

**Comprehensive  
Annual Financial Report**

**of the**

**Town of North Haven, Connecticut**



**For the Year Ended  
June 30, 2018**

**Prepared by the Finance Department**

**Edward Swinkoski, CPA  
Director of Finance/Administration**

**Town of North Haven, Connecticut**

**For the Year Ended June 30, 2018**

Table of Contents

	<u>Page</u>	
<u>Introductory Section</u>		
Letter of Transmittal	1-13	
Organizational Chart	14	
List of Principal Officials	15-16	
Certificate of Achievement for Excellence in Financial Reporting for the Year Ended June 30, 2017	17	
<u>Financial Section</u>		
Independent Auditors' Report	18-20	
Management's Discussion and Analysis	21-30	
<u>Exhibits</u>		
<u>Basic Financial Statements</u>		
<u>Government-Wide Financial Statements</u>		
A	Statement of Net Position	31-32
B	Statement of Activities	33
<u>Fund Financial Statements</u>		
C	Balance Sheet - Governmental Funds and Reconciliation of Fund Balance to Net Position of Governmental Activities	34-35
D	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	36
E	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities	37
F	Statement of Fund Net Position - Proprietary Funds	38
G	Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	39

# Town of North Haven, Connecticut

## Table of Contents

### Page

### Exhibits

H	Statement of Cash Flows - Proprietary Funds	40
I	Statement of Fiduciary Net Position - Fiduciary Funds	41
J	Statement of Changes in Fiduciary Net Position - Fiduciary Funds	42
K	Notes to Financial Statements	43-93

### RSI      Required Supplementary Information

1	Schedule of Revenues and Other Financing Sources - Budget and Actual – General Fund	94
2A	Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund	95-96
2B	Notes to Required Supplementary Information - Budgets and Budgetary Accounting	97

### Town of North Haven Retirement Systems

3A	Schedule of Changes in Net Pension Liability - General Employees Plan	98
3B	Schedule of Changes in Net Pension Liability - Police Department Plan	99
3C	Schedule of Changes in Net Pension Liability - Fire Department Plan	100
3D	Schedule of Changes in Net Pension Liability - Volunteer Fire Department Plan	101
3E	Schedule of Changes in Net Pension Liability - Elected Officials Plan	102
4A	Schedule of Net Pension Liability and Schedule of Investment Returns – General Employees Plan	103
4B	Schedule of Net Pension Liability and Schedule of Investment Returns – Police Department Plan	104

**Town of North Haven, Connecticut**

Table of Contents

<u>RSI</u>		<u>Page</u>
4C	Schedule of Net Pension Liability and Schedule of Investment Returns – Fire Department Plan	105
4D	Schedule of Net Pension Liability and Schedule of Investment Returns – Volunteer Fire Department Plan	106
4E	Schedule of Net Pension Liability and Schedule of Investment Returns – Elected Officials Plan	107
5A	Schedule of Contributions – Employees Plan	108
5B	Notes to Required Supplementary Information – General Employees Plan	109
6A	Schedule of Contributions – Police Department Plan	110
6B	Notes to Required Supplementary Information – Police Department Plan	111
7A	Schedule of Contributions – Fire Department Plan	112
7B	Notes to Required Supplementary Information – Fire Department Plan	113
8A	Schedule of Contributions – Volunteer Fire Department Plan	114
8B	Notes to Required Supplementary Information – Volunteer Fire Department Plan	115
9A	Schedule of Contributions – Elected Officials Plan	116
9B	Notes to Required Supplementary Information – Elected Officials Plan	117
<u>Connecticut State Teachers' Retirement System</u>		
10A	Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions	118
10B	Notes to Required Supplementary Information	119
<u>Town of North Haven Other Post-Employment Benefit (OPEB) Plan</u>		
11	Schedule of Changes in OPEB Liability	120
<u>State Teachers' Retirement Board Retiree Health Insurance Plan</u>		
12A	Schedule of Proportionate Share of the Net OPEB Liability and Schedule of Contributions	121
12B	Notes to Required Supplementary Information	122

