

OFFICIAL STATEMENT DATED DECEMBER 20, 2023

NEW ISSUE – Book-Entry Only

S&P GLOBAL RATINGS: AA
(See “Ratings” herein)

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the “Code”), interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See “Tax Matters” herein.

TOWN OF EAST HARTFORD, CONNECTICUT \$25,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2024

Dated: Date of Delivery

Due: January 15, as shown below

MATURITY SCHEDULE AND AMOUNTS

Maturity	Amount	Interest Rate	Yield	CUSIP ¹	Maturity	Amount	Interest Rate	Yield	CUSIP ¹
2025	\$2,500,000	5.000 %	2.480 %	272839US8	2030	\$2,500,000	5.000 %	2.110 %	272839UX7
2026	2,500,000	5.000	2.310	272839UT6	2031	2,500,000	5.000	2.120	272839UY5
2027	2,500,000	5.000	2.200	272839UU3	2032	2,500,000	4.000	2.180 *	272839UZ2
2028	2,500,000	5.000	2.130	272839UV1	2033	2,500,000	4.000	2.190 *	272839VA6
2029	2,500,000	5.000	2.110	272839UW9	2034	2,500,000	4.000	2.200 *	272839VB4

* Priced assuming redemption on January 15, 2031; however any such redemption is at the option of the Town. See “Optional Redemption” herein.

RAYMOND JAMES & ASSOCIATES, INC.

The Bonds will be general obligations of the Town of East Hartford, Connecticut (the “Town”) and the Town will pledge its full faith and credit to pay the principal of and the interest on the Bonds when due. (See “Security and Remedies” herein).

The Bonds will bear interest payable on July 15, 2024 and semi-annually thereafter on January 15 and July 15 in each year until maturity or earlier redemption. The Bonds are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. (See “Book-Entry-Only Transfer System” herein).

The Bonds are subject to optional redemption prior to maturity as described more fully herein. (See “Optional Redemption”, herein).

The Certifying Bank, Registrar, Transfer, and Paying Agent for the Bonds will be U.S. Bank Trust Company, National Association, Hartford, Connecticut.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry form will be made to the Depository Trust Company, New York, New York on or about January 16, 2024.

This cover page contains certain information for quick reference only. It is NOT a summary of this issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision

¹ Copyright, American Bankers Association CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bond. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, broker, salesman or other person has been authorized by the Town of East Hartford, Connecticut (the “Town”), to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of this Official Statement.

Other than matters expressly set forth in Appendix A – “Audited Financial Statements” herein, the independent auditors for the Town are not passing upon and do not assume responsibility for the accuracy or completeness of the financial information presented in this Official Statement and make no representation that they have independently verified the same. The independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this Official Statement.

Other than as to matters expressly set forth in Appendix B – “Form of Legal Opinion of Bond Counsel” herein, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

The Town will enter into a continuing disclosure agreement with respect to the Bonds (the “Continuing Disclosure Agreement”), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events not in excess of ten (10) business days after the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement which is to be executed in substantially the form attached as Appendix C to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5).

The Town deems this Official Statement to be “final” for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

Munistat Services, Inc., the Town’s Municipal Advisor, has assisted the Town in the preparation of this Official Statement from information supplied by Town officials and other sources. Munistat Services, Inc. does not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same.

This Official Statement and information incorporated herein include “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “anticipate,” “budget,” “approximately” or other similar words. All forward-looking statements included in this Official Statement or incorporated herein are based on information available to the Town up to the date of this Official Statement. The achievement of certain results or other expectations involve known and unknown risks, uncertainties and other factors which may cause actual results to differ materially from those anticipated in these forward-looking statements. The Town assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof.

BOND COUNSEL

ROBINSON & COLE LLP
Hartford, Connecticut
(860) 275-8200

MUNICIPAL ADVISOR

MUNISTAT SERVICES, INC.
Madison, Connecticut
(203) 421-2880

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BOND SALE SUMMARY

The information in this Bond Sale Summary and the front cover is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. The Official Statement speaks only as of its date and the information herein is subject to change.

Issuer:	Town of East Hartford, Connecticut (the “Town”).
Issue:	\$25,000,000 General Obligation Bonds, Issue of 2024 (the “Bonds”).
Dated Date:	Date of Delivery.
Principal Due:	Serially, January 15, 2025 - 2034.
Interest Due:	July 15, 2024, and semiannually thereafter on January 15 and July 15 in each year, until maturity or earlier redemption.
Purpose and Authority:	The Bonds are being issued to finance rehabilitation of Town roads and flood control systems, improvements to the Town Hall and other Town buildings, and roofs at the Town’s High School and Middle School, pursuant to Title 7 and Title 10 of the General Statutes of Connecticut, as amended, the Charter of the Town of East Hartford, and bond resolutions adopted by the Town Council and approved by the voters of the Town at referendum.
Redemption:	The Bonds <u>are</u> subject to redemption prior to maturity as more fully described herein. See “Optional Redemption” herein.
Security:	The Bonds will be general obligations of the Town of East Hartford, Connecticut, and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Bonds when due.
Credit Rating:	The Bonds have been rated “AA” by S&P Global Ratings (“S&P”). Certain outstanding bonds of the Town are rated “Aa3” by Moody’s Investors Service (“Moody’s”). However, the Town did not seek a rating from Moody’s on this issue.
Basis of Award:	Lowest True Interest Cost (“TIC”) as of the dated date.
Tax Status:	See “Tax Matters” and Appendix B to this Official Statement.
Bank Qualification:	The Bonds shall <u>not</u> be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
Continuing Disclosure Agreement:	In accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, the Town will provide or cause to be provided: (i) certain annual financial information and operating data, including audited financial statements; (ii) timely notice of the occurrence of certain events within ten (10) business days of the occurrence of such events; and (iii) timely notice of its failure to provide such annual financial information, pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
Certifying, Registrar, Transfer and Paying Agent:	U.S. Bank Trust Company, National Association, of Hartford, Connecticut.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry form will be made to The Depository Trust Company on or about January 16, 2024, against payment in Federal Funds.
Issuer Official:	Questions regarding the Town and this Official Statement should be directed to Melissa McCaw, Chief Administrative Officer and Director of Finance, Town of East Hartford, 740 Main Street, East Hartford, Connecticut 06108. Telephone (860) 291-7246.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A Madison, Connecticut 06443, attention: William N. Lindsay, Managing Director. Telephone (203) 421-2880.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of East Hartford, Connecticut (the “Town”) in connection with the issuance and sale of \$25,000,000 General Obligation Bonds, Issue of 2024 (the “Bonds”) of the Town.

The Bonds are being offered for sale at public bidding. A Notice of Sale, dated December 13, 2023, has been furnished to prospective bidders. Reference is made to the Notice of Sale (see Appendix D herein) for the terms and conditions of the bidding on the Bonds.

This Official Statement (“Official Statement”) is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof.

All quotations from the summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other areas presented herein as provided by the Town.

Bond counsel is not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in its opinion) and makes no representations that it has independently verified the same.

Munistat Services, Inc. (“Munistat”) or the “Municipal Advisor” is engaged as Municipal Advisor to the Town in connection with the issuance of the Bonds. The Municipal Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Munistat, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal and state income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

DESCRIPTION OF THE BONDS

The Bonds will be used to finance certain capital projects of the Town (see “Authorization and Purpose of the Bonds” herein.) The Bonds will be dated the date of delivery, and will mature in annual installments on January 15 in each of the years and in the principal amounts as set forth on the cover page hereof. Interest on the Bonds will be payable July 15, 2024 and semiannually thereafter on January 15 and July 15 in each year until maturity or earlier redemption. Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable to the registered owner as of the close of the last business day in December and June in each year.

The Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. A book-entry system will be employed evidencing ownership of the Bonds with transfers of ownership effected on the records of The Depository Trust Company, New York, New York (“DTC”), and its participants pursuant to rules and procedures established by DTC and its participants (See “Book-Entry-Only Transfer System” herein). The Bonds will be payable at the principal office of U.S. Bank Trust Company National Association, in Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut. The Bonds shall not be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds described herein.

The Bonds are subject to redemption prior to maturity (see “Optional Redemption” herein).

AUTHORIZATION AND PURPOSE OF THE BONDS

Authorization: The Bonds are issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the Town of East Hartford and bond resolutions adopted by the Town Council and approved by the legal voters of the Town at referendum.

Purpose: Proceeds of the Bonds will be used to finance various capital projects undertaken by the Town as follows:

Project	Total Amount of Authorization	Prior Debt Issued	The Bonds (This Issue)
Road Improvements/Flood Control 2016.....	\$ 15,000,000	\$ 10,000,000	\$ 1,300,000
Road Improvements 2018.....	15,000,000	9,000,000	4,300,000
Town Hall HVAC 2018.....	3,900,000	1,000,000	2,900,000
Road Improvements 2020.....	15,000,000	-	9,500,000
Town Building 2020.....	10,000,000	-	6,000,000
Board of Education High and Middle School Roofs.....	4,000,000	-	1,000,000
	<u>\$ 62,900,000</u>	<u>\$ 20,000,000</u>	<u>\$ 25,000,000</u>

RATINGS

The Bonds have been rated “AA” by S&P Global Ratings (“S&P”). The rating on certain outstanding bond issues has recently been affirmed as “AA” by S&P. Such rating reflects only the views of such rating agency and any explanation of the significance of such rating may be obtained from S&P at the following address: S&P Global Ratings, 55 Water Street, New York, New York 10007. Certain outstanding bonds of the Town are rated “Aa3” by Moody’s Investors Service (“Moody’s”). However, the Town did not seek a rating from Moody’s for this issue. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will continue for any given period of time or that it will not be revised or withdrawn entirely by the agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such ratings may have an effect on the market price of the Town's bonds.

OPTIONAL REDEMPTION

The Bonds maturing on or before January 15, 2031 are not subject to redemption prior to maturity. The Bonds maturing on January 15, 2032 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after January 15, 2031, at any time, either in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption prices (expressed as a percentage of the par amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
January 15, 2031 and thereafter	100%

NOTICE OF REDEMPTION

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the date fixed for redemption to the registered owner of the Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if such funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of the Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting the Bonds for redemption, each bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such bond by \$5,000.

The Town, so long as a book-entry only system is used for the Bonds being called for redemption, will send any notice of redemption only to DTC, or a successor securities depository, or its nominee. Any failure of DTC to advise any Direct Participant or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such bonds called for redemption.

Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amount of the Bonds held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

The Bonds shall NOT be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION

The Town prepares, in accordance with State law, annual independent audited financial statements and files such financial statements with the State Office of Policy and Management on an annual basis within six months of its year end, subject to extension.

In accordance with the requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, and (iii) timely notice of the failure by the Town to provide the annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements for the benefit of holders of certain of its bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In the last five years, the Town has not failed to comply, in all material respects, with its previous undertakings in such agreements.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of bond certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the Town believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

REPLACEMENT BONDS

The determination of the Town officials authorizing the issuance of the Bonds provides for issuance of fully registered Bond certificates directly to Beneficial Owners of the Bonds or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry only system of evidence and transfer

of ownership of the Bonds. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

DTC PRACTICES

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

Neither the Town nor the Paying Agent will have any responsibility or obligation to the Participants of DTC or the persons for whom they act as nominees with respect to (i) the accuracy of any records maintained by DTC or by any Participant of DTC, (ii) payments or the providing of notice to the Direct Participants, the Indirect Participants or the Beneficial Owners, (iii) the selection by DTC or by any Participant of DTC of any Beneficial Owner to receive payment in the event of a partial redemption of the Bonds or (iv) any other actions taken by DTC or its partnership nominees as owner of the Bonds.

SECURITY AND REMEDIES

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income, of qualified disabled persons and veterans taxable at limited amounts. Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and notes and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction have the power in appropriate proceedings to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such bonds and notes would also be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the federal bankruptcy code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by state law or by a government officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district or any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met at and subsequent to delivery of the Bonds in order that interest on the Bonds be and remains excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Tax Regulatory Agreement, which will be executed and delivered by the Town concurrently with the Bonds, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Town also covenants and agrees that it shall perform all things necessary or appropriate

under any valid provision of law to ensure interest on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Town with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022.

Ownership of the Bonds may also result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Bonds. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Bonds.

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

The opinions of Bond Counsel are rendered as of their date and are based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Bonds.

Original Issue Premium

The initial public offering price of certain maturities of the Bonds may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds are sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The offering prices relating to the yields set forth on the cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Amortized original issue premium on the Bonds is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual compounding method. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds.

CONSIDERATION FOR BOND HOLDERS

The COVID-19 Outbreak and Future Pandemics

On January 30, 2020, the outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the "State") and took steps to mitigate the spread and impacts of COVID-19. As of May 11, 2023, the federal and State public health emergency declarations have been terminated.

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the “Rescue Plan”) that provided various forms of financial assistance and other relief to state and local governments. The Town received \$24.5 million from the Rescue Plan and the Board of Education \$20.9 million. The Town and Board of Education developed a plan for the use of such funds that will focus on responding to the public health emergency and its negative economic, social and academic impacts through initiatives that comply with the program eligibility criteria. Town Funds were used for the renovation and reopening of the Wickham Library, a previously shuttered branch library in a low-to-moderate income area; replacement of the HVAC system at Town Hall to reduce the risk of transmission of airborne pathogens and other infrastructure improvements. Programmatic initiatives include expansion of meal and services to senior, digital inclusion training in the community, workforce development and training, incorporation of social work and mental health supports for policing, food pantry services and library enrichment programs for youth. The BOE invested over \$13M in IT and Facilities Infrastructure improvements such as full window systems at four (4) schools and the replacement of a tri-generation system at EHHS along with full emergency back-up power. Almost \$5M was invested in short-term student support to recover from pandemic-related learning losses, while the balance was used to continue educational operations that were at risk of being cut due to funding source instability.

For up-to-date information concerning the State’s actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town, nor the parties involved with the issuance of the Bonds, have reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town.

Pandemics, epidemics and other public health emergencies, may adversely impact the Town and its revenues, expenses and financial condition. The Town cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the revenues and expenses of the Town. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the State Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on Town revenues, expenses and financial condition.

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

CYBERSECURITY

The Town like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive internal and cloud based digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Town’s digital networks and systems and the costs of remedying any such damage could be substantial. The Town maintains annual Cyber Liability coverage which covers both the Town and the Board of Education. The Town leverages external partners through Cybersecurity Infrastructure Security Agency (“CISA”) and the Connecticut National Guard for security vulnerability assessment and general assessment. Internally, the Town leverages internal vulnerability scanning, enhanced internal audit logging, and centralized systems logging to detect and automatically or manually respond to emerging threats. The Town itself has not had a cyber breach with any on-premise systems. To maintain vigilance and awareness, the Town contracting requires partners for both hosted and cloud hosted providers to maintain Cyber Liability insurance, support the enhancement of Multi-Factor Authentication (MFA), per industry best practices and requires compliance with the State of Connecticut’s cyber breach reporting, should external partners be breached.

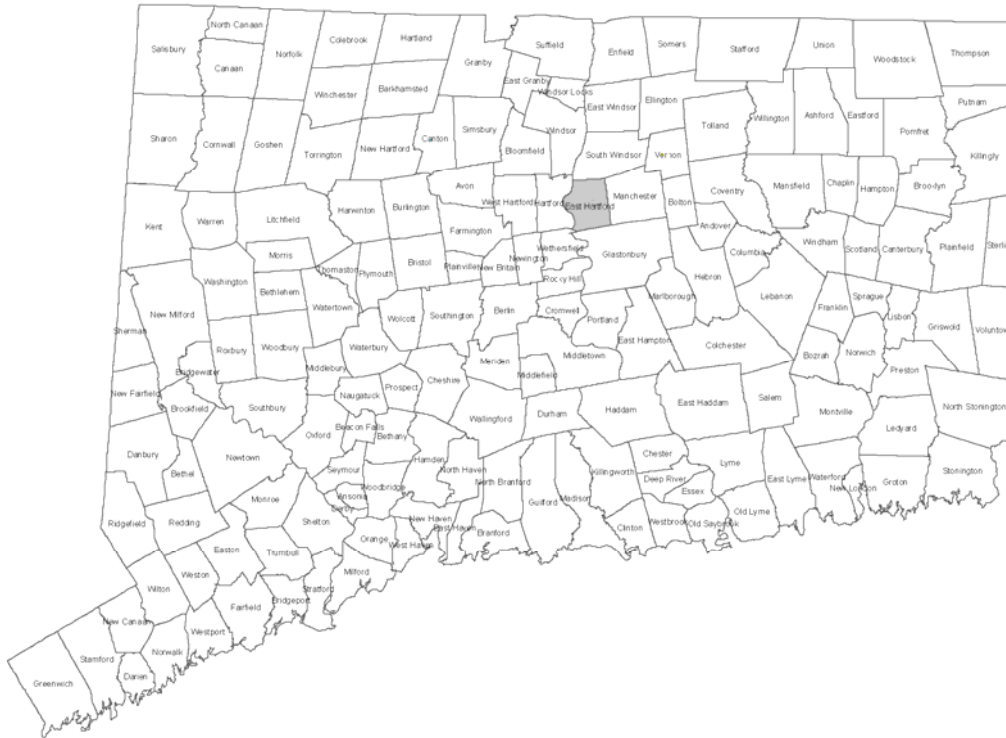
ENVIRONMENTAL FACTORS

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the Town is vulnerable to inland wetland, small river and stream flooding. Furthermore, the Town faces other threats due to climate change, including damaging wind that could become

more severe and frequent. The Town cannot predict the timing, extent or severity of climate change and its impact on its operations and finances. In an effort to address the potential future effects of climate change the Town has undertaken a number of initiatives. For the flood control system (“FCS”) that protects the western portion of East Hartford, the Town is partnering with the U.S. Army Corps of Engineers on a study that could fund major rehabilitation of the various components of the FCS. One component of that study is the evaluation of pump stations to ensure efficacy or effectiveness with high intensity and shorter duration rainfall. In addition, the Town is actively assessing localized areas of poor drainage to ensure that the stormwater collection system is functioning properly and able to capture the maximum amount of runoff from the high intensity, short duration storms. Finally, the Town is seeking funding to replace bridges where there is inadequate hydraulic capacity, which can lead to increased overland flow and localized flooding.

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II. THE ISSUER



DESCRIPTION OF THE TOWN

The Town's Charter was granted by the General Assembly on October 9, 1783, and was last revised in 2022. The Town is located directly east of the capital city of Hartford on the east bank of the Connecticut River, encompassing a land area of 18.7 square miles. The Town is also bordered by Glastonbury on the south, Manchester on the east, and South Windsor on the north, and is situated halfway between New York City and Boston. The Town is served by regional and national rail lines, and Bradley International Airport is fifteen miles to the northwest. The Connecticut River provides water access to Long Island Sound 40 miles to the south. The Town's population according to the 2017-21 American Community Survey Census was 50,971.

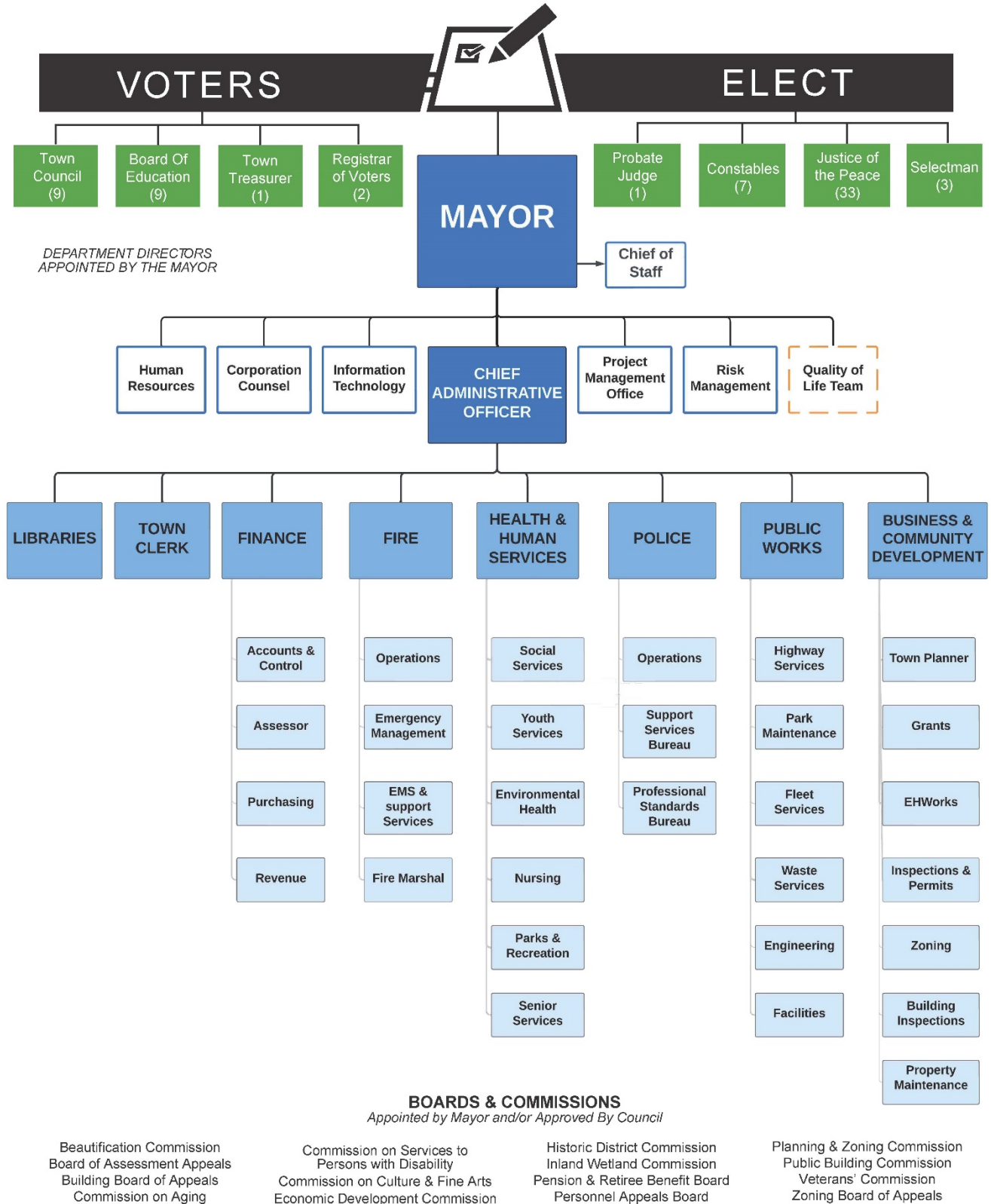
East Hartford is the home of a vibrant business community with an enduring tradition in the aerospace sector. Principal products include aircraft engines and components, machine tools, dies, precision parts, structural steel and sheet metal fabrications, and marking machines.

