneous Projects and Programs
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 53	\$ 2,666	\$ 282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Accounts Receivable, Net	2,222	867	-	64	-	-	-	3,744	-
Due from Other Funds	-	-	-	-	75	9	1,261	-	6,294
Other Assets	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,275</b>	<b>\$ 3,533</b>	<b>\$ 282</b>	<b>\$ 64</b>	<b>\$ 75</b>	<b>\$ 9</b>	<b>\$ 1,261</b>	<b>\$ 3,744</b>	<b>\$ 6,294</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts Payable	\$ 169	\$ 853	\$ -	\$ 1	\$ 10	\$ 8	\$ 11	\$ 1,692	\$ 66
Due to Other Funds	42	-	-	62	-	-	-	385	-
Unearned Revenue	-	-	-	-	41	-	1,250	1,133	-
<b>Total Liabilities</b>	<b>211</b>	<b>853</b>	<b>-</b>	<b>63</b>	<b>51</b>	<b>8</b>	<b>1,261</b>	<b>3,210</b>	<b>66</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Revenue - Loan Receivables	2,014	-	-	-	-	-	-	-	-
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	-	2,021	-
<b>Total Deferred Inflows of Resources</b>	<b>2,014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,021</b>	<b>-</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	50	-	-	1	-	-	-	-	6,228
Committed	-	2,680	282	-	24	1	-	-	-
Unassigned	-	-	-	-	-	-	-	(1,487)	-
<b>Total Fund Balances</b>	<b>50</b>	<b>2,680</b>	<b>282</b>	<b>1</b>	<b>24</b>	<b>1</b>	<b>-</b>	<b>(1,487)</b>	<b>6,228</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,275</b>	<b>\$ 3,533</b>	<b>\$ 282</b>	<b>\$ 64</b>	<b>\$ 75</b>	<b>\$ 9</b>	<b>\$ 1,261</b>	<b>\$ 3,744</b>	<b>\$ 6,294</b>

**TOWN OF EAST HARTFORD, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2023  
(IN THOUSANDS)**

	Special Revenue									Total
	Local Capital Improvement Program	Health Service Grant	Police Private Duty	Parks and Recreation	Hockanum River Linear Park	Danahy Scholarship Fund	Brewer House Trust	Education Scholarships Fund	Education Fee Based Programs	
<b>ASSETS</b>										
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77	\$ 378	\$ 3,456
Investments	-	-	-	-	-	55	-	-	-	55
Accounts Receivable, Net	193	-	764	-	-	-	-	-	-	7,854
Due from Other Funds	-	53	-	98	-	-	7	-	-	7,797
Other Assets	-	-	-	72	-	-	-	-	-	72
<b>Total Assets</b>	<b>\$ 193</b>	<b>\$ 53</b>	<b>\$ 764</b>	<b>\$ 170</b>	<b>\$ -</b>	<b>\$ 55</b>	<b>\$ 7</b>	<b>\$ 77</b>	<b>\$ 378</b>	<b>\$ 19,234</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>										
<b>LIABILITIES</b>										
Accounts Payable	\$ 5	\$ 22	\$ -	\$ 53	\$ -	\$ -	\$ -	\$ -	\$ 27	\$ 2,917
Due to Other Funds	188	-	-	-	-	-	-	-	-	677
Unearned Revenue	-	-	-	106	-	-	-	-	-	2,530
<b>Total Liabilities</b>	<b>193</b>	<b>22</b>	<b>-</b>	<b>159</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>6,124</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Unavailable Revenue - Loan Receivables	-	-	-	-	-	-	-	-	-	2,014
Unavailable Revenue - Other Receivables	-	-	764	-	-	-	-	-	-	2,785
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>764</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,799</b>
<b>FUND BALANCES</b>										
Nonspendable	-	-	-	72	-	-	-	-	-	72
Restricted	-	-	-	-	-	55	7	77	-	6,418
Committed	-	31	-	-	-	-	-	-	351	3,369
Unassigned	-	-	-	(61)	-	-	-	-	-	(1,548)
<b>Total Fund Balances</b>	<b>-</b>	<b>31</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>55</b>	<b>7</b>	<b>77</b>	<b>351</b>	<b>8,311</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 193</b>	<b>\$ 53</b>	<b>\$ 764</b>	<b>\$ 170</b>	<b>\$ -</b>	<b>\$ 55</b>	<b>\$ 7</b>	<b>\$ 77</b>	<b>\$ 378</b>	<b>\$ 19,234</b>

**TOWN OF EAST HARTFORD, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2023  
(IN THOUSANDS)**

	Special Revenue							Special State Grant Programs	Miscellaneous Projects and Programs
	Community Development	School Cafeteria	Student Activity Fund	WIC Fund	Youth Services	Dog Fund	Town Aid Road		
<b>REVENUES</b>									
Intergovernmental	\$ 793	\$ 6,494	\$ -	\$ 846	\$ 119	\$ -	\$ 334	\$ 9,070	\$ 413
Charges for Services	-	247	350	-	-	16	-	-	4,074
Investment Income (Loss)	1	-	-	-	-	-	-	-	-
Miscellaneous	61	-	-	-	23	-	-	31	2,598
Total Revenues	<u>855</u>	<u>6,741</u>	<u>350</u>	<u>846</u>	<u>142</u>	<u>16</u>	<u>334</u>	<u>9,101</u>	<u>7,085</u>
<b>EXPENDITURES</b>									
General Government	-	-	-	-	-	-	-	7,804	216
Public Safety	-	-	-	-	-	9	-	495	302
Public Works	-	-	-	-	-	-	334	2,294	35
Parks and Recreation	-	-	-	-	-	-	-	8	70
Health and Social Services	854	-	-	846	138	-	-	345	37
Education	-	6,415	331	-	-	-	-	-	44
Total Expenditures	<u>854</u>	<u>6,415</u>	<u>331</u>	<u>846</u>	<u>138</u>	<u>9</u>	<u>334</u>	<u>10,946</u>	<u>704</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1	326	19	-	4	7	-	(1,845)	6,381
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers Out	-	-	-	-	-	(7)	-	(9)	(571)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>(9)</u>	<u>(571)</u>
<b>NET CHANGE IN FUND BALANCES</b>	1	326	19	-	4	-	-	(1,854)	5,810
Fund Balances - Beginning of Year	<u>49</u>	<u>2,354</u>	<u>263</u>	<u>1</u>	<u>20</u>	<u>1</u>	<u>-</u>	<u>367</u>	<u>418</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 50</u>	<u>\$ 2,680</u>	<u>\$ 282</u>	<u>\$ 1</u>	<u>\$ 24</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1,487)</u>	<u>\$ 6,228</u>

**TOWN OF EAST HARTFORD, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2023  
(IN THOUSANDS)**

	Special Revenue									Total
	Local Capital Improvement Program	Health Service Grant	Police Private Duty	Parks and Recreation	Hockanum River Linear Park	Danahy Scholarship Fund	Brewer House Trust	Education Scholarships Fund	Education Fee Based Programs	
<b>REVENUES</b>										
Intergovernmental	\$ 101	\$ 98	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,268
Charges for Services	-	-	1,055	315	-	-	-	-	124	6,181
Investment Income (Loss)	-	-	-	-	-	(1)	-	-	-	-
Miscellaneous	-	-	-	19	-	-	-	21	-	2,753
Total Revenues	101	98	1,055	334	-	(1)	-	21	124	27,202
<b>EXPENDITURES</b>										
General Government	101	-	-	2	-	-	-	-	-	8,123
Public Safety	-	-	485	-	-	-	-	-	-	1,291
Public Works	-	-	-	-	-	-	-	-	-	2,663
Parks and Recreation	-	-	-	354	-	-	-	-	-	432
Health and Social Services	-	67	-	-	-	-	-	-	-	2,287
Education	-	-	-	-	-	3	-	11	67	6,871
Total Expenditures	101	67	485	356	-	3	-	11	67	21,667
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	31	570	(22)	-	(4)	-	10	57	5,535
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers Out	-	-	(570)	-	-	-	-	-	-	(1,157)
Total Other Financing Uses	-	-	(570)	-	-	-	-	-	-	(1,157)
<b>NET CHANGE IN FUND BALANCES</b>	-	31	-	(22)	-	(4)	-	10	57	4,378
Fund Balances - Beginning of Year	-	-	-	33	-	59	7	67	294	3,933
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ 31	\$ -	\$ 11	\$ -	\$ 55	\$ 7	\$ 77	\$ 351	\$ 8,311

**INTERNAL SERVICE FUNDS**

## **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost-reimbursement basis.

Health Benefits – A fund used to pay health insurance claims and to purchase administrative services and stop loss insurance for the health care plans. Both the Town and the Board of Education pay this fund for health insurance.

Workers' Compensation – Accounts for the receipt of General Fund contributions to fund Town and Board of Education incurred Workers' Compensation claims. Contribution amounts are based on projections from an actuarial valuation.

General Liability – To account for the receipt of General Fund contributions to fund general and auto liability claims.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**

	Health Benefits	Workers' Compensation	General Liability	Total
<b>ASSETS</b>				
Current:				
Cash and Cash Equivalents	\$ 15,232	\$ 538	\$ 1,738	\$ 17,508
Other Assets	-	200	-	200
Total Assets	<u>15,232</u>	<u>738</u>	<u>1,738</u>	<u>17,708</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	41	5	39	85
Risk Management Claims	<u>1,655</u>	<u>-</u>	<u>1,129</u>	<u>2,784</u>
Total Current Liabilities	1,696	5	1,168	2,869
Noncurrent Liabilities:				
Risk Management Claims	<u>-</u>	<u>4,057</u>	<u>-</u>	<u>4,057</u>
Total Liabilities	<u>1,696</u>	<u>4,062</u>	<u>1,168</u>	<u>6,926</u>
<b>NET POSITION</b>				
Unrestricted	<u>\$ 13,536</u>	<u>\$ (3,324)</u>	<u>\$ 570</u>	<u>\$ 10,782</u>

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2023**  
**(IN THOUSANDS)**

	Health Benefits	Workers' Compensation	General Liability	Total
<b>OPERATING REVENUES</b>				
Employer Contributions	\$ 20,173	\$ 2,042	\$ 1,540	\$ 23,755
Employee Contributions	3,254	-	-	3,254
Other	938	-	142	1,080
Total Operating Revenues	<u>24,365</u>	<u>2,042</u>	<u>1,682</u>	<u>28,089</u>
<b>OPERATING EXPENSES</b>				
Claims	18,718	1,927	1,831	22,476
Premiums and Administrative Charges	4,882	71	109	5,062
Total Operating Expenses	<u>23,600</u>	<u>1,998</u>	<u>1,940</u>	<u>27,538</u>
<b>OPERATING INCOME (LOSS)</b>	765	44	(258)	551
<b>NONOPERATING REVENUE</b>				
Interest Income	<u>721</u>	<u>42</u>	<u>64</u>	<u>827</u>
<b>CHANGE IN NET POSITION</b>	1,486	86	(194)	1,378
Net Position - Beginning of Year	<u>12,050</u>	<u>(3,410)</u>	<u>764</u>	<u>9,404</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 13,536</u>	<u>\$ (3,324)</u>	<u>\$ 570</u>	<u>\$ 10,782</u>