The Town serves as the corporate and general headquarters for the Pratt & Whitney division of RTX Corporation, which employs approximately 40,000 people worldwide and 8,000 people in East Hartford. Other significant employers include the Town of East Hartford, Goodwin University, Riverside Health & Rehabilitation Center, American Eagle Financial Credit Union, Connecticut Natural Gas, RTX Technology Research Center, Hoffman Auto Group, Gengras Motor Cars, Coca-Cola Beverages Northeast, United Steel, Cabela's, Inter-Community Healthcare, and Bank of America.

FORM OF GOVERNMENT

The Town functions under the Mayor-Town Council form of government, with the Mayor acting as the Chief Executive Officer. All legislative authority of the Town is vested exclusively in the nine member Town Council. The Chairman of the Town Council is also the Deputy Mayor and is empowered to exercise the powers and duties of the Office of the Mayor in the event of the Mayor's death, disability, resignation or removal from office. In general, the Town Council's chief powers include the power to approve and adopt the annual budget, the power to enact ordinances, the power to fix penalties and fines and the powers of subpoena and investigation.

Town of East Hartford Organizational Chart



MUNICIPAL OFFICIALS

<u>Office</u>	<u>Name</u>	<u>Manner of Selection & Term</u>	<u>Years of Service</u>
Mayor ¹	Connor Martin	Elected - 2 Years	4 years
Town Council:			
Chairman.....	Richard F. Kehoe	Elected - 2 Years	32 years
Vice Chairman.....	Donald Bell	Elected - 2 Years	4 years
Majority Leader.....	Sebrina Wilson	Elected - 2 Years	4 years
Minority Leader.....	John Morrison	Elected - 2 Years	4 years
Councilman at Large.....	Harry Amadasun	Elected - 2 Years	4 years
Councilman at Large.....	Angela Parkinson	Elected - 2 Years	4 years
Councilman at Large.....	Tom Rup	Elected - 2 Years	2 years
Councilman at Large.....	Travis Simpson	Elected - 2 Years	2 years
Councilman at Large.....	Awet Tsegai	Elected - 2 Years	4 years
Town Clerk ²	Kelly Bilodeau	Appointed - Indefinite	Less than 1 year
Tax Collector.....	Iris Laurenza	Appointed - Indefinite	15 years
Treasurer.....	John Murphy	Elected - 2 Years	2 years
Corporation Counsel.....	James Tallberg	Appointed - Indefinite	3 years
Chief Administrative Officer &... Director of Finance ³	Melissa McCaw	Appointed - Indefinite	2 years
Director of Public Works ⁴	Alexander Trujillo	Appointed - Indefinite	Less than 1 year
Fire Chief.....	Kevin Munson	Appointed - Indefinite	28 years
Chief of Police.....	Mack Hawkins	Appointed - Indefinite	32 years
Chairman, Board of Education...	Tyron Harris	Elected - 4 Years	13 years
Superintendent of Schools ⁵	Thomas Anderson	Appointed - 3 Years	Less than 1 year
Assessor (Interim).....	Annie Kohler	Appointed - Indefinite	29 years

¹ Mayor Martin was newly elected and sworn into office effective November 14, 2023. Mayor Martin's previous experience in the Town of East Hartford includes serving on the Town Council and as Chief of Staff to former Mayor Walsh.

² Town Clerk Bilodeau was appointed in December 2023 and brings 5 years of prior experience as the Town Clerk for the Town of East Hampton and 9 years as the assistant Town Clerk for the City of Hartford.

³ Chief Administrative Office & Director of Finance McCaw was appointed in March 2022 and has 22 years of prior public finance experience with the State of Connecticut and the City of Hartford.

⁴ Director of Public Works Trujillo joined the Town in March 2023, bringing 37 years of municipal experience with the City of Hartford and the Town of Avon.

⁵ Superintendent of Schools Anderson joined East Hartford Public Schools in July 2023 and brings 26 years of public-school experience in Massachusetts, Maryland and Washington D.C.

Source: Town Officials

SUMMARY OF MUNICIPAL SERVICES

The Town provides a full range of municipal services as directed by state statutes and the Town Charter. These include police and fire protection, parks and recreation activities, street construction and maintenance, planning and zoning, health and social services, education and general administrative services.

Fire Department: The East Hartford Fire Department ("EHFD" or "Department") has a staff of 133 firefighters. Staffing includes a Chief, two Assistant Chiefs, and four groups of 29 firefighters. A Deputy Chief, a Captain and seven Lieutenants supervise each group of firefighters. The EHFD has an ISO Class 2 rating and provides a wide range of fire, EMS, rescue, and hazardous materials response service to the community.

Line operations are supported by twelve staff positions that contribute to maintaining a high degree of efficiency in the delivery of fire services. Under the direction of the Chief Training Officer, the Department continually updates its firefighters on fire suppression methods, apparatus and equipment utilization, hazardous materials response, rescue scenarios, arrangement of streets, hydrant locations and a variety of other subjects all designed to reduce loss. The Fire Prevention Division, consisting of a Fire Marshal and three Deputy Fire Marshals, is responsible for code enforcement, fire cause and origin investigation, public fire education and the tracking of hazardous materials. The Apparatus and Equipment Repair Division, staffed by a Master Mechanic and an Assistant Mechanic, is responsible for maintaining a fleet of over twenty vehicles as well as a variety of emergency response equipment. The Fire Alarm Division, staffed by a Superintendent of Alarms and an assistant, ensures that the Municipal Fire Alarm system is ready to receive and transmit hazardous condition information from more than 90 locations throughout the community, including schools, nursing homes, commercial establishments and churches. The community's multi-disciplined Emergency Management efforts are coordinated through the Department, is led by a Captain and is focused on the planning, mitigation, training, and response to environmental or man-made emergencies.

The Department plays a major role in the delivery of Emergency Medical Services to the community. Firefighters are trained to provide medical care at the advanced life support level and to respond in a timely fashion from the five strategically located fire stations. The Chief Medical Officer and Assistant Medical Officer manage the medical program in the Department, constantly striving to deliver the highest quality of patient care possible to those in need.

Physical facilities include five fire stations, an apparatus repair facility that includes workspace for the Alarm Division, and the headquarters facility that houses the fire marshal's office as well as the administrative offices of the Department. The five fire stations house five paramedic engines, one 95-foot Tower/Ladder truck, a 100-foot Ladder truck, one Heavy Rescue vehicle and a Command vehicle. In addition, the Department maintains two spare engines, one spare Ladder truck, and one spare Heavy Rescue vehicle. The Department also has a variety of other support vehicles assigned to staff officers.

Police Department: The East Hartford Police Department ("Police Department") is a full-service department that has a complement of 152 sworn officers consisting of the Chief of Police, an Assistant Chief, 3 Deputy Chiefs, 11 Lieutenants, 16 Sergeants, 9 Detectives, 6 Investigators and 105 Sworn Police Officers. In addition, there are 19 full time civilian Public Safety and 4 civilian Communication Supervisor positions. The department has 1 full time and 1 part time Animal Control Officers. There are also 14 civilian clerical positions that support the Police Department. The Police Department achieved CALEA accreditation in November 2023.

The Police Department is divided into three major bureaus: Field Operations Bureau, Support Services Bureau, and the Professional Standards Bureau. Each Bureau is supervised by a Deputy Chief.

Field Operations Bureau – The Field Operations Bureau is the largest bureau within the Department. The Field Operations Bureau consists of the Patrol Division and the Criminal Investigations Division. The Field Operations Bureau is supplemented by the following special units supporting the mission of the Police Department: Traffic Unit; Motorcycle Unit; Animal Control Unit; K-9 Unit; TRT SWAT Team; TRT Crisis Negotiating Team; Marine Patrol; Dive Team; Bomb Squad; Honor Guard; and Bicycle Unit. The Criminal Investigations Bureau reviews all case reports and assigns Detectives to the most serious incidents. Detectives collaborate with patrol supervisors in order to supply technical assistance and/or expertise in certain areas and assume investigations that patrol officers may not have the time or experience to bring to a conclusion. Detectives also respond to and process crime scenes for collectible evidence. Detectives initiate investigations that fall outside the normal complaint procedure such as Sexual Offender registration laws, certain firearms violations, and they conduct many vice and narcotics investigations.

Support Services Bureau – The Support Services bureau mission is to provide the resources necessary for the daily operation of the Police Department. The main contact for citizens in need of assistance is the Communications Center which provides 24 hours a day, 7 days a week coverage for citizens in need of assistance. Tele-communicators are responsible for dispatching Police, Fire and Emergency Medical Services within the Town of East Hartford. Each shift is staffed with one Police Dispatcher, one Fire Dispatcher, call takers and one Communications Supervisor to oversee the shift. A Police Lieutenant oversees operations and projects. Divisions within the Support Services Bureau: Management Information Services ("MIS"); Records; Fleet; Property; Budget / Finance; Payroll / Permits; Administrative Scheduling; Quartermaster & Supplies.

Professional Standards Bureau: The goal of the Professional Standards Bureau is to ensure the Police Department is highly trained, accredited, ethical and adheres to the established Code of Conduct. This bureau safeguards the integrity of the Police Department. Internal Affairs primary function is to receive, process and investigate complaints made against members of the Police Department. When a complaint is received, every effort is made to ensure a thorough, timely, and fair investigation of the allegation(s) contained in the complaint. The openness of the Police Department in the acceptance of a complaint is a

principle element of professionalism and community responsiveness. All complaints are processed and reviewed by Internal Affairs and submitted to the Chief of Police for review and final disposition.

Public Works: The Department of Public Works consists of seven divisions employing 89 people and using 169 vehicles and equipment of various types. The Administration Division oversees the following six operational divisions:

Engineering Division – The Engineering Division reviews technical design plans, surveys for design and construction, inspects utility, subdivision and municipal construction projects, engineers and drafts the designs of various complex municipal improvement projects and also acts as the liaison to other departments, commissions, contractors, agencies and citizens.

Street Division – The Street Division provides for the maintenance of 151 miles of Town roads, bridges, public buildings, storm sewers, five cemeteries, three flood control facilities, 4.5 miles of levee embankments, bus shelters, pavement markings, 5,114 streetlights and traffic signs. This division is also responsible for snow removal, catch basin cleaning, curbside leaf collection, eviction storage and disposal.

Park Division – The Parks Division operates and maintains 24 parks and playgrounds totaling over 650 acres of recreation space. The division also maintains the public grounds at municipal buildings, greens and islands on roadways, open parcels of land and multiple plantings throughout the Town. The Town Green at Alumni Park serves as a focal point for Main Street with a basketball court, walkways, sculpture, millennium wall, Gazebo, Kiosk with a video message board and a new play scape. The Town has available 9 picnic pavilions throughout the Town parks which can be rented and come with the use of picnic tables and grills for cooking. The Parks Division maintains 10 baseball fields (2 lighted), 5 softball fields (1 lighted), and maintains the fields for the East Hartford High School baseball and softball programs. The division also maintains 10 soccer fields and 2 football fields for local youth leagues. Additionally, the division maintains 5 outdoor pools, 2 splash pools for toddlers, 8 tennis courts, 8 of which are lighted, 6 pickleball courts, 1 cricket field, 20 outdoor basketball courts, and 1 dog park. For bikers and walkers, the division maintains the Hockanum River Linear Park Trails from the Connecticut River to Labor Field, the East Coast Greenway which enters Town at the mouth of the Hockanum River and extends into Manchester, and the East Hartford Nature Trail and Wildlife Area off of Long Hill Drive.

Waste Services Division – The duties of the Waste Services Division include the collection of 16,500 tons of rubbish annually as well as the operation of the Town Transfer Station.

Facilities Management Division – The Facilities Management Division provides basic daily maintenance and is responsible for continuous monitoring of all public buildings to ensure that all electrical, mechanical and structural systems are in order. This division maintains 55 buildings, totaling 415,000 square feet.

Fleet Division – The Fleet Division provides maintenance for 307 Town vehicles and equipment.

Parks and Recreation: The Department employs 19 full-time employees and over 175 temporary, part-time and seasonal employees. The Department offers a diverse range of recreation and leisure services as well as extensive programming opportunities throughout the year to provide residents with safe and affordable activities. The Department is responsible for the planning and scheduling all of Town Parks, Playfields, Picnics, Open Space uses and Permits. Historically, the Department has offered over 500 programs and processes over 10,000 registrations each year. Recreation staff organizes all Town-sponsored recreation activities and many special events. The Department works closely with various citizen committees, civic and nonprofit groups, youth sports organizations and local schools.

The Department's programs cover 5 outdoor pools, 2 indoor pools, 19 basketball courts, 15 playgrounds, 2 football fields, 9 soccer fields, 2 softball fields, 6 tennis courts, 9 Little League fields, 2 pony baseball fields, and 5 full size hardball fields. The Department also has 4 miles of trails along the Hockanum River. Additionally, the Department handles the scheduling of the Veterans Memorial Club House, Selden Brewer House and the Community Cultural Center.

Recycling: The State of Connecticut's stated recycling goal is reducing, reusing and recycling 60% of the waste stream by 2024. East Hartford continues to work toward this goal by educating local residents, commercial and institutional sectors about State goals and mandated recyclables. The Town created the Solid Waste Official position to lead and boost the recycling efforts by inspecting the waste stream and educating the residents. The current diversion rate is estimated to be 20%.

The Town currently recycles all mandated recyclables. In addition, waste oil, batteries, electronics, textiles, and paint are recycled at the Town's transfer station on Ecology Drive off Burnside Avenue. High grade office paper, plastic and metal beverage containers are collected in eighteen municipal buildings including Town Hall, the Police and Fire Headquarters and

public schools. Special efforts have also been made in 2017 and 2018 to collect plastic wrap, textiles, and milk containers in select schools throughout the district. The Town has a contract with a private collector to provide twice monthly curbside single stream recycling for residences with between 1 to 6 families at an estimated cost to the Town of \$404,000 per year. The collector also began public space recycling collection in local parks in 2018. Currently, the Town diverts approximately 2,300 tons of curbside recycling which has resulted in an estimated savings of \$250,000 in tipping fees.

Solid Waste: The Town executed a municipal solid waste disposal contract on April 30, 2021, with Murphy Road Recycling, LLC for a nine-year term. For the fiscal year 2022-2023 the annual tipping fee was \$108/ton. Approximately 16,500 tons are expected to be delivered at a projected cost of approximately \$1.8 million dollars. Since July 2022, the Town contracted out the collection of curbside household waste for residences with 1 to 6 families at a contracted cost of \$1,285,000.

Water Services: Water is provided by the Metropolitan District Commission on a user fee basis.

Electric Services: Eversource Energy and Constellation provide electric service.

Financial Institutions: The Town has eleven (11) financial institutions available to residents including three (3) credit unions. The financial institutions located in Town include Bank of America, Chase Bank, KeyBank, M&T Bank, Santander Bank, TD Bank, Webster Bank and Wells Fargo Bank. The credit unions located in Town include America's First Network Credit Union, American Eagle Financial Credit Union, and Finex Federal Credit Union.

Education: The Town of East Hartford public school system provides comprehensive educational programs to students in grades kindergarten through twelve as well as a comprehensive program of special education courses and extracurricular activities. The schools are governed by a nine-member Board of Education.

The Town's school system consists of nine (9) elementary schools for pupils in grades K through 6 (including a school which contains a Head-Start/Pre-K program; another elementary school for alternative education (TEP); and an elementary school for pupils in grades 4 through 6); there are also two (2) middle schools for pupils in grades 6-8, and three (3) high schools for pupils in grades 9-12 in Town.

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MUNICIPAL EMPLOYMENT

Fiscal Year	2024	2023	2022	2021	2020
Board of Education ¹	1,298	1,257	1,340	1,280	1,293
General Government.....	484	468	484	484	484
Total	1,782	1,725	1,824	1,764	1,777

¹ Includes positions funded through a combination of Alliance District designation, Hartford Foundation grants and Commissioner's Network grants.

Source: Town Officials.

MUNICIPAL EMPLOYEES BY CATEGORY

<u>Department</u>	Number of Employees¹
<u>General Government</u>	
Administration.....	50
Police.....	152
Public Works.....	72
Inspection and Permits.....	9
Civil Preparedness.....	1
Fire.....	134
Library.....	14
Parks and Recreation.....	21
Youth Services.....	5
Health and Social Services.....	26
Subtotal.....	484
<u>Board of Education</u>	
Administration and Principals.....	46
Teachers.....	632
Other.....	620
Subtotal.....	1,298
Total Town Employees	1,782

¹ Includes full and permanent part time.

Source: Town Officials.

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MUNICIPAL EMPLOYEE BARGAINING ORGANIZATIONS

Employees	Organization	Number of Employees Covered	Contract Expiration Date
General Government			
Clerical.....	East Hartford Municipal Employees Union, CEA.....	92	6/30/2025
Firefighters.....	International Firefighters Local 1548 AFL-CIO.....	129	6/30/2026
Police.....	East Hartford Police Officers Association.....	123	6/30/2025
Public Works.....	AFSCME Local 1174.....	59	6/30/2025
Dispatchers.....	Teamsters Local 671.....	19	6/30/2026
Supervisors.....	AFSME Local 818.....	27	6/30/2022 ¹
Sub-Total.....		449	
Non-Union.....		35	
	Subtotal - General Government	484	
Board of Education			
Teachers.....	East Hartford Education Association	632	6/30/2025
Administrators.....	East Hartford Educational Administrative Unit	41	6/30/2026
Supervisors.....	AFSCME Local 818, Council 4	12	6/30/2025
Custodial / Maintenance.....	AFSCME Local 1933, Council 4	66	6/30/2026
Office Employees / Information Technology / Security.....	AFSCME-AFL-CIO, Council 4, Local 2727	78	6/30/2026
Paraprofessionals.....	East Hartford Federation of Paraprofessionals	135	6/30/2024
Nurses.....	East Hartford Registered Nurses Association	19	6/30/2024
Behavioral Managers.....	AFSCME, Council 4, Local 1950	86	6/30/2023 ¹
Sub-Total.....		1,069	
Non-Union ²		229	
	Subtotal -Board of Education	1,298	
	Total Town Employees	1,782	

¹ In negotiations.

² Includes central office administrators, confidential secretaries, central office support personnel, crossing guards, tutors, Licensed Practical Nurses and day care providers. Does not include substitute teachers.

Source: Town Officials.

Connecticut General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject the arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration, in assessing the financial capability of a municipality, there is an irrebuttable presumption that 15% of the municipality's budget reserve (a budget reserve of 5% or less for teacher's contracts) is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living (over the preceding three years for teacher's contracts), existing employment conditions of the employee group and similar groups, and wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

EDUCATIONAL FACILITIES

School	Grades	Date of Construction (Additions, Renovations)	Number of Classrooms	Enrollment 10/1/2023	Capacity
Goodwin.....	K-5	1968	23	344	534
Hockanum - Early Childhood Headstart....	Pre-K	1949 (1952)	23	324	474
Langford.....	K-5	1972 (1998)	29	319	455
Mayberry.....	K-5	1959 (1996)	26	332	377
Norris.....	K-5	1957 (1962, 1996)	21	270	320
O'Brien.....	K-5	1961 (1962, 1967)	29	340	486
O'Connell.....	K-5	1959 (1967)	26	525	627
Pitkin.....	K-5	1966	23	339	358
Silver Lane.....	K-5	1928 (1955, 1998)	21	233	341
Woodland.....	TEP - K-12	1929 (1949)	19	147	271
Sunset Ridge.....	6-8	1949 (1951, 2000)	30	338	408
East Hartford Middle School.....	6-8	1954 (1959, 1968, 1972)	52	889	1,783
Connecticut IB Academy ¹	9-12	2004	16	176	246
Stevens – Synergy Alternative High School.....	9-12	1966	15	97	207
East Hartford High School.....	9-12	1962 (1963, 1968, 1972, 2003)	126	1,688	2,276
Out of District/Magnet Schools.....	n/a	n/a	n/a	1,040	n/a
				7,401	9,869

¹ Serves East Hartford, Bolton, Ellington, Hartford, Manchester, Andover, Hebron, Marlborough, Somers and Vernon students.
Table reflects East Hartford students only.

SCHOOL ENROLLMENTS

<u>Actual Enrollments</u>					
<u>School Year</u>	<u>Pre-K-5</u>	<u>6 - 8</u>	<u>9 - 12</u>	<u>Outplaced¹</u>	<u>Total</u>
2014-15	3,485	1,469	2,106	698	7,758
2015-16	3,438	1,376	2,068	777	7,659
2016-17	3,314	1,394	2,026	794	7,528
2017-18	3,331	1,415	2,122	797	7,665
2018-19	3,240	1,415	2,181	836	7,672
2019-20	3,179	1,531	2,083	947	7,740
2020-21	3,015	1,494	2,072	975	7,556
2021-22	3,019	1,335	1,972	1,009	7,335
2022-23	3,062	1,262	2,042	1,040	7,406
2023-24	3,173	1,227	1,961	1,040	7,401
<u>Projected Enrollments</u>					
<u>School Year</u>	<u>Pre-K-5</u>	<u>6 - 8</u>	<u>9 - 12</u>	<u>Outplaced¹</u>	<u>Total</u>
2024-25	3,744	884	1,822	1,031	7,481
2025-26	3,669	866	1,786	1,031	7,352

¹ Includes outplaced/magnet school students.

Source: Superintendent's Office, Town of East Hartford Public Schools.

ECONOMIC DEVELOPMENT

The Development/Planning Department (“Development Department”) coordinates planning and zoning, revitalization efforts, and the capital planning activities of the Town in order to maintain existing assets and to promote economically, socially, and aesthetically desirable development in East Hartford.

East Hartford's central location makes it very attractive to manufacturers and suppliers, many of whom 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 the Pratt & Whitney division of RTX Corporation, and the Connecticut Center for Advanced Technology, the Town is an ideal location for aircraft supply chain manufacturers such as ATI Forged Products. 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.

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 in Town. Plans call for the construction of additional research and development buildings in future phases 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. 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 has issued a Request for Proposals to identify a developer 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. A development partner will renovate the building, originally constructed in 1913, into 24 modern housing units and three retail spaces on the first floor.

A group of prominent local and national developers, including Lexington Partners, has submitted a proposal named 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 a \$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.

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 University has plans for future commercial and residential development near Main Street and the Connecticut River.

Goodwin University is also home to two (2) 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.

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.

East Hartford strives to be a business-friendly community and to make starting and growing a business in the Town as simple as possible. Land-Use Group meetings, which are attended by Town staff involved in the review process, are available free of charge to businesspeople to discuss their plans and to help understand applicable regulations as they begin their planning.

The Town's Zoning Regulations have been comprehensively revised to be more straightforward and to include feedback from local stakeholders. The Town's Commercial Facade Improvement Program provides Community Development Block Grant funding to property owners to improve the appearance of buildings in highly trafficked commercial corridors.

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), 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. Municipal Aid in the amount of \$14.8M, Local Educational Agency (LEA) Aid of \$21 million have been respectively received with 50% apportionments for fiscal year 2022 and fiscal year 2023. 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 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 for physical plant/infrastructure expansion, new equipment purchases, facade renovations, or hiring of new employees. Over \$3.8 million is being distributed to over 50 businesses representing diverse industries such as hospitality, manufacturing, personal services, and information technology.

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III. ECONOMIC AND DEMOGRAPHIC DATA

POPULATION TRENDS

<u>Year</u>	<u>Town of East Hartford</u>	<u>Hartford County</u>	<u>State of Connecticut</u>
1990	50,452	851,783	3,287,116
2000	49,575	857,183	3,405,565
2010	51,252	894,014	3,574,097
2020	50,036	892,153	3,570,549
2021	50,971	898,636	3,605,330

Source: U.S. Census Bureau.

AGE CHARACTERISTICS OF THE POPULATION

<u>Age</u>	<u>Town of East Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5	3,298	6.5	47,594	5.3	182,122	5.1
5 - 9	2,444	4.8	50,497	5.6	196,540	5.5
10 - 14	3,112	6.1	56,376	6.3	224,371	6.2
15 - 19	4,088	8.0	58,581	6.5	245,790	6.8
20 - 24	3,811	7.5	56,904	6.3	241,370	6.7
25 - 34	6,948	13.6	118,374	13.2	445,861	12.4
35 - 44	7,651	15.0	113,965	12.7	439,098	12.2
45 - 54	6,175	12.1	118,325	13.2	488,283	13.5
55 - 59	3,864	7.6	65,035	7.2	269,688	7.5
60 - 64	3,137	6.2	60,220	6.7	252,028	7.0
65 - 74	3,939	7.7	87,017	9.7	357,409	9.9
75 - 84	1,763	3.5	42,569	4.7	173,149	4.8
85 and over	741	1.5	23,179	2.6	89,621	2.5
Total.....	<u>50,971</u>	<u>100.0</u>	<u>898,636</u>	<u>100.0</u>	<u>3,605,330</u>	<u>100.0</u>
Median Age....	37.4		40.2		41.0	

Source: U. S. Census Bureau, American Community Survey, 2017-2021.

SELECTED WEALTH AND INCOME INDICATORS

	<u>Median Family</u>		<u>Per Capita Income</u>	
	<u>(2000)</u>	<u>(2021)</u>	<u>(2000)</u>	<u>(2021)</u>
Town of East Hartford...	\$50,540	\$70,990	\$21,763	\$29,821
Hartford County.....	62,144	102,310	26,047	43,642
Connecticut.....	65,521	106,441	28,766	47,869
United States.....	49,600	85,028	21,690	37,638

Source: U. S. Census Bureau, American Community Survey, 2017-2021.

INCOME DISTRIBUTION

	<u>Town of East Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
Less than \$10,000.....	306	2.4	6,608	2.9	23,811	2.6
\$10,000 to 14,999.....	310	2.5	4,226	1.9	14,243	1.6
\$15,000 to 24,999.....	740	5.9	10,221	4.5	36,091	4.0
\$25,000 to 34,999.....	987	7.8	11,323	5.0	44,586	4.9
\$35,000 to 49,999.....	1,955	15.5	19,322	8.5	71,397	7.8
\$50,000 to 74,999.....	2,345	18.6	29,865	13.1	123,873	13.6
\$75,000 to 99,999.....	1,923	15.2	30,031	13.2	113,529	12.5
\$100,000 to 149,999...	2,474	19.6	49,778	21.9	188,052	20.7
\$150,000 to 199,999...	1,085	8.6	29,245	12.8	117,255	12.9
\$200,000 or more.....	493	3.9	37,079	16.3	177,169	19.5
	<u>12,618</u>	<u>100.0</u>	<u>227,698</u>	<u>100.0</u>	<u>910,006</u>	<u>100.0</u>

Source: U. S. Census Bureau, American Community Survey, 2017-2021.

EDUCATIONAL ATTAINMENT

Years of School Completed, Age 25 & Over

	<u>Town of East Hartford</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade	2,450	7.2	26,534	4.2	101,461	4.0
9th to 12th grade	2,176	6.4	34,412	5.5	123,560	4.9
High School Graduate	13,041	38.1	162,392	25.8	656,949	26.1
Some college - no degree	6,777	19.8	106,152	16.9	418,214	16.6
Associate degree	3,152	9.2	52,600	8.4	194,987	7.8
Bachelor's degree	4,202	12.3	137,915	21.9	561,567	22.3
Graduate or professional degree	2,420	7.1	108,679	17.3	458,399	18.2
Totals	<u>34,218</u>	<u>100.0</u>	<u>628,684</u>	<u>100.0</u>	<u>2,515,137</u>	<u>100.0</u>
Total high school graduate or higher		86.5%		90.3%		91.1%
Total bachelor's degree or higher		19.4%		39.2%		40.6%

Source: U. S. Census Bureau, American Community Survey, 2017-2021.

EMPLOYMENT BY INDUSTRY

Employment Sector	Town of East Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, Hunting & Mining..	6	0.0	1,291	0.3	7,314	0.4
Construction.....	1,392	5.3	23,323	5.1	113,665	6.2
Manufacturing.....	2,664	10.1	49,850	11.0	192,688	10.6
Wholesale Trade.....	583	2.2	10,267	2.3	41,165	2.3
Retail Trade.....	3,714	14.1	48,153	10.6	194,081	10.6
Transportaion, Warehousing & Utilities.....	1,959	7.4	23,508	5.2	80,481	4.4
Information.....	277	1.0	8,738	1.9	36,259	2.0
Finance, Insurance & Real Estate.....	2,454	9.3	48,071	10.6	164,657	9.0
Professional, Scientific & Management.....	2196	8.3	50,462	11.1	212,866	11.7
Educational Services & Health Care.....	6,364	24.1	116,677	25.7	482,274	26.5
Arts, Entertainment, Recreation & Food Services..	2,250	8.5	34,392	7.6	148,835	8.2
Other Service (including nonprofit).....	1402	5.3	19,988	4.4	82,217	4.5
Public Administration.....	1,125	4.3	19,215	4.2	66,493	3.6
Total	26,386	100.0	453,935	100.0	1,822,995	100.0

Source: U. S. Census Bureau, American Community Survey, 2017-2021.

MAJOR EMPLOYERS

<u>Name of Employer</u>	<u>Nature of Entity</u>	<u>Estimated Number of Employees</u>
Pratt & Whitney.....	Aerospace Manufacturer.....	8,000
Town of East Hartford.....	Municipality.....	1,782
Goodwin University.....	Educational Institution.....	533
Riverside Health Center.....	Medical Care and Rehabilitation.....	385
American Eagle Financial Credit Union.....	Financial Institution.....	331
Connecticut Natural Gas.....	Energy Utility.....	310
RTX (formerly Raytheon) Technology Research Center.....	Research Laboratory.....	275
Hoffman Auto Group.....	Automotive.....	249
Gengras Motor Cars.....	Automotive.....	244
Coca-Cola Beverages Northeast.....	Beverage Mfg. and Dist.....	199
United Steel.....	Manufacturing.....	184
Cabela's Outdoor Store.....	Outdoor Supplies.....	165
InterCommunity.....	Healthcare.....	150
CT Judicial Dept. of Info. Technology.....	State of Connecticut.....	118
Bank of America.....	Financial Institution.....	109
Red Thread.....	Office Furniture Retailer.....	82
Biorigin Specialty Products (formerly Dunn Paper).....	Paper Manufacturing.....	62

Source: Commissioner of Planning and Development, Town of East Hartford

UNEMPLOYMENT RATE STATISTICS

Period	Town of East Hartford		Percentage Unemployed		
	Employed ¹	Unemployed ¹	Town of East Hartford (%) ¹	Hartford Labor Market (%) ¹	State of Connecticut (%) ¹
Jan - Sept 2023.....	25,497	1,191	4.5	3.7	3.8
Annual Average					
2022.....	25,951	1,392	5.1	4.3	4.3
2021.....	24,536	2,256	8.4	6.3	6.3
2020.....	24,695	2,871	10.4	7.8	7.9
2019.....	26,489	1,255	4.5	3.6	3.6
2018.....	26,188	1,367	5.0	3.9	3.9
2017.....	26,084	1,481	5.4	4.4	4.4
2016.....	25,494	1,653	6.1	4.9	4.8
2015	25,532	1,926	7.0	5.6	5.6
2014	25,260	2,245	8.2	6.6	6.6
2013	24,651	2,657	9.7	7.9	8.0

¹ Non-seasonally adjusted.

Source: State of Connecticut, Department of Labor.

BUILDING PERMITS

Fiscal Year	Residential		Commercial/ Industrial		All Other		Total	
	Permits	Value	Permits	Value	Permits	Value	Permits	Value
2023	2,156	\$28,131,503	974	\$209,429,964 ¹	53	\$50,899,236	3,183	\$288,460,703
2022	1,950	20,550,700	888	45,190,965	43	2,157,547	2,881	67,899,212
2021	1,833	16,798,333	775	33,234,868	113	1,623,594	2,721	51,656,795
2020	1,800	16,639,139	497	37,323,575	90	7,856,166	2,387	61,818,880
2019	1,971	16,336,843	1,055	47,060,014	105	925,025	3,131	64,321,882
2018	1,900	12,295,644	680	57,535,599	154	1,938,705	2,734	71,769,948
2017	1,937	13,148,705	563	34,539,639	89	873,178	2,589	48,561,522
2016	2,274	15,728,098	718	253,578,637 ²	141	12,009,941	3,133	281,316,676
2015	1,681	11,364,164	614	27,409,960	124	2,465,880	2,419	41,240,004
2014	1,908	9,420,194	598	33,210,263	124	8,214,471	2,630	50,844,928

¹ Includes permits from East Hartford Logistics and Technology Park at Rentschler Field.

² Includes \$200 million for Pratt & Whitney Headquarters and RTX Research Center buildings.

Source: Building Department, Town of East Hartford.

NUMBER OF DWELLING UNITS

2021	2020	2010	2000	1990	1980	% Increase 2010-2021	% Increase 1980-2021
21,161	20,700	21,328	21,273	21,274	20,210	-0.5%	4.7%

Source: U.S. Census Bureau.

HOUSING INVENTORY

Type	Town of East Hartford		Hartford County		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1-unit detached.....	11,284	53.3	213,710	55.6	899,368	58.9
1-unit attached.....	1,376	6.5	24,211	6.3	90,010	5.9
2 units.....	1,520	7.2	29,197	7.6	122,509	8.0
3 to 4 units.....	2,002	9.5	36,366	9.5	127,995	8.4
5 to 9 units.....	934	4.4	22,771	5.9	79,520	5.2
10 to 19 units.....	577	2.7	15,499	4.0	54,673	3.6
20 or more units.....	2,885	13.6	40,339	10.5	141,189	9.2
Mobile home, trailer, other....	583	2.8	2,177	0.6	11,775	0.8
Total Inventory	21,161	100.0	384,270	100.0	1,527,039	100.0

Source: U. S. Census Bureau, American Community Survey, 2017-2021.

OWNER OCCUPIED HOUSING VALUES

Value of Owner Occupied	Town of East Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	549	4.8	4,683	2.0	19,747	2.1
\$ 50,000 to \$ 99,999	593	5.2	6,150	2.7	25,603	2.8
\$ 100,000 to \$149,999	2,518	21.9	20,622	8.9	68,932	7.4
\$ 150,000 to \$199,999	4,178	36.3	44,597	19.3	130,158	14.1
\$ 200,000 to \$299,999 ...	3162	27.5	74,848	32.4	250,981	27.1
\$ 300,000 to \$499,999 ...	435	3.8	61,592	26.7	268,183	29.0
\$ 500,000 to \$999,999 ...	44	0.4	16,350	7.1	117,839	12.7
\$1,000,000 and over	23	0.2	2,066	0.9	44,060	4.8
Total	11,502	100.0	230,908	100.0	925,503	100.0
Median Value	\$164,200		\$249,000		\$286,700	

Source: U. S. Census Bureau, American Community Survey, 2017-2021.

AGE DISTRIBUTION OF HOUSING

Year Structure Built	Town of East Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Built 2020 or later.....	0	0.0	207	0.1	768	0.1
Built 2010 to 2019.....	218	1.0	10,769	2.8	53,427	3.5
Built 2000 to 2009.....	457	2.2	21,863	5.7	104,519	6.8
Built 1990 to 1999.....	1,185	5.6	27,670	7.2	118,124	7.7
Built 1980 to 1989.....	1,737	8.2	48,057	12.5	191,539	12.5
Built 1970 to 1979.....	2,452	11.6	51,271	13.3	206,448	13.5
Built 1960 to 1969.....	4,988	23.6	56,226	14.6	203,726	13.3
Built 1950 to 1959.....	4,622	21.8	66,750	17.4	224,412	14.7
Built 1940 to 1949.....	2,374	11.2	28,179	7.3	100,445	6.6
Built 1939 or earlier.....	3,128	14.8	73,278	19.1	323,631	21.2
Total housing units.....	21,161	100.0	384,270	100.0	1,527,039	100.0

Source: U. S. Census Bureau, American Community Survey, 2017-2021.

BREAKDOWN OF LAND USE

Category	Total Area	
	# of Acres	% of Total
Residential.....	4,010	34.6
Commercial.....	1114	9.6
Industrial.....	1,202	10.4
Institutional (Town, Federal, State, Utility).....	2,562	22.1
Other (Roads, Rail Road, Parking).....	1,628	14.0
Open Land (Parks, Recreation Areas, Cemetery, Agriculture).....	332.3	2.9
Vacant Land.....	747	6.4
Total	11,595	100.0

Source: Assessor's Office.

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IV. TAX BASE DATA

ASSESSMENT PRACTICES

Pursuant to Connecticut General Statutes Section 12-62, as amended, requires a revaluation every five years and requires the assessor to fully inspect each parcel, including measuring or verifying the exterior dimensions of a building and entering and examining the interior of the building, once every ten assessment years. The Town's most recent general revaluation was effective as of October 1, 2021. The Town's next revaluation is for the grand list of October 1, 2026 which will be effective for the 2027-28 fiscal year. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List are the responsibilities of the Assessor's Office. The Grand List represents the total assessed values for all taxable real and personal property and motor vehicles located within the Town on October 1. Each year, a Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70% of the estimated market value at the time of the last general revaluation.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last general revaluation. The property depreciation and obsolescence factors are also considered when arriving at an equitable value.

All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An Assessor's check and audit is completed periodically. Assessments for personal property are computed at 70% of present value.

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials. Section 12-7b of the Connecticut General Statutes as amended provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next July 1, are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the pro-ratio is based on the number of months of ownership between October 1 and the following July 1. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at 70% of the annual appraisal of market value.

TAX COLLECTION PROCEDURES

Real Estate, Personal Property and Motor Vehicle taxes for each fiscal year are paid on the grand list of October 1 of the prior year and are due July 1. Any bill over \$300 is permitted to be paid in two installments; 1st half due July 1 and 2nd half due January 1. Motor vehicle supplemental bills are payable in one installment on January 1. Payments not received by August 1 and February 1 become delinquent and are subject to interest at the rate of 1.5% per month (18% per annum) per CGS Sec. 12-146. Prior to the close of each fiscal year on June 30, a lien is placed on each outstanding real estate tax account. Aside from legal demands, in accordance with state law the tax office exercises its right to use the following tools to enforce tax collections such as: alias tax warrants, jeopardy collection, withholding of motor vehicle releases, tax liens, UCC liens, withholding specific licenses or permits and the sale of tax liens. After exhausting all avenues of the collection process each year per CGS Sec. 12-165, a number of motor vehicle and personal property tax bills are transferred to suspense, at which point they cease to be carried as receivables but remain collectible. All taxes become uncollectible after 15 years.

MOTOR VEHICLE PROPERTY TAX RATE

Connecticut General Statutes Section 12-71e, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property, but caps the motor vehicle tax rate at 32.46 mills for the assessment year commencing October 1, 2021 and each assessment year thereafter. Section 4-66l of the General Statutes, as amended, diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicle tax rate for the current 2022 assessment year (the fiscal year ending June 30, 2024) is 32.46 mills.

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year Ending 30-Jun	Net Taxable Grand List	Tax Rate (In Mills)	Total Adjusted Tax Levy	Percent Collected End of Each FY	Uncollected Taxes	
					End of Each FY	As of 6/30/23¹
2024 ²	\$ 3,526,958,804	42.54	\$141,398,777	In process	In process	In process
2023 ^{1,3}	3,495,330,522	41.00	139,747,000	97.9%	\$2,999,000	\$2,999,000
2022	2,825,735,183	49.35	138,265,000	97.9%	2,872,000	1,330,000
2021	2,807,794,574	49.92	138,180,000	97.7%	3,187,000	83,000
2020	2,849,561,000	49.11	136,197,000	97.9%	2,859,000	74,000
2019	2,814,290,240	47.66	132,355,027	98.1%	2,505,000	19,000
2018 ³	2,764,871,920	47.05	127,053,000	98.0%	2,491,000	34,000
2017	2,732,575,371	45.86	122,966,000	97.9%	2,585,000	30,000
2016	2,691,032,962	45.86	122,792,824	97.6%	3,000,000	29,000
2015	2,692,511,000	45.40	121,245,000	97.6%	2,925,000	19,000

¹ Unaudited estimate.

² Adopted Budget.

³ Year of revaluation.

Source: Tax Collector, Town of East Hartford.

TAXABLE GRAND LIST

Grand List Dated	Residential Real Property	Industrial & Commercial Real Property	Vacant Land	Motor Vehicle	Personal Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
10/01/22 ¹	49.2%	21.8%	1.3%	10.3%	17.6%	\$3,952,098,547	\$425,139,743	\$3,526,958,804
10/01/21 ²	49.4%	22.2%	0.7%	9.5%	18.3%	3,931,363,663	436,033,141	3,495,330,522
10/01/20	44.5%	23.9%	0.7%	9.1%	21.7%	3,280,766,453	455,031,270	2,825,735,183
10/01/19	45.1%	24.4%	0.7%	8.9%	20.8%	3,227,841,561	420,046,987	2,807,794,574
10/01/18	45.0%	27.0%	0.8%	8.5%	18.8%	3,232,805,000	383,244,000	2,849,561,000
10/01/17	46.2%	25.4%	0.8%	8.7%	18.9%	3,147,477,000	333,186,760	2,814,290,240
10/01/16 ²	47.4%	24.7%	0.8%	9.0%	18.1%	3,068,723,000	303,851,080	2,764,871,920
10/01/15	48.6%	24.1%	0.8%	8.7%	17.7%	3,025,895,031	293,319,660	2,732,575,371
10/01/14	49.1%	24.4%	0.8%	8.8%	16.8%	2,995,297,768	304,264,806	2,691,032,962
10/01/13	49.6%	25.1%	0.8%	8.8%	15.6%	2,958,562,000	266,051,000	2,692,511,000

¹ Adopted Budget.

² Year of revaluation.

Source: Assessor's Office, Town of East Hartford.

LARGEST TAXPAYERS

		Grand List of October 1, 2022		
Name of Taxpayer	Nature of Business	Assessment	Rank	Percent of Total
United Technologies Corp./RTX.....	Manufacturing.....	\$577,199,920	1	16.37%
Goodwin College.....	College.....	159,181,040	2	4.51%
Eversource Energy.....	Utility.....	52,624,250	3	1.49%
Coca Cola Bottling Co.....	Beverage Mfg/Dist.....	41,694,822	4	1.18%
Woodcliff Estates.....	Apartment Buildings.....	37,266,100	5	1.06%
Connecticut Natural Gas.....	Utility.....	35,852,140	6	1.02%
Barrington Group.....	Industrial.....	24,858,690	7	0.70%
Milton East.....	Office Buildings.....	21,779,690	8	0.62%
Cabela's, Inc.....	Retail.....	21,375,870	9	0.61%
Summerfield Housing.....	Apartment Buildings.....	21,328,070	10	0.60%
Total.....		\$993,160,592		28.16%

Source: Assessor's Office, Town of East Hartford.

EQUALIZED NET GRAND LIST

Grand List of 10/1	Equalized Net Grand List	% Growth
2021	\$4,991,573,883	-5.28%
2020	5,269,862,528	22.55%
2019	4,300,018,416	-1.25%
2018	4,354,385,580	4.20%
2017	4,178,783,910	6.03%
2016	3,940,968,591	0.95%
2015	3,903,976,521	2.78%
2014	3,798,403,109	-0.82%
2013	3,829,879,530	-2.72%
2012	3,936,906,558	2.28%

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V. FINANCIAL DATA

FISCAL YEAR

The Town's fiscal year begins July 1 and ends June 30.

ACCOUNTING POLICIES

The Town's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to Financial Statements in Appendix A.

BASIS OF ACCOUNTING

See Note 1 of "Notes to Financial Statements" in Appendix A.

ANNUAL AUDIT

Pursuant to the provisions of the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes) and the Town of East Hartford Charter, the Town is obligated to undergo an annual examination by an independent certified public accountant. The independent auditors are required to conduct their examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, who receives a copy of said Audit Report when completed. Currently, the Town retains Clifton Larson Allen LLP of West Hartford, Connecticut as outside independent auditors.

The most recent annual audit covers the fiscal year ended June 30, 2022, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are the Town's Basic Financial Statements, Notes to the Financial Statements and Required Supplemental Information, together with the report of the independent auditor as prepared by Clifton Larson Allen LLP, Certified Public Accountants, West Hartford, Connecticut. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Certificate of Achievement for Excellence in Financial Reporting - The Town has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association ("GFOA") of the United States and Canada for its annual financial reports for fiscal years ended June 30, 1979 through 2022. The Town has submitted its fiscal year ending 2023 annual report. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted audit standards. The reports also contain a wide variety of information useful in evaluating the financial condition of a government and conform to certain generally accepted terminology and formatting standards established for the Certificate Program.