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2023**  
**(IN THOUSANDS)**

	Health Benefits	Workers' Compensation	General Liability	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Employer Contributions	\$ 20,173	\$ 2,042	\$ 1,540	\$ 23,755
Cash Received from Charges for Services	3,254	-	-	3,254
Cash Received from Other Revenues	938	-	142	1,080
Cash Paid for Claims	(19,347)	(2,186)	(1,787)	(23,320)
Cash Paid to Other Suppliers for Services	(4,882)	(71)	(109)	(5,062)
Net Cash Provided (Used) by Operating Activities	<u>136</u>	<u>(215)</u>	<u>(214)</u>	<u>(293)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment Income	<u>721</u>	<u>42</u>	<u>64</u>	<u>827</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	857	(173)	(150)	534
Cash and Cash Equivalents - Beginning of Year	<u>14,375</u>	<u>711</u>	<u>1,888</u>	<u>16,974</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 15,232</u></u>	<u><u>\$ 538</u></u>	<u><u>\$ 1,738</u></u>	<u><u>\$ 17,508</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ 765	\$ 44	\$ (258)	\$ 551
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Increase (Decrease) in Accounts Payable	(572)	(151)	(35)	(758)
Increase (Decrease) in Risk Management Claims	(57)	(108)	79	(86)
Total Adjustments	<u>(629)</u>	<u>(259)</u>	<u>44</u>	<u>(844)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 136</u></u>	<u><u>\$ (215)</u></u>	<u><u>\$ (214)</u></u>	<u><u>\$ (293)</u></u>

**STATISTICAL SECTION**

## STATISTICAL SECTION INFORMATION

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**  
**(UNAUDITED)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 119,017	\$ 95,826	\$ 109,674	\$ 99,633	\$ 98,408	\$ 96,199	\$ 93,695	\$ 102,090	\$ 102,696	\$ 100,706
Restricted	8,432	2,865	2,906	154	145	142	141	154	162	174
Unrestricted	<u>(382,374)</u>	<u>(361,285)</u>	<u>(360,162)</u>	<u>(335,652)</u>	<u>(310,455)</u>	<u>(294,930)</u>	<u>(291,028) *</u>	<u>(200,467)</u>	<u>(179,731)</u>	<u>(158,501)</u>
Total Governmental Activities										
Net Position	<u>\$ (254,925)</u>	<u>\$ (262,594)</u>	<u>\$ (247,582)</u>	<u>\$ (235,865)</u>	<u>\$ (211,902)</u>	<u>\$ (198,589)</u>	<u>\$ (197,192)</u>	<u>\$ (98,223)</u>	<u>\$ (76,873)</u>	<u>\$ (57,621)</u>

Notes:

(1) Schedule prepared on the accrual basis of accounting.

\* Restated for GASB 75

**TOWN OF EAST HARTFORD, CONNECTICUT  
FUND BALANCES – GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)  
(UNAUDITED)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>EXPENSES</b>										
Governmental Activities:										
General Government	\$ 44,132	\$ 43,995	\$ 42,314	\$ 46,958	\$ 44,561	\$ 32,983	\$ 39,889	\$ 39,739	\$ 40,425	\$ 39,230
Public Safety	38,129	39,789	41,108	35,760	34,416	33,727	31,446	30,616	32,764	29,437
Inspections and Permits	702	723	689	694	718	691	674	636	654	644
Public Works	24,577	19,710	17,436	21,353	16,016	17,707	28,544	21,419	19,575	20,209
Parks and Recreation	4,469	3,786	3,813	3,611	4,013	3,836	4,674	3,881	3,852	3,421
Health and Social Services	9,183	6,928	6,053	5,823	6,094	7,644	7,502	6,410	5,706	5,392
Education	201,157	179,708	191,328	182,396	159,891	161,998	172,436	158,237	149,674	140,193
Interest on Long-Term Debt	514	1,609	319	1,615	1,457	1,824	1,467	1,697	1,778	1,918
Total Governmental Activities Expenses	<u>322,863</u>	<u>296,248</u>	<u>303,060</u>	<u>298,210</u>	<u>267,166</u>	<u>260,410</u>	<u>286,632</u>	<u>262,635</u>	<u>254,428</u>	<u>240,444</u>
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Charges for Services										
General Government	1,901	1,991	1,463	1,023	1,232	1,039	1,137	952	765	777
Public Safety	2,999	3,228	2,519	2,353	2,470	3,285	2,010	1,553	1,699	1,701
Inspections and Permits	2,213	1,217	1,041	911	1,378	2,839	2,973	1,659	784	1,204
Education	8,039	10,922	9,860	13,009	9,566	8,195	8,698	9,083	8,305	8,307
Other	4,371	826	531	892	882	1,029	893	945	849	810
Operating Grants and Contributions	149,517	110,250	124,370	108,198	94,767	106,013	115,285	93,335	92,176	87,389
Capital Grants and Contributions	1,883	143	1,769	596	-	-	-	5	20	3
Total Governmental Activities Program Revenues	<u>170,923</u>	<u>128,577</u>	<u>141,553</u>	<u>126,982</u>	<u>110,295</u>	<u>122,400</u>	<u>130,996</u>	<u>107,532</u>	<u>104,598</u>	<u>100,191</u>
<b>NET EXPENSE</b>										
Governmental Activities	(151,940)	(167,671)	(161,507)	(171,228)	(156,871)	(138,010)	(155,636)	(155,103)	(149,830)	(140,253)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental Activities:										
Property Taxes	141,021	138,620	139,380	136,183	135,220	127,984	123,703	125,332	121,369	117,749
Grants and Contributions Not Restricted to Specific Programs	12,593	13,249	8,748	8,542	6,024	5,540	6,638	7,056	6,505	6,955
Unrestricted Investment Earnings	2,518	143	32	675	1,059	579	257	108	54	30
Other General Revenues	3,477	647	1,149	1,865	1,255	2,510	991	1,257	2,650	969
Total Governmental Activities	<u>159,609</u>	<u>152,659</u>	<u>149,309</u>	<u>147,265</u>	<u>143,558</u>	<u>136,613</u>	<u>131,589</u>	<u>133,753</u>	<u>130,578</u>	<u>125,703</u>
<b>CHANGES IN NET POSITION</b>										
Governmental Activities	<u>\$ 7,669</u>	<u>\$ (15,012)</u>	<u>\$ (12,198)</u>	<u>\$ (23,963)</u>	<u>\$ (13,313)</u>	<u>\$ (1,397)</u>	<u>\$ (24,047)</u>	<u>\$ (21,350)</u>	<u>\$ (19,252)</u>	<u>\$ (14,550)</u>

Notes:

(1) Schedule prepared on the accrual basis of accounting.