BUDGETARY PROCEDURES

The following is the budgetary sequence and time schedule required by the Town Charter:

During the month of December, the Town's departments and commissions receive their budget preparation forms. Not later than January 5, the head of each department, office or agency files with the Mayor a detailed estimate of expenditures and revenue.

By February 23rd, 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.

A Budget Referendum may 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 are 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 will become the budget for the next fiscal year.

EMPLOYEE PENSION SYSTEMS

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 Plan is managed by a retirement board consisting of five members. The board serves as trustee of the funds. The Town of East Hartford Retirement System covers all full-time police, firefighter, and general employees of the Town and full-time paraprofessionals and non-certified Board of Education employees hired prior to December 31, 2005, and only police, firefighters, paraprofessionals, and dispatchers hired after December 31, 2005. All certified Board of Education employees participate in the State of Connecticut Teachers' Retirement System. The Town's most recent actuarial valuation was as of July 1, 2022 and as of that date plan membership was 1,179 members. In connection with the July 1, 2022 valuation, the Town reduced the net investment return assumption from 7.25% to 7.20% to better reflect expected investment experience.

The Town has implemented Government Accounting Standards Board's (GASB) Statement No. 67. In accordance with GASB Statement No. 67, the components of the net pension liability of the Town plans were as follows:

	2022	2021	2020	2019	2018
Total pension liability.....	\$ 519,095,000	\$ 487,188,000	\$ 471,361,000	\$ 454,887,000	\$ 437,933,000
Plan fiduciary net position.....	232,082,000	267,856,000	219,418,000	233,697,000	234,044,000
Net pension liability.....	<u>\$ 287,013,000</u>	<u>\$ 219,332,000</u>	<u>\$ 251,943,000</u>	<u>\$ 221,190,000</u>	<u>\$ 203,889,000</u>
Plan fiduciary net position as a % of total pension liability.....	44.7%	55.0%	46.5%	51.4%	53.4%

The following represents the net pension liability of the Town as of June 30, 2022, calculated using the current discount rate of each plan, 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 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability.....	\$ 345,673,000	\$ 287,013,000	\$ 237,923,000

The following represents historic trend information of the Town's Plans:

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
7/1/2022	240,585,348	516,183,855	\$ 275,598,507	46.61%	\$ 31,913,351	863.58%
7/1/2021	239,063,851	499,625,045	260,561,194	47.85%	33,587,358	775.77%
7/1/2020	232,801,612	467,435,036	234,633,424	49.80%	33,645,319	697.37%
7/1/2019	235,759,401	453,661,398	217,901,997	51.97%	34,593,008	629.90%
7/1/2018	234,578,607	434,547,482	199,968,875	53.98%	38,122,760	524.54%

Schedule of Employer Contributions

Fiscal Year	Actuarial Determined Contribution	Actual Contribution	Percentage Contributed
2024 ¹	\$ 22,901,528	\$ 22,901,528	100.0%
2023 ²	21,464,439	21,464,439	100.0%
2022	18,964,310	18,964,310	100.0%
2021	17,508,860	17,508,860	100.0%
2020	16,416,732	16,415,000	100.0%
2019	15,430,438	15,430,438	100.0%
2018	13,706,771	13,706,771	100.0%
2017	12,737,344	12,737,344	100.0%

¹ Adopted Budget.

² Unaudited estimate.

Defined Contribution Plan - The Town of East Hartford has established a defined contribution plan (“DC Plan”) to provide retirement benefits for full-time, non-public safety, non-dispatcher and non-teacher Town and Board of Education employees hired after January 1, 2006. Board of Education paraprofessionals hired after July 1, 2016 are also required to participate in the DC Plan. The Town and plan members are both required to make contributions. Employees are required to contribute 6% of covered salary, which is matched by employer contribution of 4% of covered salary. Employees are immediately fully vested in employee contributions and are fully vested in employer contributions after 5 years of service.

State of Connecticut Teachers’ Retirement System – Teachers, principals, superintendents or supervisors engaged in service of public schools in the Town participate in a contributory defined benefit plan established under Chapter 167a of Connecticut General Statutes and administered by the Connecticut State Teachers’ Retirement Board. Certain certified teachers are eligible to participate in the plan and are required to contribute 7.0% of their annual earnings. Neither the Board of Education nor the Town contributes to the plan. The State of Connecticut is legally responsible for making contributions to the plan.

For further details on the plans, see Appendix A, “Notes to Financial Statements”.

OTHER POST-EMPLOYMENT BENEFITS

The Town, in accordance with various collective bargaining agreements, is committed to provide health and life insurance benefits to eligible retirees and their spouses. The benefits are established and amended through negotiations between the Town and the various unions representing the employees. The Town pays the full cost of life insurance premiums. The percentage contribution of employees and retirees for medical benefits are negotiated with various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified percentages towards cost of receiving benefits under the Town's self-insured medical benefits program. As of July 1, 2021, the date of the last valuation, there were a total of 2,400 retirees and spouses receiving benefits.

In June 2008 the Town adopted Ordinance 10-52, *Retiree Benefit Trust Fund*, which provided for the future establishment of a Retiree Benefit Trust Fund (“RBTF”) to provide funds to meet the long-term obligations of the providing benefits to retired Town employees. The ordinance provides that if the Town's General Fund undesignated fund balance exceeds 10.25% of the total budget appropriations, the reserves in excess of 10.25% in such fiscal year shall be appropriated to the RBTF. In May 2009 the Town formally established the RBTF and appropriated \$2,380,000 in fiscal year 2008-09 to the fund in accordance with the ordinance. As of June 30, 2022, the balance in the RBTF was \$12.65 million.

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The Town has implemented Government Accounting Standards Board's (GASB) Statement No. 74. In accordance with GASB Statement No. 74, the net position is based on fair market value as of June 30th and OPEB Liability is based on the actuarial assumptions as of the last valuation date, updated to the end of the fiscal year. The components of the net OPEB liability of the Town plans were as follows:

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability.....	\$ 120,933,000	\$ 160,646,000	\$ 153,776,000	\$ 103,701,000	\$ 117,888,000
Plan fiduciary net position.....	12,653,000	16,081,000	13,104,000	11,058,000	9,679,000
Net OPEB liability.....	<u>\$ 108,280,000</u>	<u>\$ 144,565,000</u>	<u>\$ 140,672,000</u>	<u>\$ 92,643,000</u>	<u>\$ 108,209,000</u>
Plan fiduciary net position as a % of total OPEB liability....	10.46%	10.01%	8.52%	10.66%	8.21%

The following represents the net OPEB liability of the Town, calculated using the discount rate of 3.54%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
Town's Net OPEB Liability.....	\$ 123,097,000	\$ 108,280,000	\$ 95,992,000

The following represents the net OPEB liability of the Town, calculated using the current healthcare cost trend rates, as well as what the Town's net OPEB liability would be if it were calculated using a healthcare trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Town's Net OPEB Liability.....	\$ 93,883,000	\$ 108,280,000	\$ 126,147,000

The following presents historical information regarding the post-employment benefit funding. The Town's most recent valuation was July 1, 2021. Please see "Appendix A - Financial Statements" herein for more information regarding the Town's OPEB liabilities.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
7/1/2021	\$ 16,080,471	\$ 139,434,077	\$ 123,353,606	11.53%	\$ 89,620,481	137.6%
7/1/2019	11,057,273	125,822,397 ¹	114,765,124	8.79%	83,169,973	138.0%
7/1/2017	8,429,000	87,787,000 ²	79,358,000	9.60%	82,623,000	96.0%
7/1/2015	2,448,000	134,043,000	131,595,000	1.83%	87,571,000	150.3%
7/1/2013	1,036,542	160,455,833	159,419,291	0.65%	92,364,000	172.6%

¹ For the 2019 valuation, the Actuarial Accrued Liability increased due to a combination of: 1) updated mortality tables; and 2) a decrease in the discount rate from 6.5% to 3.5% for purposes of GASB Statement No. 75.

² For the 2017 valuation, the Actuarial Accrued Liability decreased due to a combination of: 1) a decrease in the number of participants with medical coverage; 2) a clarification in how benefits were administered; and 3) a change in the discount rate from 4.00% to 6.50%.

Schedule of Employer Contributions

Fiscal Year	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2024 ¹	n/a	\$ 3,300,000	n/a
2023 ¹	n/a	5,227,000	n/a
2022 ¹	n/a	4,196,000	n/a
2021 ¹	n/a	2,807,000	n/a
2020 ¹	n/a	5,252,000	n/a
2019	\$ 7,660,000	3,565,000	46.54%
2018	14,086,000	3,036,000	21.55%
2017	13,919,000	3,052,000	21.93%
2016	13,747,000	6,911,000	50.27%
2015	14,515,000	3,831,000	26.39%

¹ For plans that are not funding towards the Actuarially Determined Employer Contribution ("ADEC"), the ARC is not calculated under GASB Statement No. 75. See RSI-8 in Appendix A herein.

INVESTMENT POLICIES AND PROCEDURES

Under Connecticut General Statutes Sections 7-400 and 7-402, the Town may invest in certificates of deposit, repurchase agreements, municipal notes, bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, all federal land banks, the Tennessee Valley Authority, or any other agency of the United States government, mutual funds and money market mutual funds. The Town does not invest in derivative based investment products.

The operating internal service fund and working capital funds are invested at the direction of the Director of Finance with the approval of the Town Treasurer in the following short-term investments: (1) the State of Connecticut Short-Term Investment Fund; and (2) collateralized certificates of deposits with qualified public depositories per Connecticut General Statutes.

The investment of the Town's pension funds are carried out by professional portfolio managers at the direction of the Retirement Commission and in accordance with the Commission's adopted policy guidelines. For a further description of the Town's Pension Plans, see Appendix A, herein.

MUNICIPAL BUDGET EXPENDITURES CAP

Connecticut General Statutes Section 4-661, as amended ("Section 4-661"), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in fiscal year 2018, the Office of Policy and Management ("OPM") must reduce the amount of the municipal revenue sharing grant for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more or the rate of inflation, whichever is greater (the "expenditure cap"). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality's adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-661 requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded.

Under Section 4-661, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures or payments on unfunded pension liabilities.

PROPERTY TAX REVENUES

Fiscal Year	General Fund Revenues	Property Tax Revenues	Property Tax as a Percentage of General Fund Revenues
2024 ¹	\$ 211,082,893	\$ 144,833,348	68.6%
2023 ¹	204,432,077	137,898,219	67.5%
2022	233,387,000	138,978,000	59.5%
2021	226,086,000	139,364,000	61.6%
2020	227,489,000	134,810,000	59.3%
2019	211,857,000	135,079,000	63.8%
2018	221,918,000	128,413,000	57.9%
2017	215,801,000	124,038,000	57.5%
2016	202,305,000	124,808,000	61.7%
2015	197,069,000	122,150,000	62.0%

¹ Adopted Budget, budgetary basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

Source: Audited Financial Statements; Adopted Budgets Fiscal Year 2022-23 and 2023-24.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund Revenues	Intergovernmental Revenue	Intergovernmental as a Percentage of General Fund Revenues
2024 ¹	\$ 211,082,893	\$ 59,292,763	28.1%
2023 ¹	204,432,077	60,184,511	29.4%
2022	233,387,000	77,730,000	33.3%
2021	226,086,000	72,016,000	31.9%
2020	227,489,000	73,509,000	32.3%
2019	211,857,000	61,193,000	28.9%
2018	221,918,000	77,390,000	34.9%
2017	215,801,000	77,850,000	36.1%
2016	202,305,000	66,149,000	32.7%
2015	197,069,000	64,424,000	32.7%

¹ Adopted Budget, budgetary basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

Source: Audited Financial Statements; Adopted Budgets Fiscal Year 2022-23 and 2023-24.

EXPENDITURES

Fiscal Year	Education	General Government	Public Safety	Public Works	Debt Service
2024 ¹	46.5%	21.0%	15.5%	9.8%	5.3%
2023 ¹	47.0%	20.7%	15.7%	8.4%	5.2%
2022	50.7%	21.6%	13.9%	4.4%	4.6%
2021	51.8%	20.4%	13.8%	4.8%	4.9%
2020	52.6%	20.8%	13.2%	4.7%	3.6%
2019	50.4%	21.2%	14.0%	4.9%	3.9%
2018	54.8%	18.3%	13.2%	4.2%	3.5%
2017	55.3%	18.4%	13.6%	4.2%	4.3%
2016	53.1%	19.8%	14.0%	4.4%	4.6%
2015	53.3%	18.6%	14.4%	4.8%	4.9%

¹ Adopted Budget, budgetary basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

Source: Audited Financial Statements; Adopted Budgets Fiscal Year 2022-23 and 2023-24.

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COMPARATIVE GENERAL FUND OPERATING STATEMENT
Budget and Actual (Budgetary Basis)

	Fiscal Year 2021-22			Fiscal Year 2022-2023 Adopted Budget	Fiscal Year 2023-2024 Adopted Budget
	Final Budget	Actual	Variance Favorable (Unfavorable)		
REVENUES					
Property taxes.....	\$140,152,000	\$138,978,000	\$ (1,174,000)	\$ 137,898,219	\$ 144,833,348
Licenses and permits.....	2,011,000	2,059,000	48,000	1,402,310	1,522,310
Intergovernmental revenue.....	55,082,000	57,496,000	2,414,000	60,184,511	59,292,763
Charges for services.....	2,114,000	2,520,000	406,000	3,769,698	3,851,598
Investment income.....	425,000	87,000	(338,000)	50,000	680,000
Fines and forfeits.....	50,000	76,000	26,000	57,500	57,500
Other revenue.....	3,980,000	738,000	(3,242,000)	1,059,839	835,374
TOTAL REVENUES	203,814,000	201,954,000	(1,860,000)	204,422,077	211,072,893
EXPENDITURES					
Current:					
General government.....	50,518,000	50,234,000	284,000	42,411,559	44,344,350
Public safety.....	32,817,000	32,658,000	159,000	32,073,291	32,805,254
Inspection and permits.....	726,000	723,000	3,000	909,926	828,831
Public works.....	10,210,000	10,133,000	77,000	17,195,446	20,722,437
Parks and recreation.....	3,426,000	3,378,000	48,000	3,587,421	1,498,067
Health and social services.....	1,528,000	1,506,000	22,000	1,570,636	1,695,641
Education.....	94,179,000	94,137,000	42,000	95,993,863	98,078,871
Debt service.....	10,846,000	10,846,000	-	10,689,935	11,109,442
TOTAL EXPENDITURES	204,250,000	203,615,000	635,000	204,432,077	211,082,893
Excess (deficiency) of revenues over expenditures.....	(436,000)	(1,661,000)	(1,225,000)	(10,000)	(10,000)
Other financing sources (uses).....					
Appropriation of fund balance.....	-	-	-	-	-
Operating transfers in.....	436,000	1,230,000	794,000	10,000	10,000
Operating transfers out.....	-	-	-	-	-
Total other financing sources (uses)..	<u>436,000</u>	<u>1,230,000</u>	<u>794,000</u>	<u>10,000</u>	<u>10,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	<u>\$ -</u>	<u>\$ (431,000)</u>	<u>\$ (431,000)</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Audited Financial Statements Fiscal Year 2021-22; Adopted Budgets Fiscal Year 2022-23 and 2023-24.

COMPARATIVE BALANCE SHEET – GENERAL FUND

Fiscal Years Ended:	2018	2019	2020	2021	2022
ASSETS					
Cash and cash equivalents.....	\$ 27,198,000	\$ 33,707,000	\$ 18,014,000	\$ 27,818,000	\$ 13,915,000
Investments.....	247,000	266,000	271,000	282,000	269,000
Receivables, Net.....	5,121,000	5,499,000	6,819,000	7,348,000	6,119,000
Due from other funds.....	8,620,000	1,392,000	9,508,000	20,447,000	25,953,000
Other assets.....	3,588,000	1,910,000	2,023,000	1,558,000	416,000
TOTAL ASSETS.....	\$ 44,774,000	\$ 42,774,000	\$ 36,635,000	\$ 57,453,000	\$ 46,672,000
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
LIABILITIES					
Accounts payable and accrued expenses.....	\$ 4,181,000	\$ 4,089,000	\$ 5,725,000	\$ 8,116,000	\$ 8,923,000
Due to other funds.....	5,038,000	4,579,000	1,730,000	14,139,000	6,476,000
Deferred revenues.....	50,000	25,000	-	-	-
TOTAL LIABILITIES.....	9,269,000	8,693,000	7,455,000	22,255,000	15,399,000
DEFERRED INFLOWS OF RESOURCES					
Advance property tax collections.....	7,578,000	6,209,000	1,005,000	5,690,000	2,945,000
Unavailable revenue - property taxes.....	3,145,000	3,286,000	4,660,000	4,673,000	4,315,000
Unavailable revenue - other receivables.....	183,000	176,000	325,000	332,000	591,000
TOTAL DEFERRED INFLOWS OF RESOURCES.....	10,906,000	9,671,000	5,990,000	10,695,000	7,851,000
FUND BALANCES					
Nonspendable.....	3,437,000	1,760,000	1,873,000	1,408,000	316,000
Assigned.....	1,051,000	703,000	1,484,000	1,211,000	468,000
Unassigned.....	20,111,000	21,947,000	19,833,000	21,884,000	22,638,000
TOTAL FUND BALANCES.....	24,599,000	24,410,000	23,190,000	24,503,000	23,422,000
TOTAL, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE.....	\$ 44,774,000	\$ 42,774,000	\$ 36,635,000	\$ 57,453,000	\$ 46,672,000

Source: Annual audited financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND

Fiscal Years Ended:	2018	2019	2020	2021	2022
REVENUES					
General property taxes.....	\$ 128,413,000	\$ 135,079,000	\$ 134,810,000	\$ 139,364,000	\$ 138,978,000
Licenses and permits.....	2,948,000	2,515,000	1,531,000	1,776,000	2,059,000
Intergovernmental revenues.....	77,839,000	61,193,000	73,509,000	72,016,000	77,730,000
Charges for service.....	9,977,000	10,362,000	13,473,000	11,427,000	12,808,000
Investment income.....	364,000	670,000	409,000	20,000	87,000
Other.....	1,880,000	768,000	985,000	631,000	495,000
TOTAL REVENUES.....	221,421,000	210,587,000	224,717,000	225,234,000	232,157,000
EXPENDITURES					
Current:					
General government.....	39,923,000	45,037,000	47,600,000	45,775,000	50,576,000
Public safety.....	28,862,000	29,701,000	30,132,000	31,085,000	32,530,000
Inspection and permits.....	691,000	718,000	694,000	689,000	723,000
Public works.....	9,175,000	10,325,000	10,677,000	10,876,000	10,257,000
Parks and recreation.....	3,254,000	3,427,000	3,012,000	3,066,000	3,318,000
Health and social services.....	4,550,000	4,357,000	4,101,000	3,966,000	4,900,000
Education.....	119,545,000	106,944,000	120,280,000	116,451,000	118,799,000
Debt service.....	10,133,000	10,516,000	10,912,000	11,070,000	10,856,000
TOTAL EXPENDITURES.....	216,133,000	211,025,000	227,408,000	222,978,000	231,959,000
Excess (deficiency) of revenues over expenditures.....	5,288,000	(438,000)	(2,691,000)	2,256,000	198,000
OTHER FINANCING SOURCES (USES)					
Operating transfers in.....	497,000	1,270,000	2,772,000	852,000	1,230,000
Operating transfers out.....	(1,969,000)	(1,021,000)	(1,301,000)	(1,795,000)	(2,509,000)
Total other financing sources (uses).....	(1,472,000)	249,000	1,471,000	(943,000)	(1,279,000)
Net change in fund balances.....	3,816,000	(189,000)	(1,220,000)	1,313,000	(1,081,000)
Fund Balance - Beginning of year.....	20,783,000	24,599,000	24,410,000	23,190,000	24,503,000
Fund Balance - End of year.....	<u>\$ 24,599,000</u>	<u>\$ 24,410,000</u>	<u>\$ 23,190,000</u>	<u>\$ 24,503,000</u>	<u>\$ 23,422,000</u>

Source: Annual audited financial statements.

VI. INDEBTEDNESS

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of January 16, 2024 (Pro Forma)

Long-Term Debt

<u>Date of Issue</u>	<u>Issue</u>	<u>Coupon Rate %</u>	<u>Original Issue Amount</u>	<u>Debt Outstanding Including This Issue</u>	<u>Final Maturity</u>
<u>General Purpose</u>					
2/26/2013	General Obligation Refunding	2.500 - 2.750	\$ 11,683,000	\$ 1,635,000	2028
10/12/2016	General Obligation Bonds.....	2.125 - 4.000	21,060,000	4,950,000	2027
10/31/2018	General Obligation Bonds.....	3.000 - 5.000	13,000,000	7,215,000	2029
8/11/2021	General Obligation Bonds.....	2.000 - 4.000	20,000,000	17,815,000	2032
1/10/2024	<i>General Obligation Bonds (This Issue).....</i>	4.000 - 5.000	25,000,000	24,000,000	2034
	Sub-total		<u>\$ 90,743,000</u>	<u>\$ 55,615,000</u>	
<u>School</u>					
2/26/2013	General Obligation Refunding	2.500 - 2.750	\$ 547,000	\$ 40,000	2028
10/31/2018	General Obligation Bonds.....	3.000 - 5.000	1,600,000	885,000	2029
1/10/2024	<i>General Obligation Bonds (This Issue).....</i>	4.000 - 5.000	1,000,000	1,000,000	2034
	Sub-total		<u>\$ 3,147,000</u>	<u>\$ 1,925,000</u>	
	Total			<u><u>\$ 57,540,000</u></u>	

Short-Term Debt

The Town currently has no outstanding short-term debt.

SCHOOL PROJECTS

Pursuant to CGS Section 10-287i, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. Debt service reimbursement will continue under this program for all projects approved prior to July 1, 1996. Under this program, the State of Connecticut will reimburse the Town for a portion of principal and interest costs for eligible school construction projects over the life of outstanding bonds and the subsequent bond issues necessary to completely fund school projects. The Town no longer has any projects being reimbursed under this program.