**TOWN OF EAST HARTFORD, CONNECTICUT  
FUND BALANCES – GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)  
(UNAUDITED)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Nonspendable	\$ 70	\$ 316	\$ 1,408	\$ 1,873	\$ 1,760	\$ 3,437	\$ 3,652	\$ -	\$ -	\$ -
Assigned	590	468	1,211	1,484	703	1,051	549	961	583	626
Unassigned	24,789	22,638	21,884	19,833	21,947	20,111	16,582	16,312	15,713	13,967
Total General Fund	<u>\$ 25,449</u>	<u>\$ 23,422</u>	<u>\$ 24,503</u>	<u>\$ 23,190</u>	<u>\$ 24,410</u>	<u>\$ 24,599</u>	<u>\$ 20,783</u>	<u>\$ 17,273</u>	<u>\$ 16,296</u>	<u>\$ 14,593</u>
All Other Governmental Funds:										
Nonspendable	\$ 72	\$ 45	\$ 112	\$ 497	\$ 518	\$ 540	\$ 526	\$ 154	\$ 162	\$ 174
Restricted	6,418	968	1,036	1,942	1,977	1,235	1,029	938	1,078	726
Committed	3,369	2,932	1,488	2,171	5,686	2,250	5,392	11,613	5,356	12,060
Unassigned	(20,315)	(2,318)	(17,850)	(10,289)	-	(5,131)	-	(11,826)	(1,613)	(1,473)
Total All Other Governmental Funds	<u>\$ (10,456)</u>	<u>\$ 1,627</u>	<u>\$ (15,214)</u>	<u>\$ (5,679)</u>	<u>\$ 8,181</u>	<u>\$ (1,106)</u>	<u>\$ 6,947</u>	<u>\$ 879</u>	<u>\$ 4,983</u>	<u>\$ 11,487</u>

Notes:

(1) Schedule prepared on the modified accrual basis of accounting.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**  
**(UNAUDITED)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>REVENUES</b>										
General Property Taxes	\$ 140,252	\$ 138,978	\$ 139,364	\$ 134,810	\$ 135,079	\$ 128,413	\$ 124,038	\$ 124,808	\$ 122,150	\$ 118,022
Licenses and Permits	3,477	2,059	1,776	1,531	2,515	2,948	3,111	1,760	867	1,389
Intergovernmental Revenues	156,801	128,581	114,493	109,767	110,074	102,251	121,928	100,392	98,700	94,347
Charges for Services	15,959	15,671	13,365	16,540	12,964	13,343	12,644	12,755	11,480	11,246
Investment Income	1,691	93	19	436	742	381	177	70	38	23
Other	3,477	734	1,150	1,943	1,368	2,506	1,101	1,299	2,695	1,001
<b>Total Revenues</b>	<b>321,657</b>	<b>286,116</b>	<b>270,167</b>	<b>265,027</b>	<b>262,742</b>	<b>249,842</b>	<b>262,999</b>	<b>241,084</b>	<b>235,930</b>	<b>226,028</b>
<b>EXPENDITURES</b>										
Current:										
General Government	59,536	51,443	47,660	49,313	49,235	40,416	39,071	40,055	41,044	35,326
Public Safety	34,672	34,455	33,477	31,728	31,044	30,412	30,216	29,318	29,629	28,168
Inspections and Permits	702	723	689	694	718	691	674	636	654	644
Public Works	14,200	11,049	12,489	11,885	11,111	10,664	11,292	10,488	10,010	9,778
Parks and Recreation	4,273	3,664	3,505	3,350	3,871	3,862	4,722	3,683	3,652	3,224
Health and Social Services	9,343	7,060	6,007	5,911	6,265	6,479	6,382	6,502	5,848	5,605
Education	173,531	161,122	152,497	151,003	146,989	139,822	148,858	137,566	131,100	132,181
Capital Outlay	26,158	13,536	13,062	14,376	9,658	10,591	19,253	10,570	12,465	11,885
Debt Service:										
Principal	9,051	10,605	10,683	9,935	10,405	9,689	9,034	9,635	9,344	9,014
Interest	1,820	1,057	1,339	1,912	1,229	1,453	1,298	1,236	1,293	1,269
<b>Total Expenditures</b>	<b>333,286</b>	<b>294,714</b>	<b>281,408</b>	<b>280,107</b>	<b>270,525</b>	<b>254,079</b>	<b>270,800</b>	<b>249,689</b>	<b>245,039</b>	<b>237,094</b>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	<b>(11,629)</b>	<b>(8,598)</b>	<b>(11,241)</b>	<b>(15,080)</b>	<b>(7,783)</b>	<b>(4,237)</b>	<b>(7,801)</b>	<b>(8,605)</b>	<b>(9,109)</b>	<b>(11,066)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Multi-Year Lease Purchase Agreements	-	-	-	-	-	-	862	5,478	4,308	2,215
Bonds Issued	-	20,000	-	-	14,600	-	14,835	-	-	19,100
Refunding Bonds	1,573	1,726	2,538	-	1,260	-	6,225	-	-	-
Premium on Refunding Bonds	-	-	-	-	-	-	732	-	-	-
Premium on Bond Issuance	-	2,632	-	-	1,021	-	1,612	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	-	-	-	-	(6,887)	-	-	-
Transfers In	4,567	3,739	2,647	4,073	2,291	2,626	2,671	2,671	2,397	1,741
Transfers Out	(4,567)	(3,739)	(2,647)	(4,073)	(2,291)	(2,626)	(2,671)	(2,671)	(2,397)	(1,741)
<b>Total Other Financing Sources</b>	<b>1,573</b>	<b>24,358</b>	<b>2,538</b>	<b>-</b>	<b>16,881</b>	<b>-</b>	<b>17,379</b>	<b>5,478</b>	<b>4,308</b>	<b>21,315</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (10,056)</b>	<b>\$ 15,760</b>	<b>\$ (8,703)</b>	<b>\$ (15,080)</b>	<b>\$ 9,098</b>	<b>\$ (4,237)</b>	<b>\$ 9,578</b>	<b>\$ (3,127)</b>	<b>\$ (4,801)</b>	<b>\$ 10,249</b>
Debt Service as a Percentage of Noncapital Expenditures	3.61%	4.04%	4.32%	4.32%	4.56%	4.28%	3.88%	4.39%	4.42%	4.46%