Under the current program, the State of Connecticut will make proportional progress payments for eligible construction costs during construction phases of the project. Under this method of reimbursement, municipalities will only bond for their net share of project costs. The following projects will be reimbursed under this method:

<u>Project</u>	<u>Total Appropriation</u>	<u>Estimated Eligible Costs ¹</u>	<u>Estimated Reimbursement Rate (%)</u>	<u>Total Estimated Grant ¹</u>
East Hartford High School Roof.....	\$ 10,104,409	\$ 9,237,757	76.43	\$ 7,060,418
East Hartford Middle School Roof.....	6,116,132	5,787,434	76.43	4,423,336
Total	<u><u>\$ 16,220,541</u></u>	<u><u>\$ 15,025,192</u></u>		<u><u>\$ 11,483,754</u></u>

¹ Eligible costs to be determined during the course of the project. Subject to change and final audit.

SCHEDULE OF GENERAL FUND BONDED DEBT

As of January 16, 2024 (Pro Forma)

Fiscal Year	Principal Payments	Interest Payments	Total Payments	<i>The Bonds</i>	
				Principal Payments	Principal All Issues
2024 ¹	\$ 345,000	\$ 545,072	\$ 890,072	\$ -	\$ 345,000
2025	5,825,000	979,163	6,804,163	2,500,000	8,325,000
2026	5,820,000	772,619	6,592,619	2,500,000	8,320,000
2027	5,810,000	558,963	6,368,963	2,500,000	8,310,000
2028	4,150,000	371,863	4,521,863	2,500,000	6,650,000
2029	3,825,000	226,075	4,051,075	2,500,000	6,325,000
2030	2,235,000	124,125	2,359,125	2,500,000	4,735,000
2031	2,260,000	68,000	2,328,000	2,500,000	4,760,000
2032	2,270,000	22,700	2,292,700	2,500,000	4,770,000
2033	-	-	-	2,500,000	2,500,000
2034	-	-	-	2,500,000	2,500,000
Total	\$ 32,540,000	\$ 3,668,578	\$ 36,208,578	\$25,000,000	\$ 57,540,000

¹ Excludes \$7,560,000 in principal and \$695,787 in interest payments made as of January 16, 2024.

Source: Town annual audit reports, Town Finance office.

DEBT STATEMENT

As of January 16, 2024 (Pro Forma)

Long-Term Indebtedness ¹

The Bonds (This Issue).....	\$ 25,000,000
General Purpose.....	31,615,000
Schools.....	925,000
Total Long-Term Indebtedness.....	57,540,000

Short-Term Indebtedness.....	-
Total Direct Indebtedness.....	57,540,000

Exclusions: School grants receivable.....	-
Total Net Direct Indebtedness.....	57,540,000

Net Overlapping Debt:

MDC Overlapping Debt - Gross	103,841,950
MDC Overlapping Debt – Clean Water Project ²	(4,794,302)
Total Net Direct and Net Overlapping Indebtedness.....	\$ 156,587,648

¹ Excludes authorized but unissued debt of \$45,519,680.

² See ‘Overlapping Indebtedness’ herein.

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CURRENT DEBT RATIOS
As of January 16, 2024 (Pro Forma)

Total Direct Indebtedness.....	\$ 57,540,000
Net Direct Indebtedness.....	\$ 57,540,000
Total Net Direct and Net Overlapping Indebtedness.....	\$ 156,587,648
Population ¹	50,971
Net Taxable Grand List (10/1/22).....	\$ 3,526,958,804
Estimated Full Value.....	\$ 5,038,512,577
Equalized Net Taxable Grand List (2021) ²	\$ 4,991,573,883
Per Capita Income ¹	\$ 29,821

Total Direct Indebtedness:

Per Capita.....	\$1,128.88
To Net Taxable Grand List.....	1.63%
To Estimated Full Value.....	1.14%
To Equalized Net Taxable Grand List.....	1.15%
Per Capita to Per Capita Income.....	3.79%

Total Net Direct Indebtedness:

Per Capita.....	\$1,128.88
To Net Taxable Grand List.....	1.63%
To Estimated Full Value.....	1.14%
To Equalized Net Taxable Grand List.....	1.15%
Per Capita to Per Capita Income.....	3.79%

Total Net Direct and Net Overlapping Indebtedness:

Per Capita.....	\$3,072.09
To Net Taxable Grand List.....	4.44%
To Estimated Full Value.....	3.11%
To Equalized Net Taxable Grand List.....	3.14%
Per Capita to Per Capita Income.....	10.30%

¹ U.S. Census Bureau

² Office of Policy and Management, State of Connecticut.

OVERLAPPING DEBT

The Town is a member of the Metropolitan District Commission (the “MDC”), a special district in Hartford County, formed under State statutes to provide water and sanitary sewer services to its eight member towns. Water services are provided directly by the MDC and billed to the users. As of January 16, 2024, the net outstanding debt of the MDC was \$885,066,984 of which the Town of East Hartford is responsible for \$103,841,950 or 11.73%. However, the MDC currently has approximately \$40,526,626 in interim debt outstanding related to the Clean Water Project, which is expected to be repaid from a special sewer service charge collected directly from MDC water customers (the “Clean Water Project Charge”). Excluding the self-supporting interim debt, the Town’s net share is reduced to \$99,047,648.

The MDC was cited by the U.S. Environmental Protection Agency (“USEPA”) and the United States Department of Justice (“USDOJ”) for overflows from the sewer systems in West Hartford, Newington, Wethersfield, Rocky Hill and Windsor. The MDC was fined \$850,000 and signed a Consent Decree to cease all overflows within 12 years. The MDC also negotiated a Consent Order with the Connecticut Department of Energy & Environmental Protection (“CTDEEP”) to control the Combined Sewer Overflows (“CSO”) located in the Hartford sewer system within 15 years (by the year 2021). A revised plan was submitted in 2012 and revised through December 2014. This plan deemphasized sewer separation projects and added a large storage tunnel in South Hartford and a conveyance tunnel to the northern part of Hartford. This plan was approved in 2015 and set a new project completion by 2029. In December 2018 a new revised plan was submitted to CTDEEP. A new Consent order based on the revised plan of 2018 was signed in September 2022 using an integrated plan and incorporates a Phase I Implementation for the years 2023-2029.

On November 7, 2006 and November 6, 2012, voters in the eight member towns approved referenda authorizing the appropriation and issuance of \$1,600,000,000, in bonds to finance the Clean Water Project. An additional appropriation of \$140,000,000 for a grant, not requiring a referendum, was approved by the MDC Board on October 15, 2016; \$18,800,888 for a grant, not requiring a referendum, was approved by the MDC Board on September 2, 2020; and \$67,400,000 for a grant, not requiring a referendum, was approved by the MDC board on May 1, 2023. The MDC is pursuing state funding from the State of Connecticut's Clean Water Fund Program and federal funding to assist with the cost of the project. The Clean Water Project Charge applies to customers of the MDC who utilize the MDC's sewer system and are furnished water directly by the MDC. The proceeds from the Clean Water Project Charge will be used exclusively for the payment of the principal and interest on certain bonds issued or which may be issued and other loans, including State of Connecticut Clean Water Fund loans, to finance all costs associated with the Clean Water Project. The Town's allocation of the interim debt for the Clean Water Project \$4,794,302 is directly supported by the Clean Water Project Charge and therefore is deducted from the calculation of Total Overall Debt in the table herein.

UNDERLYING DEBT

The Town has no underlying debt.

CAPITAL LEASES

The Town has entered into various multi-year capital lease agreements for the purchase of various capital items including public works equipment, vehicles and technology and computer hardware and software. As of June 30, 2023 the principal amount of outstanding leases is \$4.02 million. For the fiscal year 2023-24 Adopted Budget the Town has budgeted \$2.1 million in annual lease payments. Lease payments are not included in outstanding bonded debt herein.

Additionally, the Town has entered into three (3) Guaranteed Energy Performance Contracts ("EPC") under which various equipment and facility improvements intended to reduce energy consumption were undertaken at Town and Board of Education building and Town streetlights. The equipment and improvements were financed through tax-exempt lease agreements to finance the various EPC in the amount of \$9,731,130. Under the terms of the various EPC, if the energy consumption savings in any year is not sufficient to cover the cost of the debt service under the leases, the EPC provider will make up the difference.

BOND AUTHORIZATION PROCEDURES

Under Chapter VI, Section 6.10 of the Town Charter, bonds are authorized by resolution adopted by the Town Council in the same manner as for the adoption of ordinances. At least one public hearing, notice of which shall be given at least five days in advance by publication in a newspaper having a circulation in Town, and by posting a notice in a public place, shall be held by the Town Council before any resolution shall be passed. Within ten days after final passage, all resolutions shall be published at least once in their entirety. Refunding bonds only need to be approved by the Town Council.

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

Temporary notes must be permanently funded no later than ten years from their initial borrowing date, except sewer notes issued in anticipation of State and/or Federal grants. If written commitment exists, the municipality may renew the sewer notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to 15 years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year following the original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15th of the total amount of the notes issued by funds derived from sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments

receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

LIMITATION OF INDEBTEDNESS

Municipalities shall not incur indebtedness through the issuance of bonds which will cause aggregate indebtedness by class to exceed the following:

General Purposes: 2.25 times annual receipts from taxation
 School Purposes: 4.50 times annual receipts from taxation
 Sewer Purposes: 3.75 times annual receipts from taxation
 Urban Renewal Purposes: 3.25 times annual receipts from taxation
 Unfunded Past Benefit Obligation: 3 times annual receipts from taxation

In no case, however, shall total indebtedness exceed seven times the annual tax receipts.

Annual receipts from taxation (the “base”), is defined as total tax collections, including interest, penalties, late payment of taxes and payments made by the State for revenue loss under CGS Sections 12-129d and 7-528.

The statutes also provide for exclusion from the debt limit calculation of debt issued in anticipation of taxes; for the supply of water, gas, electricity; for the construction of subways for cables, wires, and pipes; for the construction of underground conduits for cables, wires, and pipes; and for two or more of such purposes. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement and for indebtedness issued in anticipation of the receipt of proceeds from state or federal grants evidenced by a written commitment or contract, but only to the extent such indebtedness can be paid from such proceeds.

STATEMENT OF STATUTORY DEBT LIMITATION

As of January 16, 2024 (Pro Forma)

Total fiscal year 2022 tax collections (including interest and lien fees)	\$139,868,000
State Reimbursement for Revenue Loss on Tax Relief for the Elderly	-
Base for Establishing Debt Limit	<u>\$139,868,000</u>

Debt Limit

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Past Pension	Total Debt
(2.25 times base).....	\$ 314,703,000					
(4.50 times base).....		\$ 629,406,000				
(3.75 times base).....			\$ 524,505,000			
(3.25 times base).....				\$ 454,571,000		
(3.00 times base).....					\$ 419,604,000	
(7.00 times base).....						\$ 979,076,000
Indebtedness (Including The Bonds)						
Bonds Payable.....	\$ 31,615,000	\$ 925,000	\$ -	\$ -	\$ -	\$ 32,540,000
The Bonds (This Issue).....	24,000,000	1,000,000	-	-	-	25,000,000
Authorized but Unissued Debt...	42,104,000	3,415,680	-	-	-	45,519,680
Gross Direct Debt.....	97,719,000	5,340,680	-	-	-	103,059,680
Overlapping Debt ¹	-	-	99,047,648	-	-	99,047,648
Total Net Direct and Overlapping Debt.....	97,719,000	5,340,680	99,047,648	-	-	202,107,328
Excess of Limit Over Outstanding and Authorized Debt.....	<u>\$ 216,984,000</u>	<u>\$ 624,065,320</u>	<u>\$ 425,457,352</u>	<u>\$ 454,571,000</u>	<u>\$ 419,604,000</u>	<u>\$ 776,968,672</u>

¹ See “Overlapping Debt” herein.

Source: Town Officials

AUTHORIZED BUT UNISSUED DEBT

Project	Total Authorization	Grants Received to date	Bonds Issued/ Paydowns	The Bonds (This Issue)	Authorized But Unissued Debt
East Hartford Middle School Improvements ¹	\$ 5,731,339	\$ 2,445,420	\$ 3,226,000	\$ -	\$ 59,919
East Hartford High School Renovations & Improvements ¹	11,640,000	7,184,239	4,100,000	-	355,761
Road Improvements 2014.....	15,000,000	-	14,996,000	-	4,000
Road Improvements/Flood Control 2016....	15,000,000	-	10,000,000	1,300,000	3,700,000
Silver Lane Corridor Improvements 2016....	3,000,000	-	-	-	3,000,000
Road Improvements 2018.....	15,000,000	-	9,000,000	4,300,000	1,700,000
Town Hall HVAC 2018.....	3,900,000	-	1,000,000	2,900,000	-
Road Improvements 2020.....	15,000,000	-	-	9,500,000	5,500,000
Town Buildings 2020.....	10,000,000	-	-	6,000,000	4,000,000
Board of Educations High and Middle School Roofs ²	4,000,000	-	-	1,000,000	3,000,000
Road Improvements 2022.....	15,000,000	-	-	-	15,000,000
Fire Equipment 2022.....	3,000,000	-	-	-	3,000,000
Town Buildings 2023.....	6,200,000	-	-	-	6,200,000
Total All Projects	\$122,471,339	\$ 9,629,659	\$ 42,322,000	\$25,000,000	\$ 45,519,680

¹ Project audit is complete. The Town does not expect to receive additional grants nor issue future debt for this project.

² The Town has approved total appropriations for these projects in the amount of \$16,220,541. The projects are expected to be partially funded by State of Connecticut school constructions grants in the amount of \$11,493,754 and a bond authorization in the amount of \$4,000,000. See "School Projects" herein for more information.

CAPITAL IMPROVEMENT PROGRAM

Expenditures	FY24	FY25	FY26	FY27	FY28	5 Year Total
Town Hall.....	\$ 403,000	\$ 180,350	\$ 25,000	\$ 25,000	\$ 25,000	\$ 658,350
Public Works.....	5,086,500	5,214,000	17,448,000	18,034,000	17,764,500	63,547,000
Fire.....	275,000	10,000	1,330,000	-	-	1,615,000
Police.....	520,000	520,000	520,000	520,000	520,000	2,600,000
Inspections and Permits.....	-	-	-	-	-	-
Total.....	\$ 6,284,500	\$ 5,924,350	\$ 19,323,000	\$ 18,579,000	\$ 18,309,500	\$ 68,420,350

Source	FY24	FY25	FY26	FY27	FY28	5 Year Total
Bond or Note Authorization....	\$ 4,846,500	\$ 4,639,000	\$ 18,197,950	\$ 17,381,000	\$ 17,317,000	\$ 62,381,450
Capital Lease.....	903,000	1,155,350	920,000	1,168,000	992,500	5,138,850
Capital Budget.....	-	-	-	-	-	-
LOCIP.....	495,000	130,000	205,050	30,000	-	860,050
Grants.....	40,000	-	-	-	-	40,000
Total.....	\$ 6,284,500	\$ 5,924,350	\$ 19,323,000	\$ 18,579,000	\$ 18,309,500	\$ 68,420,350

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HISTORICAL DEBT STATEMENT

	2022-23 ¹	2021-22	2020-21	2019-20	2018-19
Population ²	50,971	50,971	50,971	50,036	50,272
Net taxable grand list.....	\$3,495,330,522	\$2,825,735,183	\$2,807,794,574	\$2,849,561,000	\$2,814,290,240
Estimated full value.....	\$4,993,329,317	\$4,036,764,547	\$4,011,135,106	\$4,070,801,429	\$4,020,414,629
Equalized net taxable grand list ³	\$4,991,573,883	\$5,269,862,528	\$4,300,018,416	\$4,354,385,580	4,178,783,910
Per capita income ²	\$ 29,821	\$ 29,821	\$ 29,821	\$ 29,789	\$ 29,015
Short-term debt.....	\$ -	\$ -	\$ -	\$ -	\$ -
Long-term debt ⁴	\$ 33,590,000	\$ 46,385,000	\$ 34,045,000	\$ 41,695,000	\$ 48,740,000
Total Direct Indebtedness.....	\$ 33,590,000	\$ 46,385,000	\$ 34,045,000	\$ 41,695,000	\$ 48,740,000
Net Direct Indebtedness.....	\$ 33,590,000	\$ 46,385,000	\$ 34,045,000	\$ 41,695,000	\$ 48,740,000
Net Direct and Net Overlapping Indebtedness.....	\$ 132,637,648	\$ 140,114,000	\$ 135,363,000	\$ 148,542,000	\$ 159,315,000

¹ Unaudited estimate.

² U.S. Census Bureau

³ Office of Policy and Management, State of Connecticut

⁴ Excludes capital leases.

HISTORICAL DEBT RATIOS

	2022-23 ¹	2021-22	2020-21	2019-20	2018-19
Total Direct Indebtedness:					
Per capita.....	\$659.00	\$910.03	\$667.93	\$833.30	\$969.53
To net taxable grand list.....	0.96%	1.64%	1.21%	1.46%	1.73%
To estimated full value.....	0.67%	1.15%	0.85%	1.02%	1.21%
To equalized net taxable grand list.....	0.67%	0.88%	0.79%	0.96%	1.17%
Debt per capita to per capita income.....	2.21%	3.05%	2.24%	2.80%	3.34%
Net Direct Indebtedness:					
Per capita.....	\$659.00	\$910.03	\$667.93	\$833.30	\$969.53
To net taxable grand list.....	0.96%	1.64%	1.21%	1.46%	1.73%
To estimated full value.....	0.67%	1.15%	0.85%	1.02%	1.21%
To equalized net taxable grand list.....	0.67%	0.88%	0.79%	0.96%	1.17%
Debt per capita to per capita income.....	2.21%	3.05%	2.24%	2.80%	3.34%
Net Direct and Net Overlapping Indebtedness:					
Per capita.....	\$2,602.22	\$2,748.90	\$2,655.69	\$2,968.70	\$3,169.06
To net taxable grand list.....	3.79%	4.96%	4.82%	5.21%	5.66%
To estimated full value.....	2.66%	3.47%	3.37%	3.65%	3.96%
To equalized net taxable grand list.....	2.66%	2.66%	3.15%	3.41%	3.81%
Debt per capita to per capita income.....	8.73%	9.22%	8.91%	9.97%	10.92%

¹ Unaudited estimate.

**THE TOWN OF EAST HARTFORD, CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF
PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.**

VII. LEGAL AND OTHER INFORMATION

LITIGATION

The Town of East Hartford, its officers, employees, boards and commissions are defendants in various lawsuits. It is the opinion of the Corporation Counsel that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town, including the exhaustion of all available appeals, which would materially adversely affect its financial position.

MUNICIPAL ADVISOR

The Town has retained Munistat Services, Inc. of Madison, Connecticut, as municipal advisor in connection with the issuance and sale of the Bonds. Although Munistat Services, Inc. has assisted in the preparation of the Official Statement, Munistat Services, Inc. is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. Munistat Services, Inc. is an independent municipal bond advisory firm and is not engaged in the business of providing investment advice, underwriting, trading or distributing municipal securities or other public securities.

TRANSCRIPT AND CLOSING DOCUMENTS

Upon delivery of the Bonds, the winning bidder will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery, no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay the principal of and interest on the Bonds;
2. A receipt for the purchase price of the Bonds;
3. A certificate on behalf of the Town, signed by the Mayor, Town Treasurer and Director of Finance which will be dated the date of delivery and attached to a signed copy of the Preliminary Official Statement, and which will certify, to the best of said officials' knowledge and belief, that as of the time the bids on the Bonds were accepted, the descriptions and statements in the Preliminary Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact, necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Preliminary Official Statement;
4. The approving opinion of Robinson & Cole LLP, Bond Counsel in substantially the form attached hereto as Appendix B, and;
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C.

The Town has prepared an Official Statement for the Bonds which is dated December 20, 2023. The Town deems such Official Statement final as of its date for the purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment. The Town will make available to the winning bidder of the Bonds a reasonable number of copies of the Official Statement, as prepared for this issue at the Town's expense.

A transcript of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the office of U.S. Bank Trust Company, National Association, in Hartford, Connecticut and will be available for examination upon reasonable request.

CONCLUDING STATEMENT

Additional information may be obtained upon request from the Office of the Director of Finance at (860) 291-7246 or from Munistat Services, Inc. at (203) 421-2880.

This Official Statement is submitted only in connection with the sale of the Bonds by the Town and may not be reproduced or used in whole or part for any other purpose.

Munistat Services, Inc., the Town's municipal advisor, has assisted the Town in the preparation of this Official Statement from documents supplied by Town officials and other sources. Munistat Services, Inc. does not assume responsibility for the adequacy or accuracy of statements made herein and makes no representation that it has independently verified the accuracy of supporting documents supplied by the Town.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be constructed as a contract or agreement between the Town and the purchasers or holders of any of the Bond.

TOWN OF EAST HARTFORD, CONNECTICUT

By: /s/ Connor Martin
Connor Martin
Mayor

By: /s/ John Murphy
John Murphy
Treasurer

By: /s/ Melissa McCaw
Melissa McCaw
Director of Finance

Dated: December 20, 2023

APPENDIX A – AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDE JUNE 30, 2022

Appendix A – Basic Financial Statements - is taken from the Annual Financial Report of the Town of East Hartford for the Fiscal Year ending June 30, 2022 as presented by the auditors at that time and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Director of Finance, Town of East Hartford, Connecticut.



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, 2022, 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, 2022, 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

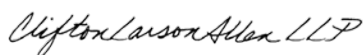
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information 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 accompanying supplementary information such as the combining and individual nonmajor fund financial statements 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 accompanying supplementary information such as the combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2022, 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.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 23, 2022

**TOWN OF EAST HARTFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

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, 2022. 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 \$15.0 million, or 6%.
- During the year, the Town had governmental program expenses of \$296.2 million, which were \$15.0 million more than the \$281.2 million generated in taxes, grants and other revenues.
- The total cost of all of the Town's programs was \$296.2 million.
- Assets were \$243.2 million with \$87.2 million in current assets and \$156.0 million in net capital assets.
- Deferred outflows were \$69.9 million.
- Liabilities were \$513.1 million with \$477.0 million in long-term debt outstanding.
- Deferred inflows were \$62.6 million.
- The General Fund reported a total fund balance as of June 30, 2022 of \$23.4 million. The General Fund unassigned component of fund balance was \$22.6 million.
- Total governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$25.1 million, which is a \$15.8 million increase from last year's total of \$9.3 million.
- Actual General Fund revenues were \$203.2 million compared to the final budget of \$204.3 million, resulting in lower revenues of \$1.0 million due to additional contributions from fund balance for OPEB per town ordinance, workers compensation and general liability insurances.
- Actual General Fund expenditures were \$203.7 million compared to the final budget of \$204.3 million, resulting in lower expenditures of \$0.6 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, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. The Town's net position, the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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

**TOWN OF EAST HARTFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

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, 2022**

Government-Wide Financial Analysis

The Town's combined net position decreased from \$(247.6) million to \$(262.6) 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	
	2022	2021
Assets:		
Current and Other Assets	\$ 87,239	\$ 62,808
Capital Assets, Net of Accumulated Depreciation	156,023	156,011
Total Assets	243,262	218,819
Deferred Outflows of Resources	69,854	40,393
Liabilities:		
Long-Term Debt Outstanding	477,036	431,734
Other Liabilities	36,090	26,580
Total Liabilities	513,126	458,314
Deferred Inflows of Resources	62,584	48,480
Net Position:		
Net Investment in Capital Assets	95,826	109,674
Restricted	2,865	2,906
Unrestricted	(361,285)	(360,162)
Total Net Position	<u>\$ (262,594)</u>	<u>\$ (247,582)</u>

Assets increased by \$24.4 million primarily in General Fund cash. This change is due to an increase in grant funds from the American Rescue Plan Act (ARPA) of \$17.8 million, an increase in State and Federal Education Grants of \$13.7 million, a decrease in General Fund cash of (\$13.9) million due to a delayed reimbursement from the Board of Education for expenses incurred through June 30, 2022 and an increase in cash available in the capital lease fund of \$1.7 million, health benefits fund of \$2.8 million and school cafeteria fund of \$1.5 million.

Deferred outflows increased by \$29.5 million, which included an increase in deferred outflows related to pension of \$36.3 million and a decrease in deferred outflows related to OPEB of (\$6.8) million.

Liabilities increased by \$54.8 million, which is comprised of a \$45.3 million increase in long-term debt outstanding and an increase of \$9.5 million in other liabilities. The increase in long-term debt outstanding is due to an increase in net pension liability of \$67.7 million, an offsetting decrease of \$36.3 million in net OPEB liability and an increase in overall bonding and capital lease liabilities of \$15.1 million based on new bond issuances and capital lease originations.

**TOWN OF EAST HARTFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

Deferred inflows increased by \$14.1 million. Advance property tax collections decreased by (\$2.8) million from the prior year. Deferred inflows related to pension decreased by (\$12.5) million while those related to OPEB increased by 29.4 million.

Net position of the Town's governmental activities decreased by \$15.0 million, or 6%. 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 \$(361.3) million at June 30, 2022 compared to \$(360.2) million at June 30, 2021. Various contributing factors resulting in the decrease in net position are discussed following Table 2.

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

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues:		
Charges for Services	\$ 18,184	\$ 15,414
Operating Grants and Contributions	110,250	124,370
Capital Grants and Contributions	143	1,769
General Revenues:		
Property Taxes	138,620	139,380
Grants and Contributions Not Restricted to Specific Purposes	13,249	8,748
Unrestricted Investment Earnings	143	32
Other General Revenues	647	1,149
Total Revenues	<u>281,236</u>	<u>290,862</u>
Program Expenses:		
General Government	43,995	42,314
Public Safety	39,789	41,108
Inspection and Permits	723	689
Public Works	19,710	17,436
Parks and Recreation	3,786	3,813
Health and Social Services	6,928	6,053
Education	179,708	191,328
Interest on Long-Term Debt	1,609	319
Total Program Expenses	<u>296,248</u>	<u>303,060</u>
Decrease in Net Position	(15,012)	(12,198)
Net Position at Beginning of Year	<u>(247,582)</u>	<u>(235,384)</u>
Net Position at End of Year	<u><u>\$ (262,594)</u></u>	<u><u>\$ (247,582)</u></u>

The Town's total revenues were \$281.2 million. The total cost of all programs and services was \$296.2 million. The Town's overall decrease in net position of \$15.0 million compared \$12.2 million last year is attributable to many factors both in relation to full accrual activities on a government-wide basis as well

**TOWN OF EAST HARTFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

as changes in results in operations, year over year, in the Town's General Fund and Internal Service Funds.

The Town's program revenues decreased \$9.7 million to \$281.2 million compared to \$290.9 million in the prior year. The primary driver was a decrease in Operating Grants and Contributions of \$14.1 million due to lower State Teacher Retirement payments made by the State of Connecticut on behalf of the Town of East Hartford. This reduction was offset by increases Grants and Contributions Unrestricted of \$4.5 million (primarily State municipal aid) and Charges for Services of \$2.8 million (related to Police private duty, paramedic billing, education and conveyance tax revenues).

The total program expenses decreased \$6.8 million to \$296.3 million compared with \$303.1 million in the prior year. Decreases in Public Safety of \$1.3 million, Education of \$11.6 million (primarily due to Teacher Retirement expenses) were offset by increases in General Government of \$1.6 million (including additional contributions to OPEB, Workers Compensation and Insurances), Public Works of \$2.3 million and Interest on Long-Term Debt of \$1.3 million (current year impact of new bond issuance).

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	
	2022	2021	2022	2021
General Government	\$ 43,995	\$ 42,314	\$ 35,720	\$ 37,449
Public Safety	39,789	41,108	36,065	37,436
Public Works	19,710	17,436	18,928	16,766
Parks and Recreation	3,786	3,813	3,479	3,740
Education	179,708	191,328	70,704	65,250
All Others	9,260	7,061	2,775	866
Totals	<u>\$ 296,248</u>	<u>\$ 303,060</u>	<u>\$ 167,671</u>	<u>\$ 161,507</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 \$25.1 million, which is a \$15.8 million increase from last year's total of \$9.3 million.

The increase of \$15.8 million was predominately related to an increase of \$15.5 million in the Capital Improvement Fund. The General Fund advances cash to the Capital Improvement Fund for these infrastructure expenditures. During the current year, the Town issued \$20 million in new bonds to replenish the Capital Improvement Fund and support new expenditures of \$10.5 for active capital projects including road reconstruction, levee maintenance, completion of the new Senior Center and preliminary costs associated with the renovation of the Town Hall building.

**TOWN OF EAST HARTFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

The Town's Total General Fund balance of \$23.4 million reported on Exhibit III differs from the General Fund's Unassigned Budgetary Fund Balance of \$22.6 million. This is principally because budgetary fund balance does not include \$0.3 million of prepaid debt service items and \$0.5 million of outstanding encumbrances at year end.

The General Fund's budgetary revenue estimates generated a \$1.0 million net unfavorable variance as reported in RSI-1 while the General Fund's budgetary expenses generated a \$0.6 million favorable variance as reported in RSI-2. Budgetary revenue estimates included a \$2.2 million additional contribution to OPEB and a \$932 thousand contribution from fund balance with a \$680 thousand additional contribution to Workers Compensation and \$250 thousand additional contribution to Insurances for General Liability. Absent these intentional additional contributions from fund balance, the General Fund would have closed in surplus.

The General Fund reported favorable revenues of \$2.4 million in Intergovernmental revenues, \$406 thousand in charges for services primarily for conveyance tax receipts in the Town Clerk's Office and \$48 thousand in licenses and permits compared to budget offset by unfavorable variances for net property taxes and interest of \$1.2 million, licenses and permits of \$280 thousand and interest from investments of \$338 thousand.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the Town had \$156.0 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 \$0.012 million, or 0% compared to last year.

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

	Governmental Activities	
	2022	2021
Land	\$ 16,126	\$ 16,126
Buildings and Improvements	69,511	71,047
Furniture, Vehicles, and Equipment	10,729	11,159
Infrastructure	35,514	37,005
Construction in Progress	24,143	20,674
Totals	<u>\$ 156,023</u>	<u>\$ 156,011</u>

The Town's FY 2022-23 Adopted Capital Budget calls for it to spend up to \$17.3 for road improvements, building renovations and replacement of Public Works, Police, Fire, and Parks vehicles. These investments will be funded by grants, lease proceeds and future bond issuances.

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

**TOWN OF EAST HARTFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

Long-Term Debt

At June 30, 2022, the Town had \$46.4 million in bonds outstanding versus \$34.0 million last year – an increase of \$12.4 million or 36.5% - as shown in Table 5. The increase is a result of the Town issuing new debt during the reporting period.

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

	Governmental Activities	
	2022	2021
General Obligation Bonds	\$ 46.4	\$ 34.0

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 unemployment rate for the Town of East Hartford is currently 5.5% compared with the prior year of 9.6%. This decrease is a direct result of improvement on the local economy following the onset of the COVID-19 pandemic.

The appropriation for expenditures totals \$204.4 million in the Adopted Budget for the 2022-23 fiscal year, representing an increase of \$3.3 million or 1.6% compared to the adopted budget for the fiscal year ended June 30, 2022.

Budget increases include \$1 million of contractual labor settlements, \$2.6 million of additional pension plan and retirement contributions, and \$1.8 million to the Board of Education. These increases were offset by a \$1.4 million reduction in health benefits and insurances and a \$0.6 million reduction in debt service.

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 2022-23 fiscal year.

The Town's elected and appointed officials considered many factors when establishing the reduced tax mill rate of 41.00 for real estate and personal property and 32.46 for motor vehicles for the Adopted Budget in the 2022-23 fiscal year. The real estate and personal property mill rate reduction from 49.35 to 41.00 mills provided a 17% reduction in the mill rate. The 32.46 mill rate for motor vehicles as compared to 45 mills in the prior year represented a reduction of 28%. Overall, when factoring in the updated grand list due to revaluation and the reduced mill rate on real estate and motor vehicles, the current year tax burden decreased 2.3% when compared year over year.

**TOWN OF EAST HARTFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

A budgeted revenue increase from the State of Connecticut of \$3.5 million for the Motor Vehicle Mill Rate Grant was 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, 2022
(IN THOUSANDS)

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 71,390
Investments	328
Receivables, Net	13,047
Due from Fiduciary	1,835
Other Assets	639
Capital Assets:	
Assets Not Being Depreciated	40,269
Assets Being Depreciated, Net	115,754
Total Assets	<u>243,262</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to Pension	40,960
Related to OPEB	28,548
Deferred Charge on Refunding	346
Total Deferred Outflows of Resources	<u>69,854</u>
LIABILITIES	
Accounts and Other Payables	16,936
Unearned Revenue	19,154
Noncurrent Liabilities:	
Due Within One Year	17,218
Due In More Than One Year	459,818
Total Liabilities	<u>513,126</u>
DEFERRED INFLOWS OF RESOURCES	
Related to OPEB	59,639
Advance Property Tax Collections	2,945
Total Deferred Inflows of Resources	<u>62,584</u>
NET POSITION	
Net Investment in Capital Assets	95,826
Restricted for:	
Grants	417
Donations	418
Loans	1,897
Expendable Trusts	133
Unrestricted	<u>(361,285)</u>
Total Net Position	<u><u>\$ (262,594)</u></u>

See accompanying Notes to Financial Statements.

TOWN OF EAST HARTFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022
(IN THOUSANDS)

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
GOVERNMENTAL ACTIVITIES					
General Government	\$ 43,995	\$ 1,991	\$ 6,284	\$ -	\$ (35,720)
Public Safety	39,789	3,228	496	-	(36,065)
Inspections and Permits	723	1,217	-	-	494
Public Works	19,710	208	574	-	(18,928)
Parks and Recreation	3,786	306	1	-	(3,479)
Health and Social Services	6,928	312	4,956	-	(1,660)
Education	179,708	10,922	97,939	143	(70,704)
Interest on Long-Term Debt	1,609	-	-	-	(1,609)
Total	<u>\$ 296,248</u>	<u>\$ 18,184</u>	<u>\$ 110,250</u>	<u>\$ 143</u>	(167,671)
GENERAL REVENUES					
Property Taxes					138,620
Grants and Contributions Not Restricted to Specific Programs					13,249
Unrestricted Investment Earnings					143
Other General Revenues					647
Total General Revenues					<u>152,659</u>
CHANGE IN NET POSITION					
					(15,012)
Net Position, Beginning of Year					<u>(247,582)</u>
NET POSITION - END OF YEAR					
					<u>\$ (262,594)</u>

See accompanying Notes to Financial Statements.

TOWN OF EAST HARTFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022
(IN THOUSANDS)

	General	State and Federal Education Grants	Capital Improvement	American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 13,915	\$ 15,751	\$ 4,041	\$ 17,751	\$ 2,958	\$ 54,416
Investments	269	-	-	-	59	328
Receivables, Net	6,119	894	94	-	5,940	13,047
Due from Other Funds	25,953	-	4,825	-	1,651	32,429
Other Assets	416	-	-	-	45	461
Total Assets	<u>\$ 46,672</u>	<u>\$ 16,645</u>	<u>\$ 8,960</u>	<u>\$ 17,751</u>	<u>\$ 10,653</u>	<u>\$ 100,681</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 8,923	\$ 464	\$ 3,974	\$ 1,103	\$ 995	\$ 15,459
Due to Other Funds	6,476	15,109	7,292	16	1,701	30,594
Due to Other Governments	-	-	-	-	-	-
Unearned Revenue	-	1,072	-	16,632	1,450	19,154
Total Liabilities	<u>15,399</u>	<u>16,645</u>	<u>11,266</u>	<u>17,751</u>	<u>4,146</u>	<u>65,207</u>
DEFERRED INFLOWS OF RESOURCES						
Advance Property Tax Collections	2,945	-	-	-	-	2,945
Unavailable Revenue - Property Taxes	4,315	-	-	-	-	4,315
Unavailable Revenue - Loan Receivables	-	-	-	-	1,897	1,897
Unavailable Revenue - Other Receivables	591	-	-	-	677	1,268
Total Deferred Inflows of Resources	<u>7,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,574</u>	<u>10,425</u>
FUND BALANCES						
Nonspendable	316	-	-	-	45	361
Restricted	-	-	-	-	968	968
Committed	-	-	-	-	2,932	2,932
Assigned	468	-	-	-	-	468
Unassigned	22,638	-	(2,306)	-	(12)	20,320
Total Fund Balances	<u>23,422</u>	<u>-</u>	<u>(2,306)</u>	<u>-</u>	<u>3,933</u>	<u>25,049</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 46,672</u>	<u>\$ 16,645</u>	<u>\$ 8,960</u>	<u>\$ 17,751</u>	<u>\$ 10,653</u>	<u>\$ 100,681</u>

See accompanying Notes to Financial Statements.

TOWN OF EAST HARTFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022
(IN THOUSANDS)

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III) \$ 25,049

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	346,258
Less: Accumulated Depreciation	(190,235)
Net Capital Assets	156,023

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	3,010
Interest Receivable on Property Taxes	1,307
Housing Rehabilitation Loans Receivable	1,897
Other Accounts Receivable	1,268
Deferred Outflows of Resources Related to Pension	40,960
Deferred Outflows of Resources Related to OPEB	28,548
Deferred Charge on Refunding	346

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.

9,404

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	(287,013)
Net OPEB Obligation	(108,280)
Bonds and Notes Payable	(46,385)
Unamortized Bond Premiums	(3,529)
Interest Payable on Bonds and Notes	(661)
Landfill Post Closure Monitoring	(280)
Compensated Absences	(14,745)
Retirement Obligations	(15)
Financing Arrangements	(9,859)
Deferred Inflows of Resources Related to Pension	-
Deferred Inflows of Resources Related to OPEB	(59,639)

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)

\$ (262,594)

TOWN OF EAST HARTFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022
(IN THOUSANDS)

	General	State and Federal Education Grants	Capital Improvement	American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
General Property Taxes	\$ 138,978	\$ -	\$ -	\$ -	\$ -	\$ 138,978
Licenses and Permits	2,059	-	-	-	-	2,059
Intergovernmental Revenues	77,730	36,261	230	3,085	11,275	128,581
Charges for Services	12,808	-	-	-	2,863	15,671
Investment Income	87	-	6	-	-	93
Other	495	-	-	-	239	734
Total Revenues	232,157	36,261	236	3,085	14,377	286,116
EXPENDITURES						
Current:						
General Government	50,576	-	-	-	867	51,443
Public Safety	32,530	-	-	122	1,803	34,455
Inspection and Permits	723	-	-	-	-	723
Public Works	10,257	-	-	146	646	11,049
Parks and Recreation	3,318	-	-	-	346	3,664
Health and Social Services	4,900	-	-	87	2,073	7,060
Education	118,799	36,261	-	-	6,062	161,122
Capital Outlay	-	-	10,806	2,730	-	13,536
Debt and Sundry	10,856	-	806	-	-	11,662
Total Expenditures	231,959	36,261	11,612	3,085	11,797	294,714
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	198	-	(11,376)	-	2,580	(8,598)
OTHER FINANCING SOURCES (USES)						
Financing Arrangements Issued	-	-	1,726	-	-	1,726
Bond Issuance	-	-	20,000	-	-	20,000
Premium on Bond Issuance	-	-	2,632	-	-	2,632
Transfers In	1,230	-	2,471	-	38	3,739
Transfers Out	(2,509)	-	(5)	-	(1,225)	(3,739)
Total Other Financing Sources (Uses)	(1,279)	-	26,824	-	(1,187)	24,358
NET CHANGE IN FUND BALANCES	(1,081)	-	15,448	-	1,393	15,760
Fund Balances - Beginning of Year	24,503	-	(17,754)	-	2,540	9,289
FUND BALANCES - END OF YEAR	<u>\$ 23,422</u>	<u>\$ -</u>	<u>\$ (2,306)</u>	<u>\$ -</u>	<u>\$ 3,933</u>	<u>\$ 25,049</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, 2022
(IN THOUSANDS)

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 15,760

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	6,277
Depreciation Expense	(6,241)
Loss on Disposal of Capital Assets	(85)

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	(259)
Property Tax Interest and Lien Revenue - Accrual Basis Change	(99)
Housing Rehabilitation Loans - Accrual Basis Change	27
Other Accounts Receivable - Accrual Basis Change	454
Change in Deferred Outflows Amounts Related to Pension	36,366
Change in Deferred Outflows Amounts Related to OPEB	(5,568)

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:

Issuance of Bonds	(20,000)
Bond Principal Payments	7,660
Premium on Debt Issuance	(2,632)
Financing Arrangement Principal Payments	2,535
Financing Arrangements Issued	(1,726)
Amortization of Deferred Charge on Refunding	(81)
Amortization of Bond Premiums	397

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	321
Accrued Interest	(501)
Retirement Obligations	12
Change in Net Pension Liability	(67,738)
Change in Net OPEB Liability	36,285
Landfill Postclosure Expense	28
Change in Deferred Inflows Amounts Related to Pension	12,561
Change in Deferred Inflows Amounts Related to OPEB	(30,666)

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.

	1,816
Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	\$ (15,012)

See accompanying Notes to Financial Statements.

TOWN OF EAST HARTFORD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022
(IN THOUSANDS)

	Governmental Activities
	<u>Internal</u>
	<u>Service Funds</u>
ASSETS	
Current:	
Cash and Cash Equivalents	\$ 16,974
Other Assets	<u>200</u>
Total Assets	17,174
LIABILITIES	
Current Liabilities:	
Accounts Payable	840
Risk Management Claims	<u>2,763</u>
Total Current Liabilities	3,603
Noncurrent Liabilities:	
Risk Management Claims	<u>4,167</u>
Total liabilities	<u>7,770</u>
NET POSITION	
Unrestricted	<u><u>\$ 9,404</u></u>

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, 2022
(IN THOUSANDS)

	Governmental Activities
	<u>Internal</u>
	<u>Service Funds</u>
OPERATING REVENUES	
Employer Contributions	\$ 27,036
Charges for Goods and Services	3,363
Other	<u>1,380</u>
Total Operating Revenues	31,779
OPERATING EXPENSES	
Claims	24,833
Premiums and Administrative Charges	<u>5,185</u>
Total Operating Expenses	<u>30,018</u>
OPERATING INCOME	1,761
NONOPERATING REVENUE	
Interest Income	<u>55</u>
CHANGE IN NET POSITION	1,816
Net Position - Beginning of Year	<u>7,588</u>
NET POSITION - END OF YEAR	<u><u>\$ 9,404</u></u>

See accompanying Notes to Financial Statements.

TOWN OF EAST HARTFORD, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022
(IN THOUSANDS)

	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Employer Contributions	\$ 27,108
Cash Received from Charges for Services	3,363
Cash Received from Other Revenues	1,380
Cash Paid for Claims	(23,872)
Cash Paid to Other Suppliers for Services	(5,185)
Net Cash Provided by Operating Activities	<u>2,794</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	<u>55</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,849
Cash and Cash Equivalents - Beginning of Year	<u>14,125</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 16,974</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 1,761
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
(Increase) Decrease in Due from Other Funds	227
Increase (Decrease) in Due to Other Funds	(155)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	518
Increase (Decrease) in Risk Management Claims	443
Total Adjustments	<u>1,033</u>
Net Cash Provided by Operating Activities	<u><u>\$ 2,794</u></u>

See accompanying Notes to Financial Statements.

TOWN OF EAST HARTFORD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022
(IN THOUSANDS)

	Pension and Other Employee Benefit Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 745
Investments - Guaranteed Interest Contract	3,082
Investments - Mutual Funds	<u>242,779</u>
Total Assets	<u>246,606</u>
LIABILITIES	
Accounts Payable	36
Due to Other Funds	<u>1,835</u>
Total Liabilities	<u>1,871</u>
NET POSITION	
Restricted for Pension	232,082
Restricted for Other Post-Employee Benefits	<u>12,653</u>
Restricted for Pension and Other Benefits	<u><u>\$ 244,735</u></u>

See accompanying Notes to Financial Statements.

TOWN OF EAST HARTFORD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022
(IN THOUSANDS)

	Pension and Other Employee Benefit Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 23,160
Plan Members	3,476
Total Contributions	<u>26,636</u>
Investment Income (Loss):	
Net Change in Fair Value of Investments	(37,803)
Interest and Dividends	8,769
Total Investment Income (Loss)	<u>(29,034)</u>
Less: Investment Expense	<u>(82)</u>
Net Investment Income (Loss)	<u>(29,116)</u>
OTHER INCOME	<u>-</u>
Total Additions	<u>(2,480)</u>
DEDUCTIONS	
Benefits	36,525
Administration	196
Total Deductions	<u>36,721</u>
CHANGE IN NET POSITION	(39,201)
Net Position - Beginning of Year	<u>283,936</u>
NET POSITION - END OF YEAR	<u><u>\$ 244,735</u></u>

See accompanying Notes to Financial Statements.

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(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, 2022
(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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, 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.

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 capital lease proceeds used to finance expenditures for capital improvement projects.

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.

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.