Notes:  
(1) Schedule prepared on the modified accrual basis of accounting.

**TOWN OF EAST HARTFORD, CONNECTICUT  
 ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (IN THOUSANDS)  
 (UNAUDITED)**

Fiscal Year	Grand List Year	Real Property				Motor Vehicles	Personal Property	Gross Taxable Assessed Value	Less Tax Exempt Property	Net Taxable Assessed Value	Basic Rate	General Obligation Debt Service Rate	Total Direct Tax Rate (in mils)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
		Residential	Industrial and Commercial	Vacant Land											
2023	2021	\$ 1,940,331	\$ 699,463	\$ 26,742	\$ 372,892	\$ 719,797	\$3,931,363	\$ 436,033	\$ 3,495,330	38.26	2.74	41.00	\$ 4,993,329	70.00 %	
2022	2020	1,459,998	785,294	23,162	299,277	713,434	3,281,165	455,031	2,826,134	46.23	3.12	49.35	4,037,334	70.00	
2021	2019	1,456,115	788,900	23,259	288,769	670,797	3,227,840	420,046	2,807,794	46.66	3.26	49.92	4,011,134	70.00	
2020	2018	1,454,309	872,304	24,590	275,429	606,173	3,232,805	383,244	2,849,561	46.10	3.01	49.11	4,070,801	70.00	
2019	2017	1,452,569	800,913	24,494	275,337	594,164	3,147,477	333,187	2,814,290	44.68	2.98	47.66	4,020,414	70.00	
2018	2016	1,455,048	757,770	25,651	275,873	554,381	3,068,723	303,851	2,764,872	44.18	2.87	47.05	3,949,817	70.00	
2017	2015	1,470,788	729,524	24,460	264,499	536,879	3,026,150	295,768	2,730,382	43.01	2.85	45.86	3,900,546	70.00	
2016	2014	1,471,517	730,914	25,416	265,734	503,716	2,997,297	304,264	2,693,033	42.86	3.00	45.86	3,847,190	70.00	
2015	2013	1,466,809	744,072	25,082	261,402	461,197	2,958,562	266,051	2,692,511	42.34	3.06	45.40	3,846,444	70.00	
2014	2012	1,465,915	750,497	25,775	260,188	431,244	2,933,619	241,911	2,691,708	40.82	3.08	43.90	3,845,297	70.00	

Source: Town of East Hartford, Office of Tax Assessor

- Notes:
- (1) 2016 and 2021 real property grand lists are adjusted to reflect statutory revaluation.
  - (2) The Town assesses property at 70% of actual value for all types of real and personal property.
  - (3) Motor vehicles had a maximum mill rate of 32.46 for the 2021 Grand List per state law. Real and Personal Property had an adopted mill rate of 41.00 per Town Council.

**TOWN OF EAST HARTFORD, CONNECTICUT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(IN THOUSANDS)  
(UNAUDITED)**

Taxpayer	Nature of Business	October 1, 2021			October 1, 2012		
		Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
United Technologies Corp.	Manufacturing	\$ 346,836	1	9.92 %	\$ 336,995	1	12.52 %
Raytheon Technologies Corp.	Manufacturing	157,923	2	4.52	-	-	-
Eversource Energy	Utility	50,618	3	1.45	27,268	3	1.01
Ansonia Acquisitions LLC	Apartment Buildings	36,988	4	1.06	22,012	7	0.82
Coca Cola Bottling Co.	Beverage Mfg/Dist.	33,706	5	0.96	18,965	8	0.70
Connecticut Natural Gas	Utility	25,667	6	0.73	23,583	6	0.88
Summerfield Housing Partners Limited	Apartment Buildings	21,304	7	0.61	-	-	-
Freemont Group	Offices	18,937	8	0.54	45,686	2	1.70
Barrington TIC 12 LLC & Market Street TI	Real Estate	18,071	9	0.52	-	-	-
Cabela's Inc.	Retail	16,591	10	0.47	26,414	5	0.98
Merchant Group	Offices	-	-	-	26,511	4	0.98
East Hartford Founders	Offices	-	-	-	13,255	9	0.49
Bank of America	Banking	-	-	-	12,688	10	0.47
<b>Total</b>		<b>\$ 726,641</b>		<b>20.79 %</b>	<b>\$ 553,377</b>		<b>20.56 %</b>