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables (Continued)

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, 2022
(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 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, 2022
(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, 2022
(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, 2022
(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. 87, Leases

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Town adopted the requirements of the guidance effective July 1, 2021. 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

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 \$3,100 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

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	\$ 468
Capital Improvement Fund	8,671
American Rescue Plan	3,225
Workers' Compensation	17
Nonmajor Governmental Funds	865
Total	<u>\$ 13,246</u>

B. Deficit Fund Equity

Capital Improvement	\$ 2,306
Internal Service Funds:	
Workers' Compensation	3,410

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.

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
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

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*, \$26,152 of the Town's bank balance of \$27,402 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 23,459
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	<u>2,693</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 26,152</u></u>

B. Cash Equivalents

At June 30, 2022, the Town's cash equivalents amounted to \$45,416. 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)	<u>AAAm</u>
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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

C. Investments

As of June 30, 2022, 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		\$ 269	\$ -	\$ 269	\$ -
U.S. Government Agencies	AAA	59	-	59	-
Total		328	\$ -	\$ 328	\$ -
Other Investments:					
Guaranteed Interest Contract	N/A	3,082			
Mutual Funds	N/A	242,779			
Total Investments		<u>\$ 246,189</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
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

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, 2022:

	June 30, 2022	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Agencies	\$ 59	\$ 59	\$ -	\$ -
Guaranteed Interest Contract	3,082		3,082	-
Mutual Funds	242,779	242,779	-	-
Total Investments by Fair Value Level	245,920	<u>\$ 242,838</u>	<u>\$ 3,082</u>	<u>\$ -</u>
Certificates of Deposit	269			
Total Investments	<u>\$ 246,189</u>			

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

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, 2022, 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	\$ 4,601	\$ -	\$ -	\$ -	\$ 4,601
Accrued Interest	1,653	-	-	-	1,653
Intergovernmental	-	894	94	3,366	4,354
Accounts	1,035	-	-	677	1,712
Loans and Accrued Interest on Loans	-	-	-	1,897	1,897
Gross Receivables	7,289	894	94	5,940	14,217
Less Allowance for Uncollectibles:					
Taxes	(605)	-	-	-	(605)
Accrued Interest on Taxes	(346)	-	-	-	(346)
Accounts	(219)	-	-	-	(219)
Total Allowance	(1,170)	-	-	-	(1,170)
Net Total Receivables	\$ 6,119	\$ 894	\$ 94	\$ 5,940	\$ 13,047

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 16,126	\$ -	\$ -	\$ 16,126
Construction in Progress	20,674	3,530	61	24,143
Total Capital Assets Not Being Depreciated	36,800	3,530	61	40,269
Capital Assets Being Depreciated:				
Buildings and Improvements	150,017	1,408	-	151,425
Furniture, Fixtures, Vehicles, and Equipment	35,260	1,400	548	36,112
Infrastructure	118,452	-	-	118,452
Total Capital Assets Being Depreciated	303,729	2,808	548	305,989
Less Accumulated Depreciation for:				
Buildings and Improvements	78,970	2,944	-	81,914
Furniture, Fixtures, Vehicles, and Equipment	24,101	1,806	524	25,383
Infrastructure	81,447	1,491	-	82,938
Total Accumulated Depreciation	184,518	6,241	524	190,235
Total Capital Assets Being Depreciated, Net	119,211	(3,433)	24	115,754
Governmental Activities Capital Assets, Net	<u>\$ 156,011</u>	<u>\$ 97</u>	<u>\$ 85</u>	<u>\$ 156,023</u>

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

Governmental Activities:	
General Government	\$ 304
Public Safety	1,348
Public Works	2,297
Parks and Recreation	169
Health and Social Services	5
Education	2,118
Total Depreciation Expense - Governmental Activities	<u>\$ 6,241</u>

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 5 CAPITAL ASSETS (CONTINUED)

Construction Commitments

The Town has the following active construction projects as of June 30, 2022. At year-end, the Town's projects and commitments with contractors are as follows:

Project	Cumulative Expenditures	Remaining Commitment
Road Construction	\$ 5,884	\$ 135
Levee Construction	514	538
Veteran Memorial Clubhouse Project	159	53
Main Street Project	242	-
Senior Center Construction	227	21
Total	<u>\$ 7,026</u>	<u>\$ 747</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, 2022, is presented below:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Improvement Fund	\$ 7,292
	State and Federal Education Grants	15,109
	American Rescue Plan	16
	Nonmajor Governmental Funds	1,701
	Fiduciary Funds	1,835
		<u>25,953</u>
Capital Improvement Fund	General Fund	4,825
Nonmajor Governmental Funds	General Fund	1,651
Total		<u>\$ 32,429</u>

The Nonmajor Governmental Funds owe the General Fund for expenditures paid by the General Fund. The Capital Improvement Fund owes the General Fund for ongoing projects. The General Fund paid for employer contributions for medical expenditures for employees of the Other Post-Employment Benefits Fund.

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	Nonmajor Governmental	
Transfers Out:				
General Fund	\$ -	\$ 2,471	\$ 38	\$ 2,509
Capital Improvements	5	-	-	5
Nonmajor Governmental	1,225	-	-	1,225
Total Transfers In	<u>\$ 1,230</u>	<u>\$ 2,471</u>	<u>\$ 38</u>	<u>\$ 3,739</u>

The General Fund transferred funds to the Capital Improvement Fund for budgeted capital expenditures for the Town and the Board of Education. The General Fund also transferred funds to the Nonmajor Governmental Funds for general expenditures. 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, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 27,695	\$ 20,000	\$ 5,535	\$ 42,160	\$ 4,160
General Obligation Bonds - Direct Placement	6,350	-	2,125	4,225	2,125
Total General Obligation Bonds	34,045	20,000	7,660	46,385	6,285
Premium on Bonds	1,294	2,632	397	3,529	-
Total Bonds Payable	35,339	22,632	8,057	49,914	6,285
Financing Arrangements	10,668	1,726	2,535	9,859	2,574
Landfill Postclosure Monitoring	308	-	28	280	28
Compensated Absences	15,066	-	321	14,745	5,568
Retirement Obligations	27	-	12	15	-
Net OPEB Liability	144,565	-	36,285	108,280	-
Net Pension Liability	219,275	67,738	-	287,013	-
Risk Management Claims	6,486	25,277	24,833	6,930	2,763
Governmental Activities Long-Term Liabilities	<u>\$ 431,734</u>	<u>\$ 117,373</u>	<u>\$ 72,071</u>	<u>\$ 477,036</u>	<u>\$ 17,218</u>

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.

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

Changes in Long-Term Liabilities (Continued)

The Town's outstanding note from direct borrowings and direct placements related to governmental activities of \$4,225 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, 2022, are comprised of the following individual issues:

Description	Interest Rate Percent	Issue Date	Maturity Date	Original Amount	Balance Outstanding June 30, 2022
General Purpose and School Improvements	2.000 - 3.000	2/26/2013	2/26/2028	\$ 12,230	\$ 2,025
General Purpose - Direct Placement	2.12	6/17/2014	1/15/2024	19,100	4,225
General Purpose	2.125 - 4.000	9/28/2016	10/15/2026	14,835	8,785
General Purpose and School Improvements	2.150 - 3.160	10/31/2018	10/15/2024	14,600	11,350
General Purpose	2.0 - 4.0	8/11/2021	8/1/2031	20,000	20,000
Total					<u>\$ 46,385</u>

The annual requirements to amortize bonds payable as of June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 4,160	\$ 1,742	\$ 5,902
2024	5,805	1,207	7,012
2025	5,825	979	6,804
2026	5,820	773	6,593
2027	5,810	559	6,369
2028-2032	14,740	813	15,553
Total	<u>\$ 42,160</u>	<u>\$ 6,073</u>	<u>\$ 48,233</u>

The annual requirements to amortize bonds payable - direct placement as of June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,125	\$ 78	\$ 2,203
2024	2,100	33	2,133
Total	<u>\$ 4,225</u>	<u>\$ 111</u>	<u>\$ 4,336</u>

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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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 2010	7,000	-	7,000	-
Road Improvements 2014/2012	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
Total	<u>\$ 78,271</u>	<u>\$ 9,629</u>	<u>\$ 54,322</u>	<u>\$ 14,320</u>

The Town's indebtedness, \$154,434, 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	\$ 60,241	\$ 254,462
Schools	629,406	464	628,942
Sewers	524,505	93,729	430,776
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.

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 \$93,729 as of June 30, 2022.

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

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		12,998
Equipment		5,901
Furniture		557
Total Gross Value		33,873
Less: Accumulated Depreciation		(24,014)
Net Book Value	\$	9,859

The net book value approximates the financing arrangements principal balance payable at June 30, 2022.

The following is a summary of financing arrangement commitments as of June 30, 2022:

<u>Year Ending June 30,</u>		
2023	\$	2,852
2024		2,620
2025		2,285
2026		2,288
2027		522
Total Minimum Lease Payments		10,567
Less: Amount Representing Interest		(708)
Present Value of Minimum Lease Payments	\$	9,859

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 \$280. 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, 2022, was \$10.

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

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 \$15 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, 2022, are as follows:

	Major Funds				
	General Fund	State and Federal Grants Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Prepaid Expenditures	\$ 316	\$ -	\$ -	\$ 45	\$ 361
Restricted for:					
Grants	-	-	-	417	417
Donations	-	-	-	425	425
Scholarships	-	-	-	126	126
Committed to:					
School Cafeteria	-	-	-	2,354	2,354
Student Activities	-	-	-	263	263
Youth Services	-	-	-	20	20
Education Programs	-	-	-	294	294
Dog Fund				1	1
Assigned to:					
Purchases on Order:					
General Government	115	-	-	-	115
Public Works	135	-	-	-	135
Parks and Recreation	38	-	-	-	38
Public Safety	176	-	-	-	176
Health and Social Services	4	-	-	-	4
Unassigned	22,638	-	(2,306)	(12)	20,320
Total Fund Balances	<u>\$ 23,422</u>	<u>\$ -</u>	<u>\$ (2,306)</u>	<u>\$ 3,933</u>	<u>\$ 25,049</u>

Significant encumbrances at June 30, 2022, are contained in the above table in the assigned category of the General Fund.

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 \$4,167 for the Workers' Compensation Fund, reported at June 30, 2022, is based on a summary report of outstanding liabilities for workers' compensation and heart and hypertension claims. The claims liability of \$1,712 for the Health Benefits Fund, reported at June 30, 2022, is based on estimated claims incurred but not reported.

TOWN OF EAST HARTFORD, CONNECTICUT
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NOTE 10 RISK MANAGEMENT (CONTINUED)

A claims liability of \$1,051 for the General Liability Fund, reported at June 30, 2022, is based on a summary loss report of outstanding liabilities by coverage. The changes in the claims liability were as follows:

NOTE 11 TAX ABATEMENTS

As of June 30, 2022, 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
Authority under which abatement agreement is entered into:	CGS 12-65b
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>
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>
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-\$758,410 = \$868,440). 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>The amount of tax revenue forgone in the fiscal year ending 6/30/2022 totaled \$42,857.51.</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>
Types of commitments made by the City other than to reduce taxes:	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 6/30/2022 totaled \$42,857.51.

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 5 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 5 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
NOTES TO FINANCIAL STATEMENTS
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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, 2021:

Retired Members or Beneficiaries Currently	
Receiving Benefits	758
Vested Terminated Members Entitled to but	
Not Yet Receiving Benefits	36
Active Members	393
Total	<u><u>1,187</u></u>

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
NOTES TO FINANCIAL STATEMENTS
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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 7.50% to 7.25% 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
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 47.45% 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, 2022:

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

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (10.08%). 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, 2022, were as follows:

Total Pension Liability	\$ 519,095
Plan Fiduciary Net Position	<u>232,082</u>
Net Pension Liability	<u><u>\$ 287,013</u></u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.71 %
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The total pension liability was determined by an actuarial valuation as of July 1, 2021, 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	7.50%, Including Inflation

Mortality rates for males was based on the RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment, projected 24 years (previously 23) with Scale BB. Mortality rates for females was based on Separate RP-2014 Tables (adjusted back to 2006), projected generationally with Scale MP-2021 (previously, Scale MP-2020).

The actuarial assumptions used in the July 1, 2021 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, 2022, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Weighting
Domestic Equities	6.40 %	2.24 %
International Developed Markets Equities	6.80	1.36
Emerging Markets	8.50	0.43
REITs	3.90	0.20
Core Fixed Income	0.40	<u>14.00</u>
Total Portfolio		18.23
Long-Term Inflation Expectation		<u>2.30</u>
Long-Term Expected Nominal Return		<u><u>20.53 %</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 7.25%, a decrease from 7.50% 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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2021	\$ 487,188	\$ 267,856	\$ 219,332
Changes for the Year:			
Service Cost	5,635	-	5,635
Interest on Total Pension Liability	35,821	-	35,821
Change of Benefit Terms	66	-	66
Differences Between Expected and Actual Experience	4,329	-	4,329
Changes of Assumptions	16,392	-	16,392
Benefit Payments	(30,336)	(30,336)	-
Employer Contributions	-	18,964	(18,964)
Member Contributions	-	3,185	(3,185)
Net Investment Income	-	(27,400)	27,400
Administrative Expenses	-	(187)	187
Net Changes	31,907	(35,774)	67,681
Balances - June 30, 2022	\$ 519,095	\$ 232,082	\$ 287,013

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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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, 2022	\$ 345,673	\$ 287,013	\$ 237,923

I. Pension Expense and Deferred Outflows of Resources

For the year ended June 30, 2022, the Town recognized pension expense of \$37,707. At June 30, 2022, 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	\$ 3,567	\$ -
Changes of Assumptions	11,511	-
Changes in Pension Investment Gains or Losses	25,881	-
Total	<u>\$ 40,959</u>	<u>\$ -</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 17,032
2024	13,007
2025	1,488
2026	9,432
Total	<u>\$ 40,959</u>

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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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.

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.

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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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, 2022, the amount of "on-behalf" contributions made by the State was \$16,015 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, 2022, 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	191,266
Total	<u>\$ 191,266</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2022, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2022, the Town recognized pension expense and revenue of \$12,347 in Exhibit II.

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
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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, 2021, 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, 2021 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:

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

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
NOTES TO FINANCIAL STATEMENTS
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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	5.60 %	20.00 %
Developed Market Intl. Stock Fund	6.00	11.00
Emerging Market Intl. Stock Fund	7.90	9.00
Core Fixed Income Fund	2.10	16.00
Inflation Linked Bond Fund	1.10	5.00
Emerging Market Debt Fund	2.70	5.00
Hight Yield Bond fund	4.00	6.00
Real Estate Fund	4.50	10.00
Private Equity	7.30	10.00
Alternative Investments	2.90	7.00
Liquidity Fund	0.40	1.00
Total		<u>100.00 %</u>

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
NOTES TO FINANCIAL STATEMENTS
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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.

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.

TOWN OF EAST HARTFORD, CONNECTICUT
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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	<u>2,400</u>

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, 2022, plan members contributed \$291. 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 \$4,196 were made in accordance with actuarially determined requirements, which represent premium payments.

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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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, 2022:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	18.00 %	5.15 %
U.S. Small Cap	6.00	6.58
Foreign Developed Equity	15.00	6.27
Non-U.S. Small Cap	7.50	6.76
Emerging Markets Equity	7.50	8.64
U.S. REITs	6.00	5.75
U.S. Core Fixed Income	40.00	1.37
Total	100.00 %	

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (10.89%). 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, 2022. The components of the net OPEB liability of the Town at June 30, 2022, were as follows:

Total OPEB Liability	\$ 120,933
Plan Fiduciary Net Position	12,653
Net OPEB Liability	\$ 108,280

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	10.46 %
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TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

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, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Interest	3.54% (Prior 2.16%)
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
NOTES TO FINANCIAL STATEMENTS
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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 %	5.15 %
U.S. Small Cap	6.00	6.58
Foreign Developed Equity	15.00	6.27
Non-U.S. Small Cap	7.50	6.76
Emerging Markets Equity	7.50	8.64
U.S. REITs	6.00	5.75
U.S. Core Fixed Income	40.00	1.37
Total	100.00 %	

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54% (prior 2.16%). 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, which as of June 30, 2022, was 3.54%.

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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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, 2021	\$ 160,646	\$ 16,080	\$ 144,566
Changes for the Year:			
Service Cost	6,096	-	6,096
Interest on Total OPEB Liability	3,535	-	3,535
Effect of Plan Changes	(19,660)	-	(19,660)
Effect of Assumptions Changes or Inputs	(23,495)	-	(23,495)
Benefit Payments	(6,189)	(6,189)	-
Employer Contributions	-	4,196	(4,196)
Member Contributions	-	291	(291)
Net Investment Income	-	(1,716)	1,716
Administrative Expenses	-	(9)	9
Net Changes	(39,713)	(3,427)	(36,286)
Balances - June 30, 2022	<u>\$ 120,933</u>	<u>\$ 12,653</u>	<u>\$ 108,280</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	\$ 123,097	\$ 108,280	\$ 95,992

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	\$ 93,883	\$ 108,280	\$ 126,147

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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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, 2022, the Town recognized OPEB expense of \$4,143. At June 30, 2022, 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	\$ -	\$ 29,393
Changes of Assumptions	27,352	30,246
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,196	-
Total	<u>\$ 28,548</u>	<u>\$ 59,639</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (4,152)
2024	(4,152)
2025	(4,449)
2026	(7,355)
2027	(8,285)
Thereafter	(2,698)
Total	<u>\$ (31,091)</u>

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.

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

Any member who is currently participating in Medicare Parts A & B is eligible to either continue 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 \$110 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, 2022, the amount of “on-behalf” contributions made by the State was \$377 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, 2022, 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	20,838
Total	<u>\$ 20,838</u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2022, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2022, the Town recognized OPEB expense and revenue of (\$769) in Exhibit II.

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

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, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Healthcare Costs Trend Rate	5.125% for 2020, Decreasing to an Ultimate Rate of 4.50% by 2023
Salary Increases	3.00-6.50%, Including Inflation
Investment Rate of Return	2.17%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position will be Depleted	2023

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

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

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

- Discount rate changed from 2.21% to 2.17%
- Expected annual per capita claims costs were updated to better reflect anticipated Medicare and prescription drug claim experience based on scheduled premium increases through calendar year 2024.

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

- There were no changes to benefit terms in the two years preceding the measurement date.

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

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

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

G. Discount Rate

The discount rate used to measure the total OPEB liability was 2.17%. 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, 2020.

In addition to the actuarial methods and assumptions of the June 30, 2020 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 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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 Comprehensive Annual Financial Report at 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.

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 16 PENSION AND OPEB COMBINING SCHEDULES

Pension and OPEB Combining Statement of Net Position

	Pension Trust Fund	Retiree Benefit Trust Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 453	\$ 292	\$ 745
Investments - Guaranteed Interest Contract	3,082	-	3,082
Investments - Mutual Funds	228,583	14,196	242,779
Total Assets	<u>232,118</u>	<u>14,488</u>	<u>246,606</u>
LIABILITIES			
Accounts Payable	36	-	36
Due to Other Funds	-	1,835	1,835
Total Liabilities	<u>36</u>	<u>1,835</u>	<u>1,871</u>
NET POSITION			
Restricted for Pension and Other Benefits	<u>\$ 232,082</u>	<u>\$ 12,653</u>	<u>\$ 244,735</u>

TOWN OF EAST HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(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
ADDITIONS			
Contributions:			
Employer	\$ 18,964	\$ 4,196	\$ 23,160
Plan Members	3,185	291	3,476
Total Contributions	<u>22,149</u>	<u>4,487</u>	<u>26,636</u>
Investment Income:			
Net Change in Fair Value of Investments	(35,507)	(2,296)	(37,803)
Interest and Dividends	8,189	580	8,769
Total Investment Income	<u>(27,318)</u>	<u>(1,716)</u>	<u>(29,034)</u>
Less: Investment Expense	(82)	-	(82)
Net Investment Income	<u>(27,400)</u>	<u>(1,716)</u>	<u>(29,116)</u>
Total Additions	(5,251)	2,771	(2,480)
DEDUCTIONS			
Benefits	30,336	6,189	36,525
Administration	187	9	196
Total Deductions	<u>30,523</u>	<u>6,198</u>	<u>36,721</u>
CHANGE IN NET POSITION	(35,774)	(3,427)	(39,201)
Net Position - Beginning of Year	<u>267,856</u>	<u>16,080</u>	<u>283,936</u>
NET POSITION - END OF YEAR	<u><u>\$ 232,082</u></u>	<u><u>\$ 12,653</u></u>	<u><u>\$ 244,735</u></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, 2022
(IN THOUSANDS)

NOTE 17 DEFINED CONTRIBUTION PLAN (CONTINUED)

The value of the plan at June 30, 2022, is \$15,984. There were 389 participants as of June 30, 2022. During the fiscal year ended June 30, 2022, employees contributed \$1,331 (exclusive of lump-sum conversion amounts) and the Town contributed a matching employer contribution of \$867. Covered payroll totaled \$22,196. 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

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 Army Corps of Engineers (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 Army Corps of Engineers 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 Army Corps of Engineers 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 \$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, 2022
(IN THOUSANDS)

NOTE 18 COMMITMENTS AND CONTINGENCIES (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).

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 were 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. Based on the estimated cost of the remediation provided to the Town by its environmental engineering firm, management does not believe that the costs of remediation will have a material effect on the financial statements. PCB remediation is estimated to cost \$3,000.