Source: Town of East Hartford, Office of Tax Assessor

**TOWN OF EAST HARTFORD, CONNECTICUT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)  
(UNAUDITED)**

Fiscal Year Ended June 30,	Grand List Year	Net Taxable Assessed Value	Tax Rate in Mils	Original Tax Levy	Adjusted Tax Levy	Collected Within the Fiscal Year of Levy		Collections In Subsequent Years	Total Collections To Date	
						Amount	Percent of Levy		Amount	Percentage of Levy
2023	2021	\$ 3,495,331	41.00	\$ 140,872	\$ 139,747	\$ 136,748	97.07 %	\$ -	\$ 136,748	97.85 %
2022	2020	2,825,735	49.35	139,413	138,361	135,488	97.18	1,568	137,056	99.06
2021	2019	2,807,794	49.92	139,372	138,180	134,993	96.86	1,641	136,634	98.88
2020	2018	2,782,418	49.11	136,825	136,197	133,338	97.45	1,490	134,828	98.99
2019	2017	2,814,291	47.66	134,305	133,950	131,448	97.87	724	132,172	98.67
2018	2016	2,764,873	47.05	128,277	127,053	124,562	97.10	1,720	126,282	99.39
2017	2015	2,736,033	45.86	123,771	122,966	120,381	97.26	1,780	122,161	99.35
2016	2014	2,693,034	45.86	124,918	124,388	121,080	96.93	2,107	123,187	99.03
2015	2013	2,692,513	45.40	122,155	121,245	118,320	96.86	1,924	120,244	99.17
2014	2012	2,691,710	43.90	118,547	117,379	114,914	96.94	1,148	116,062	98.88

Source: Tax Collector's Report; Comprehensive Annual Financial Report

**TOWN OF EAST HARTFORD, CONNECTICUT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)  
(UNAUDITED)**

Fiscal Year	Governmental Activities						Total Primary Government	Total Primary Government Debt Per Capita	Ratio of Primary Government Debt to Personal Income	Ratio of Net Bonded Debt to Estimated Actual Assessed Value	Ratio of Net Bonded Debt Per Capita	
	General Obligation Bonds											
	General Purpose	Schools	Urban Renewal	Unamortized Bond Premium	Less: School Building Grants (2)	Total Net Bonded Debt	Financing Arrangements					
2023	\$ 40,060	\$ 40	\$ -	2,526	\$ -	\$ 42,626	\$ 8,561	\$ 51,187	\$ 1,004	3.37 %	1.46 %	\$ 836
2022	46,337	48	-	3,529	-	49,914	9,859	59,773	1,195	4.26	1.24	998
2021	33,988	57	-	1,869	-	35,914	10,668	46,582	927	3.19	0.90	714
2020	41,630	65	-	2,725	-	44,420	10,784	55,204	1,094	3.91	1.09	880
2019	48,556	184	-	3,263	-	52,003	13,417	65,420	1,287	4.88	1.29	1,023
2018	40,823	302	-	2,780	-	43,905	14,916	58,821	1,157	3.86	1.11	864
2017	46,959	436	-	3,121	-	50,516	17,679	68,195	1,342	4.48	1.28	994
2016	38,164	591	-	1,052	-	39,807	19,412	59,219	1,158	4.64	1.02	778
2015	44,164	746	-	1,198	-	46,108	16,880	62,988	1,230	4.82	1.20	900
2014	50,683	897	-	1,344	-	52,924	14,692	67,616	1,321	5.17	1.38	1,034

Notes:  
 (1) Details regarding the Town's outstanding debt can be found in the notes to the financial statements.  
 (2) School building grants applicable to outstanding bond issues.

**TOWN OF EAST HARTFORD, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**JUNE 30, 2023**  
**(IN THOUSANDS)**  
**(UNAUDITED)**

Total Tax Collections, Including Interest and Lien Fees for the Year Ended June 30, 2022	\$ 139,868
Reimbursement for Revenue Loss on:	
Tax Relief for Elderly - Freeze	-
Total	<u>\$ 139,868</u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2-1/4 Times Base	\$ 314,703	\$ -	\$ -	\$ -	\$ -
4-1/2 Times Base	-	629,406	-	-	-
3-3/4 Times Base	-	-	524,505	-	-
3-1/4 Times Base	-	-	-	454,571	-
3 Times Base	-	-	-	-	419,604
Total Debt Limitation	<u>314,703</u>	<u>629,406</u>	<u>524,505</u>	<u>454,571</u>	<u>419,604</u>
Indebtedness:					
Bonds Payable	37,960	40	-	-	-
Bonds Payable with Direct Placement	2,100	-	-	-	-
Bonds Authorized and Unissued	59,904	4,416	-	-	-
Overlapping Debt	-	-	103,842	-	-
Total Indebtedness	<u>99,964</u>	<u>4,456</u>	<u>103,842</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 214,739</u>	<u>\$ 624,950</u>	<u>\$ 420,663</u>	<u>\$ 454,571</u>	<u>\$ 419,604</u>

## Notes:

- (1) In no event shall total debt exceed seven times annual receipts from taxation \$979,076.
- (2) Bonds authorized-unissued represents bond authorizations for projects which have bond anticipation notes outstanding or for which bonds have been authorized and partially issued.