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, 2022
(NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual	Variance
	Original	Final		
General Property Taxes:				
Current Tax Levy	\$ 137,602	\$ 137,602	\$ 135,947	\$ (1,655)
Prior Years Levy	1,300	1,300	1,393	93
Interest and Liens	1,250	1,250	1,638	388
Total General Property Taxes	140,152	140,152	138,978	(1,174)
Licenses and Permits:				
Protective	13	13	46	33
Amusement	1	1	-	(1)
Fire Marshall	550	550	698	148
Building Structures and Equipment	1,323	1,323	1,203	(120)
Street Privilege and Use	15	15	32	17
Health	100	100	71	(29)
Other Licenses and Fees	9	9	9	-
Total Licenses and Permits	2,011	2,011	2,059	48
Intergovernmental Revenues:				
HSG State Pilot	15	15	27	12
Pilot and Telephone	150	150	123	(27)
Tiered Pilot	1,410	1,410	3,057	1,647
Controlling Interest Trans Tax	1	1	-	(1)
MV Mill Rate Grant	799	799	799	-
Municipal Project Grant	8,108	8,108	8,053	(55)
FEMA	-	-	716	716
Urban Stabilization Grant	201	201	201	-
Distressed Municipalities	1,400	1,400	1,482	82
Disability Exemptions	10	10	10	-
Veterans Exemptions	40	40	29	(11)
Abandoned Motor Vehicles	1	1	-	(1)
Education Cost Sharing	41,711	41,711	41,701	(10)
Pequot Funds	157	157	157	-
Special Education	1,000	1,000	1,087	87
Health and Welfare	30	30	-	(30)
UMTA	10	10	14	4
Youth Services	39	39	40	1
Total Intergovernmental Revenues	55,082	55,082	57,496	2,414
Charges for Services:				
Town Clerk	1,095	1,095	1,953	858
Public Safety	628	628	84	(544)
Building	14	14	16	2
Public Works	161	161	176	15
Libraries	16	16	14	(2)
Recreation	55	55	36	(19)
Cemeteries	145	145	241	96
Total Charges for Services	2,114	2,114	2,520	406

**TOWN OF EAST HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Use of Money:				
Interest from Investments	\$ 425	\$ 425	\$ 87	\$ (338)
Fines and Forfeits:				
Traffic Tags and Motor Vehicle Fines	50	50	76	26
Other Revenue:				
Rentals	90	90	67	(23)
Compensation and Insurance Refunds	350	350	209	(141)
Miscellaneous	441	3,540	462	(3,078)
Total Other Revenue	881	3,980	738	(3,242)
Total Revenue	200,715	203,814	201,954	(1,860)
Other Financing Sources:				
Transfers In:				
Capital Improvement Fund	10	10	4	(6)
Nonmajor Funds	426	426	1,226	800
Total Other Financing Sources	436	436	1,230	794
Total Revenue and Other Financing Sources	<u>\$ 201,151</u>	<u>\$ 204,250</u>	203,184	<u>\$ (1,066)</u>
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.			16,015	
State of Connecticut on-behalf payment related to the Connecticut State Teachers' OPEB System for Town teachers are not budgeted.			377	
State of Connecticut on-behalf contributions for WIC.			3,393	
Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for GAAP financial reporting purposes.			(331)	
The Town does not budget for proceeds from other organizations associated with financing arrangements which are credited to debt service expenditures for budgetary purposes. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.			10	
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.			10,739	
Total Revenue and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 233,387</u>	

TOWN OF EAST HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts		Actual	Variance
	Original	Final		
General Government:				
Town Council	\$ 179	\$ 160	\$ 156	\$ 4
Town Clerk	324	327	322	5
Registrar	125	126	125	1
Selectmen	2	2	2	-
Mayor's Office	450	478	476	2
Corporation Counsel	417	500	481	19
Personnel	344	408	408	-
Libraries	1,350	1,291	1,291	-
Probate	23	16	16	-
Youth Services	440	408	383	25
Grants Administration	111	112	96	16
Finance Administration	235	259	258	1
Accounts and Control	373	463	460	3
Data Processing	2,140	1,957	1,934	23
Purchasing	202	185	170	15
Treasury	4	4	4	-
Assessing	664	432	423	9
Revenue and Collections	428	439	419	20
Employee Benefits	32,544	35,463	35,342	121
Risk Management	849	1,110	1,107	3
Development	292	321	318	3
Economic Development	25	3	3	-
Planning and Zoning	11	9	6	3
Inland Wetlands	7	5	3	2
Redevelopment Agency	-	-	-	-
Z.B.A.	5	5	2	3
Boards, Committees, and Commissions	60	57	51	6
M.D.C.	6,246	5,978	5,978	-
Contingency	724	-	-	-
Total General Government	48,574	50,518	50,234	284
Public Safety:				
Police:				
Administration	14,201	14,712	14,641	71
Operations	40	66	60	6
Criminal Investigation	28	29	26	3
Communications	1,797	1,662	1,643	19
Total Police	16,066	16,469	16,370	99
Fire:				
Administration	700	703	682	21
Fire Suppression	11,951	13,392	13,384	8
Fire Marshal	473	408	406	2
Fire Apparatus Maintenance	492	465	459	6
Fire Alarm Maintenance	327	355	346	9
Emergency Medical Services	752	712	707	5
Emergency Management	94	124	118	6
Training	198	189	186	3
Total Fire	14,987	16,348	16,288	60
Total Public Safety	31,053	32,817	32,658	159
Inspections and Permits	865	726	723	3

**TOWN OF EAST HARTFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Public Works:				
Administration	\$ 559	\$ 488	\$ 483	\$ 5
Engineering	700	688	681	7
Highway Services	2,770	2,528	2,511	17
Waste Services	3,213	3,299	3,287	12
Fleet Services	1,632	1,532	1,511	21
Building Maintenance	1,739	1,675	1,660	15
Total Public Works	10,613	10,210	10,133	77
Parks And Recreation:				
Administration	1,252	1,145	1,133	12
Maintenance	1,956	2,029	2,019	10
Park Other Facilities	314	252	226	26
Fine Arts	-	-	-	-
Total Parks and Recreation	3,522	3,426	3,378	48
Health and Social Services:				
Administration	122	127	127	-
Community Health and Nursing	157	139	139	-
Social Services	340	460	460	-
Elderly Services - Commissions	9	7	5	2
Elderly Services	589	462	442	20
Community Service Persons Disabilities	-	-	-	-
Environment Control	281	333	333	-
Total Health and Social Services	1,498	1,528	1,506	22
Education	94,179	94,179	94,137	42
Debt Service:				
Bond Principal and Interest	8,717	8,717	8,717	-
Capital Improvement - Financing Arrangements	2,130	2,129	2,129	-
Total Debt Service	10,847	10,846	10,846	-
Total Expenditures and Other Financing Uses	<u>\$ 201,151</u>	<u>\$ 204,250</u>	203,615	<u>\$ 635</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.	16,015
State of Connecticut on-behalf payment related to the Connecticut State Teachers' OPEB System for Town teachers are not budgeted.	377
State of Connecticut on-behalf payments for WIC.	3,393
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.	(468)
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.	787
The Town budgets for certain expenditures net of contributions from other funds. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.	
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.	10,739
The Town does not budget for proceeds from other organizations associated with financing arrangements which are credited to debt service expenditures for budgetary purposes. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.	10

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

\$ 234,468

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

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

*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
EAST HARTFORD RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*
(IN THOUSANDS)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution	\$ 18,964	\$ 17,509	\$ 16,417	\$ 15,430	\$ 13,707	\$ 12,737	\$ 11,879	\$ 11,046	\$ 10,187	\$ 9,331
Contributions in Relation to the Actuarially Determined Contribution	18,964	17,509	16,415	15,430	13,707	12,738	11,856	11,046	10,251	9,372
Contribution Deficiency (Excess)	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ (1)	\$ 23	\$ -	\$ (64)	\$ (41)
Covered Payroll	\$ 33,587	\$ 33,645	\$ 34,593	\$ 38,123	\$ 38,498	\$ 38,956	\$ 40,059	\$ 40,941	\$ 40,451	\$ 41,164
Contributions as a Percentage of Covered Payroll	56.46%	52.04%	47.45%	40.47%	35.60%	32.70%	29.60%	26.98%	25.34%	22.77%

Notes to Schedule:

Valuation Date: July 1, 2021

Measurement Date: June 30, 2021

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, 2022

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

7.25% (Previously, 7.50%)

**TOWN OF EAST HARTFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
EAST HARTFORD RETIREMENT SYSTEM
LAST NINE FISCAL YEARS***

	<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	(10.08%)	25.13%	(2.79%)	2.58%	6.99%	11.01%	(0.11%)	0.08%	15.55%

*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 PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST EIGHT FISCAL YEARS*
(IN THOUSANDS)

	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%
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	191,266	241,595	225,006	173,493	178,519	188,339	145,826	134,612
Total	\$ 191,266	\$ 241,595	\$ 225,006	\$ 173,493	\$ 178,519	\$ 188,339	\$ 145,826	\$ 134,612
Town's Covered Payroll	\$ 102,297	\$ 45,211	\$ 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%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	61.51%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule:

Changes in Benefit Terms	None
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	30 Years
Asset Valuation Method	4-Year Smoothed Market
Inflation	2.50%
Salary Increase	3.25%-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 SIX FISCAL YEARS*
(IN THOUSANDS)

	2022	2021	2020	2019	2018	2017
Total OPEB Liability:						
Service Cost	\$ 6,096	\$ 5,927	\$ 2,232	\$ 3,208	\$ 5,302	\$ 4,682
Interest	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	(23,495)	994	50,250	(16,118)	(4,033)	8,541
Benefit Payments	(6,189)	(3,542)	(2,771)	(2,865)	(2,745)	(2,598)
Net Change in Total OPEB Liability	(39,713)	6,870	50,075	(14,187)	(36,145)	14,312
Total OPEB Liability - Beginning	160,646	153,776	103,701	117,888	154,033	139,721
Total OPEB Liability - Ending	120,933	160,646	153,776	103,701	117,888	154,033
Plan Fiduciary Net Position:						
Contributions - Employer	4,196	2,807	5,252	3,565	3,036	3,052
Contributions - Member	291	320	250	189	174	76
Contributions - TRB Subsidy	-	-	-	114	164	187
Net Investment Income (Loss)	(1,716)	3,439	(681)	401	635	901
Benefit Payments	(6,189)	(3,542)	(2,771)	(2,865)	(2,745)	(2,598)
Administrative Expense	(9)	(47)	(4)	(25)	(14)	(22)
Net Change in Plan Fiduciary Net Position	(3,427)	2,977	2,046	1,379	1,250	1,596
Plan Fiduciary Net Position - Beginning	16,080	13,104	11,058	9,679	8,429	6,833
Plan Fiduciary Net Position - Ending	12,653	16,081	13,104	11,058	9,679	8,429
Net OPEB Liability - Ending	<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	10.46%	10.01%	8.52%	10.66%	8.21%	5.47%
Covered Payroll	\$ 89,620	\$ 83,170	\$ 83,170	\$ 84,771	\$ 82,623	\$ 90,636
Net OPEB Liability as a Percentage of Covered Payroll	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)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution (1)	\$ -	\$ -	\$ -	\$ 7,660	\$ 14,086	\$ 13,919	\$ 13,747	\$ 14,515	\$ 13,816	\$ 12,935
Contributions in Relation to the Actuarially Determined Contribution	4,196	2,807	5,252	3,565	3,036	3,052	5,704	3,831	4,383	5,966
Contribution Deficiency (Excess)	<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>	<u>\$ 6,969</u>
Covered Payroll	\$ 89,620	\$ 83,170	\$ 83,170	\$ 84,771	\$ 82,623	\$ 90,636	\$ 87,571	\$ 85,819	\$ 84,103	\$ 82,421
Contributions as a Percentage of Covered Payroll	4.68%	3.38%	6.31%	4.21%	3.67%	3.37%	6.51%	4.46%	5.21%	7.24%

(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 SIX FISCAL YEARS***

	<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	(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 FIVE FISCAL YEARS*
(IN THOUSANDS)

	2022	2021	2020	2019	2018
Town's Proportion of the Net OPEB Liability	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	20,838	36,019	35,091	34,682	45,949
Total	\$ 20,838	\$ 36,019	\$ 35,091	\$ 34,682	\$ 45,949
Town's Covered Payroll	\$ 102,297	\$ 45,211	\$ 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%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule:

Changes in Benefit Terms
Changes of Assumptions

None

Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2021 was updated to equal the Municipal Bond Index Rate as of June 30, 2021;

Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience based on scheduled premium increases through calendar year 2024

Actuarial Cost Method
Amortization Method
Remaining Amortization Period
Asset Valuation Method
Investment Rate of Return

Entry Age
Level Percent of Payroll Over an open Period
30 Years
Market Value of Assets
3.00%, Net of Investment Related Expense Including
Price Inflation
2.75%

Price Inflation

- 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.

APPENDIX B - FORM OF OPINION OF BOND COUNSEL



280 Trumbull Street
Hartford, CT 06103-3597
Main (860) 275-8200
Fax (860) 275-8299

[FORM OF OPINION OF BOND COUNSEL]

January __, 2024

Town of East Hartford,
East Hartford, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of East Hartford, Connecticut (the "Town"), a Tax Regulatory Agreement of the Town, dated January __, 2024 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of \$25,000,000 Town of East Hartford, Connecticut General Obligation Bonds, Issue of 2024, dated January __, 2024 (the "Bonds"), maturing on January 15 in each of the years, in the principal amounts and bearing interest payable on July 15, 2024 and semiannually thereafter on January 15 and July 15 in each year until maturity or earlier redemption, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2025	\$ __, __	%	2030	\$ __, __	%
2026	__, __		2031	__, __	
2027	__, __		2032	__, __	
2028	__, __		2033	__, __	
2029	__, __		2034	__, __	

with principal payable at the principal office of U.S. Bank Trust Company, National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of business on the last business day of December and June in each year, by check mailed to such registered owner at the address as shown on the registration books of the Town kept for such purpose. The Bonds are subject to redemption prior to maturity as therein provided.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid general obligation of the Town the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The Town has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the Town with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Bonds.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

The rights of owners of the Bonds and the enforceability of the Bonds and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

Respectfully,

APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT

[FORM OF CONTINUING DISCLOSURE AGREEMENT]

CONTINUING DISCLOSURE AGREEMENT

Town of East Hartford, Connecticut
\$25,000,000 General Obligation Bonds, Issue of 2024
dated January __, 2024

January __, 2024

WHEREAS, the Town of East Hartford, Connecticut (the “Town”) has heretofore authorized the issuance of \$25,000,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2024, dated January __, 2024 (the “Bonds”), maturing on the dates and in the amounts set forth in the Town’s Official Statement dated December __, 2023 describing the Bonds (the “Official Statement”); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale, dated December 13, 2023 (the “Notice of Sale”); and

WHEREAS, in the Notice of Sale, the Town has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the Town has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the “Rule”), and the Town desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the Town is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement (this “Agreement”) is to be made, executed and delivered by the Town in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, the Town hereby represents, covenants and agrees as follows:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Annual Report” shall mean any Annual Report provided by the Town pursuant to, and as described in, Sections 2 and 3 of this Agreement.

“Financial Obligation” shall mean any (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). Municipal securities as to which a final official statement has been filed with the Repository, consistent with the Rule, shall not be considered a Financial Obligation.

“Fiscal Year End” shall mean the last day of the Town’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” shall mean the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“SEC” shall mean the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Annual Reports.

(a) The Town shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the Town:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End prepared in accordance with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the Town per capita;

(G) the ratios of total direct debt and total overall net debt of the Town to the Town's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the Town's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Town's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the Town which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the Town reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule. The Town also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The Town shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the Town shall provide such financial information and operating data no later than eight months after the close of such preceding Fiscal Year End. The Town agrees that if audited financial statements are not available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. The Town agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material;
- (xv) incurrence of a Financial Obligation by any obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of any obligated person, any of which affect Bondholders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of any obligated person, any of which reflect financial difficulties.

Section 5. Notice of Failure. The Town agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the Town to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The Town's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The Town may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the Town chooses to include any other information in any Annual Report or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the Town shall have no obligation under this Agreement to update such information or include or provide such information or notice of the occurrence of such event in the future.

Section 10. Indemnification. The Town agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the Town under this Section shall survive termination of this Agreement.

Section 11. Enforceability. The Town agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the Town does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the Town's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the Town with respect to the Bonds.

IN WITNESS WHEREOF, the Town has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

TOWN OF EAST HARTFORD, CONNECTICUT

By: _____

Name: Connor Martin

Title: Mayor

By: _____

Name: John Murphy

Title: Treasurer

By: _____

Name: Melissa McCaw

Title: Director of Finance

APPENDIX D- NOTICE OF SALE

NOTICE OF SALE

\$25,000,000

**TOWN OF EAST HARTFORD, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2024**

Electronic bids (as described herein) will be received by the **TOWN OF EAST HARTFORD, CONNECTICUT** (the “Town”), until 11:00 A.M. (E.T.) Wednesday,

DECEMBER 20, 2023

(the “Sale Date”) for the purchase of all, but not less than all, of the \$25,000,000 Town of East Hartford, Connecticut General Obligation Bonds, Issue of 2024 (the “Bonds”). Electronic bids must be submitted via **PARITY®**. (See “Electronic Bidding Procedures”).

The Town reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through **PARITY®**. Prospective bidders are advised to check for such **PARITY®** postings prior to the above stated sale time.

The Bonds

The Bonds will be dated January 16, 2024, mature in the principal amounts of \$2,500,000 on January 15 in each of the years 2025 to 2034, both inclusive, bear interest payable on July 15, 2024 and semiannually thereafter on January 15 and July 15 in each year until maturity or earlier redemption, as further described in the Preliminary Official Statement for the Bonds dated December 13, 2023 (the “Preliminary Official Statement”).

The Bonds maturing on or before January 15, 2031 are not subject to redemption prior to maturity. The Bonds maturing on January 15, 2032 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after January 15, 2031, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the respective prices (expressed as a percentage of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
January 15, 2031 and thereafter	100%

Nature of Obligation

The full faith and credit of the Town will be pledged for the prompt payment of the principal of and interest on the Bonds when due. The Bonds will be general obligations of the Town payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

The Bonds shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the “Code”), for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 and integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name

of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent in Federal funds to DTC or its nominee as registered owner of the Bonds. Principal and interest payments to participants of DTC will be the responsibility of DTC. Principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY®**. Subscription to i-Deal LLC's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Town will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY®** shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, **PARITY®**, the use of such facilities being the sole risk of the prospective bidder.

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale. If any provisions of this Notice of Sale shall conflict with information provided by **PARITY®** as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: parity@i-deal.com).

Bid Specifications/Basis of Award

Each bid must be for the entire \$25,000,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state more than one interest rate for any Bonds having the same maturity date. The highest interest rate bid for a maturity and the lowest rate bid for any other maturity may not differ by more than three (3%) percentage points. Interest shall be computed on the basis of twelve 30 day months and a 360-day year. No bid for less than all of the Bonds or for less than par and accrued interest, if any, will be considered.

For purposes of the electronic bidding process, the time as maintained by **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, computed and rounded to six decimal places.

For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to January 16, 2024, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued, if any, to January 16, 2024, the delivery date of the Bonds. It is requested that each bid be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as a part of the bid. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.T.) on the Sale Date. The purchase price must be paid in Federal funds.

The Town reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The Town further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless all bids are rejected or the bid is postponed, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut. The legality of the Bonds will be passed upon by Robinson & Cole LLP, Hartford, Connecticut ("Bond Counsel"), and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the Town relating to the accuracy and completeness of information contained in the final Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that (i) under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations, for tax years beginning after December 31, 2022, (iii) under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering its legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Town for the benefit of the owners of the Bonds, and further, will assume compliance by the Town with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank Trust Company, National Association, Hartford, Connecticut, and will be available for examination upon request.

Obligation to Deliver Issue Price Certificate

Pursuant to the Code and applicable Treasury Regulations, the Town must establish the “issue price” of the Bonds. In order to assist the Town, the winning bidder is obligated to deliver to the Town a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Bonds. The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Bill Lindsay, Managing Director, Munistat Services, Inc., Email: bill.lindsay@munistat.com, Telephone: (203) 421-2880, municipal advisor to the Town (the “Municipal Advisor”).

By submitting a bid, each bidder is certifying that (i) it is an underwriter of municipal bonds which has an established industry reputation for underwriting new issuances of municipal bonds, (ii) its bid is a firm offer to purchase the Bonds, (iii) its bid is a good faith offer which the bidder believes reflects current market conditions, and (iv) its bid is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of the issue price of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Rule”).

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Bonds. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

Competitive Sale Rule Met. If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Bonds as of the Sale Date.

Competitive Sale Rule Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Bonds prior to the delivery date of the Bonds. The rule selected with respect to each maturity of the Bonds shall be set forth on an Issue Price Rule Selection Certificate, the form of which is attached hereto, which shall be sent to the winning bidder promptly after the award of the Bonds. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to a maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

10% Sale Rule. To satisfy the 10% Sale Rule for any maturity of the Bonds, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Bonds of each maturity have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sale prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Bonds, this reporting requirement will continue, beyond the closing date of the Bonds, if necessary, until such date that at least 10 percent (10%) of such maturity of the Bonds has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or third party distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for any maturity of the Bonds, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Bonds of such maturity at a price that is higher than the initial offering price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Bonds of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Bonds; and

(iii) has or will include within any agreement among underwriters, selling group agreement or third party distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Bonds for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Bonds was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Bonds to the public (such as a third party distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

Settlement of the Bonds

The Bonds will be available for delivery on or about January 16, 2024. The deposit of the Bonds with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Municipal Advisor shall obtain CUSIP numbers for the Bonds prior to delivery, and the Town will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder.

The Preliminary Official Statement is in a form “deemed final” by the Town for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 25 copies of the final Official Statement prepared for the Bonds at the Town’s expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the Town’s Municipal Advisor. If the Municipal Advisor is provided with the necessary information from the winning bidder by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Continuing Disclosure

The Town will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Related Information

For more information regarding the Bonds and the Town, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement and the Issue Price Certificate may be obtained from the undersigned, or from Bill Lindsay, Managing Director, Munistat Services, Inc., Email: bill.lindsay@munistat.com, Telephone: (203) 421-2880, municipal advisor to the Town.

JOHN MURPHY
Treasurer

MELISSA MCCAWE
Director of Finance

December 13, 2023

ISSUE PRICE RULE SELECTION CERTIFICATE

Town of East Hartford, Connecticut
\$25,000,000 General Obligation Bonds, Issue of 2024

The undersigned, on behalf of [NAME OF UNDER/REP], [on behalf of itself and [OTHER UNDER]], hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned bonds (the “Bonds”), as described in the Notice of Sale for the Bonds, dated December 13, 2023 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	10% Sale Rule (Underwriter has or will comply with 10% Sale Price Rule for this Maturity)		Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
01/15/2025	\$2,500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2026	2,500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2027	2,500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2028	2,500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2029	2,500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2030	2,500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2031	2,500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2032	2,500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2033	2,500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
01/15/2034	2,500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be completed prior to the delivery date of the Bonds.)

[NAME OF UNDER/REP]

By: _____

Name:

Title:

Email this completed and executed certificate to the following by 5:00 P.M. on December 21, 2023:

Bond Counsel: dpanico@rc.com

Municipal Advisor: bill.lindsay@munistat.com