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limitation	\$ 979,076	\$ 979,076	\$ 946,981	\$ 945,140	\$ 898,730	\$ 870,149	\$ 874,237	\$ 852,782	\$ 828,359	\$ 811,027
Total Net Debt Applicable to Limit	<u>208,262</u>	<u>154,434</u>	<u>145,783</u>	<u>158,962</u>	<u>169,735</u>	<u>192,750</u>	<u>195,632</u>	<u>175,404</u>	<u>125,881</u>	<u>141,833</u>
Legal Debt Margin	<u>\$ 770,814</u>	<u>\$ 824,642</u>	<u>\$ 801,198</u>	<u>\$ 786,178</u>	<u>\$ 728,995</u>	<u>\$ 677,399</u>	<u>\$ 678,605</u>	<u>\$ 677,378</u>	<u>\$ 702,478</u>	<u>\$ 669,194</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	21.27%	15.77%	15.39%	16.82%	18.89%	22.15%	22.38%	20.57%	15.20%	17.49%

Note:  
 (1) See Table 9 for calculation of current year debt limitation

Source: Comprehensive Annual Financial Report - Schedule of Debt Limitation

**TOWN OF EAST HARTFORD, CONNECTICUT  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 LAST TEN FISCAL YEARS  
 (IN THOUSANDS)  
 (UNAUDITED)**

Fiscal Year	MDC Overlapping Debt	Percentage Applicable to East Hartford	Town Share of Debt	General Purpose	Unamortized Bond Premiums	Financing Arrangements	Total Direct	Total Direct and Overlapping Debt	Ratio of Total Overall Net Debt to Estimated Actual Assessed Value	Ratio of Total Overall Net Debt Per Capita
2023	\$ 885,067	11.73 %	\$ 103,842	\$ 40,100	\$ 2,526	\$ 8,561	\$ 51,187	\$ 155,029	4.44 %	\$ 3.042
2022	794,313	11.80	93,729	46,385	3,529	9,859	59,773	153,502	3.80	3.068
2021	866,704	11.69	101,318	34,045	1,869	10,668	46,582	147,900	3.69	2.942
2020	903,187	11.83	106,847	41,695	2,725	10,784	55,204	162,051	3.98	3.212
2019	922,227	11.99	110,575	48,740	3,263	13,417	65,420	175,995	4.38	3.464
2018	972,976	12.19	118,606	41,125	2,780	14,916	58,821	177,427	4.49	3.490
2017	949,066	12.14	115,217	47,395	3,121	17,679	68,195	183,412	4.64	3.608
2016	914,104	12.23	111,795	38,755	1,052	19,412	59,219	171,014	4.38	3.344
2015	601,753	11.99	72,150	44,910	1,198	16,880	62,988	135,138	3.51	2.639
2014	650,055	11.65	75,731	51,580	1,344	14,692	67,616	143,347	3.73	2.801

Note: MDC overlapping debt is calculated by the Metropolitan District Commission based on the percentage of taxes owed by East Hartford.

**TOWN OF EAST HARTFORD, CONNECTICUT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS  
(UNAUDITED)**

Calendar Year	Population (1)	School Enrollment (2)	Employed (3)	Median Family Income (1)	Personal Income (in thousands)	Per Capita Income (1)	Percentage Unemployed (3)			
							Town of East Hartford	Hartford Labor Market	State of Connecticut	United States
2023	50,971	6,392	25,453	\$ 70,990	\$ 1,520,006	\$ 29,821	4.6 %	3.9 %	3.4 %	3.6 %
2022	50,036	6,326	25,474	71,224	1,401,558	28,011	6.4	4.4	4.3	3.8
2021	50,272	6,581	23,933	70,319	1,458,642	29,015	9.6	7.0	7.3	5.4
2020	50,453	6,793	25,206	68,854	1,413,239	28,011	13.2	9.9	10.3	11.2
2019	50,812	6,836	26,209	62,261	1,340,115	26,374	4.3	3.5	3.4	3.3
2018	50,834	6,987	24,833	61,359	1,523,728	25,303	5.9	4.8	4.7	4.4
2017	51,137	6,876	27,229	48,369	1,276,431	24,961	4.9	4.1	4.0	4.1
2016	51,211	6,732	25,933	50,355	1,305,856	25,509	5.8	5.1	5.1	4.9
2015	51,171	6,880	25,788	50,400	1,308,852	25,578	6.5	5.1	5.1	4.9
2014	51,284	7,060	24,184	47,056	1,271,802	24,799	10.0	7.3	7.0	6.3

Sources:

- (1) US Census 2020 American Community Survey 5 year estimate
- (2) Edsight.gov, State of CT Department of Education
- (3) State of CT Department of Labor

**TOWN OF EAST HARTFORD, CONNECTICUT  
PRINCIPAL EMPLOYERS  
2023 AND 2014  
(UNAUDITED)**

Employer	Nature of Business	2023			2014		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Pratt and Whitney Aircraft	Engine Manufacturer	8,000	1	29.97 %	9,000	1	37.21 %
Town of East Hartford	Municipality	1,716	2	6.43	1,780	2	7.36
Goodwin University	Educational Institution	533	3	2.00	745	3	3.08
Riverside Health Center	Medical Care and Rehabilitation	385	4	1.44	350	8	1.45
American Eagle Federal Credit	Banking Headquarters	331	5	1.24	-	-	-
Connecticut Natural Gas	Energy Utility	310	6	1.16	263	10	1.09
Raytheon Technologies Research Ctr	Research Laboratory	275	7	1.03	500	6	2.07
Hoffman Auto	Automotive	249	8	0.93	176	13	0.73
Gengras Motor Cars	Automotive	244	9	0.91	187	12	0.77
Coca Cola Bottling Company	Beverage Mfg. and Dist.	199	10	0.75	600	4	2.48
United Steel	Manufacturing	184	11	0.69	150	15	0.62
Cabela's Outdoor Store	Outdoor Supplies	165	12	0.62	300	9	1.24
Intercommunity	Healthcare	150	13	0.56	-	-	-
CT Judicial & Dept. of Info. Technology	State of Connecticut	118	14	0.44	115	16	0.48
Bank of America (formerly Fleet)	Banking Headquarters	109	15	0.41	550	5	2.27
Red Thread	Office Furniture Retailer	82	16	0.31	200	11	0.83
BiOrigin Specialty Products	Paper Manufacturer	62	17	0.23	-	-	-
CSC Financial	Software Services	-	-	-	490	7	2.03
Quest Global	Engineering Software	-	-	-	300	9	1.24
Xerox	Office Equipment	-	-	-	300	9	1.24
Hop Energy	Energy	-	-	-	160	14	0.66
Cellu-Tissue	Paper Manufacturer	-	-	-	150	15	0.62
<b>Total</b>		<b>13,112</b>		<b>49.12 %</b>	<b>16,316</b>		<b>67.47 %</b>

Source: Town of East Hartford, Development Department

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government (1):										
Administration	57	47	47	47	47	47	47	47	47	48
Police	163	164	164	164	164	164	164	163	163	163
Public Works	56	71	71	71	71	71	71	71	71	71
Inspections and Permits	9	11	11	11	11	11	11	11	11	11
Civil Preparedness	1	1	1	1	1	1	1	1	1	1
Fire	121	133	133	133	133	133	133	133	133	133
Library	15	14	14	14	14	14	14	14	14	14
Parks and Recreation	32	25	25	25	25	25	25	25	25	25
Youth Services	5	5	5	5	5	5	5	5	5	5
Health and Social Services	22	13	13	13	13	13	13	13	13	13
Total General Government	<u>481</u>	<u>484</u>	<u>484</u>	<u>484</u>	<u>484</u>	<u>484</u>	<u>484</u>	<u>483</u>	<u>483</u>	<u>484</u>
Board of Education (2):										
Administration and Principals	46	42	40	39	49	49	49	48	47	47
Teachers	619	630	624	618	624	624	624	636	637	640
Other	592	668	616	636	528	528	528	545	534	609
Total Board of Education	<u>1,257</u>	<u>1,340</u>	<u>1,280</u>	<u>1,293</u>	<u>1,201</u>	<u>1,201</u>	<u>1,201</u>	<u>1,229</u>	<u>1,218</u>	<u>1,296</u>
Total	<u><u>1,738</u></u>	<u><u>1,824</u></u>	<u><u>1,764</u></u>	<u><u>1,777</u></u>	<u><u>1,685</u></u>	<u><u>1,685</u></u>	<u><u>1,685</u></u>	<u><u>1,712</u></u>	<u><u>1,701</u></u>	<u><u>1,780</u></u>

Sources:

- (1) Town of East Hartford, Finance Department
- (2) East Hartford Board of Education

**TOWN OF EAST HARTFORD, CONNECTICUT  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government (1):										
Building Permits Issued	3,183	2,881	2,786	2,387	3,076	2,734	2,452	2,409	2,370	2,635
Police (2):										
Physical Arrests	1,965	1,563	1,112	1,387	1,633	1,939	2,461	2,553	2,538	2,599
Parking Violations	355	793	326	499	989	402	654	1,179	1,072	1,148
Traffic Violations	5,317	4,764	3,485	5,257	7,210	6,841	6,385	7,576	7,864	7,930
Fire (3):										
Emergency Responses	10,648	10,472	9,019	10,207	10,670	10,500	10,402	10,620	10,317	10,476
Fires Extinguished	230	244	316	212	233	225	203	220	141	137
Inspections	392	322	105	615	1,051	1,500	1,001	1,928	1,596	1,658
Refuse collection (4):										
Municipal Solid Waste Collected (Tons)	16,687	17,261	16,986	15,500	14,588	14,400	14,601	14,500	14,363	14,862
Parks and recreation (5):										
Community Center Admissions	117	660	240	20,000	36,000	36,000	37,500	35,000	36,500	35,500
Library (6):										
Volumes in Collection	78,674	80,528	79,157	79,133	82,675	79,191	77,066	71,996	121,326	158,622
Total Volumes Borrowed	64,108	58,496	38,123	71,142	99,818	84,199	75,191	67,968	89,720	120,169

Sources:

- (1) Town of East Hartford, Inspections and Permits Department
- (2) Town of East Hartford, Police Department
- (3) Town of East Hartford, Fire Department
- (4) Town of East Hartford, Public Works Department
- (5) Town of East Hartford, Parks Department
- (6) Town of East Hartford, Library Department

**TOWN OF EAST HARTFORD, CONNECTICUT  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government (1):										
Town Buildings	55	52	52	52	52	52	52	52	52	52
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire (2):										
Firefighting/Rescue Vehicles	15	15	15	15	15	15	14	15	16	16
Other Vehicles	13	13	13	13	13	13	13	12	15	14
Fire Stations	5	5	5	5	5	5	5	5	5	5
Parks and Recreation (3):										
Parks	17	17	17	17	17	17	17	17	17	17
Recreation Fields and Courts:										
Number of Basketball Courts	19	19	19	19	19	19	19	19	19	19
Number of Football Fields	2	2	2	2	2	2	2	2	2	2
Number of Multi-Use Fields	4	4	4	4	4	4	4	4	4	4
Number of Playgrounds	15	15	15	15	15	15	15	15	15	15
Number of Soccer Fields	9	9	9	9	9	9	9	9	9	9
Number of Softball Fields	7	7	7	7	7	7	7	7	7	7
Number of Tennis Courts	10	10	10	10	10	10	6	6	6	6
Number of Pickle Ball Courts	6	6								
Mowers	10	10	10	10	10	10	10	10	10	10
Other Vehicles	22	22	22	22	22	22	22	22	22	22
Education (4):										
School Buildings	16	16	16	16	16	16	16	16	16	16
Administrative Buildings	2	2	2	2	2	2	2	2	2	2

Sources:

- (1) Town of East Hartford, Public Works Department
- (2) Town of East Hartford, Fire Department
- (3) Town of East Hartford, Park Department
- (4) East Hartford Board of Education