**Town of North Haven, Connecticut**

Table of Contents

		<u>Page</u>
<u>Schedules</u>	<u>Supplemental Schedules</u>	
	<u>General Fund</u>	
1	Combining Balance Sheet	123
2	Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	124
3	Report of Tax Collector	125
	<u>Other Governmental Funds</u>	
4	Combining Balance Sheet	126-128
5	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	129-131
	<u>Internal Service Funds</u>	
6	Combining Statement of Fund Net Position	132
7	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	133
8	Combining Statement of Cash Flows	134
<u>Tables</u>	<u>Statistical Section</u>	
1	Net Position by Component	135
2	Changes in Net Position	136-137
3	Fund Balances, Governmental Funds	138
4	Changes in Fund Balances, Governmental Funds	139
5	Assessed and Estimated Actual Value of Taxable Property	140
6	Principal Property Taxpayers	141
7	Tax Rates, Levies and Cash Collections	142
8	Ratios of Outstanding Debt by Type	143
9	Ratios of General Bonded Debt Outstanding	144
10	Schedule of Debt Limitation	145

**Town of North Haven, Connecticut**

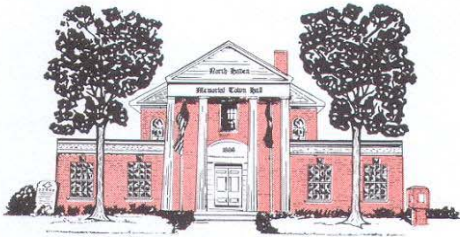
Table of Contents

<u>Tables</u>	<u>Statistical Section</u>	<u>Page</u>
11	Legal Debt Margin Information	146
12	Demographic and Economic Statistics	147
13	Principal Employers	148
14	Full-Time Equivalent Employees by Function/Program	149
15	Operating Indicators by Function/Program	150
16	Capital Asset Statistics by Function/Program	151

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# Introductory Section

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**TOWN OF NORTH HAVEN**  
MEMORIAL TOWN HALL / 18 CHURCH STREET  
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December 28, 2018

To the Honorable First Selectman, Members of the Board of Selectman, Members of the Board of Finance and Citizens of the Town of North Haven, Connecticut.

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of the Town of North Haven for the year ended June 30, 2018. The report includes the independent auditor's report as required by Connecticut Statutes. The report is prepared in conformity with Generally Accepted Accounting Principles (GAAP) and standards set forth by the Governmental Accounting Standards Board (GASB).

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

PKF O'Connor Davies, LLP, a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Connecticut, has audited the financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of North Haven, Connecticut for the fiscal year ended June 30, 2018, are free from material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of North Haven's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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



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

### **Profile of the Town of North Haven**

The Town of North Haven, settled around 1670 as part of the colony of New Haven was incorporated as a separate town in 1786. Located in south central Connecticut adjacent to and northeast of the City of New Haven, the Town covers a land area of 21.1 square miles and serves a population of 23,888. The Town of North Haven is empowered to levy a property tax on both real and personal properties located within its boundaries.

It operates under a Board of Selectmen form of government and provides services as authorized by its charter including public safety (police and fire), sanitation, health and social services, recreation, education and general administrative services.

The Town of North Haven has a Board of three selectmen, who are elected for a two year term, and a Board of Finance. The Town Meeting is the legislative body and must approve the annual budget, all special appropriations or expenditures, and all bond and note authorizations.

The Town operates with a total of fourteen elective boards and thirteen appointed boards. Members of the elective boards are chosen on a staggered basis. Powers and privileges are conferred and granted to the Town under the Constitution and General Statutes of the State of Connecticut.

The First Selectman is the full-time Chief Executive and Administrative Officer of the Town and oversees the execution of all laws and ordinances governing the Town. He presides over the Board of Selectmen and has full voting privileges on the Board. The First Selectman is also an ex-officio member of all Town boards, commissions, and agencies with a vote only on the Board of Selectmen, the Board of Finance, the Police Retirement Board and the Water Pollution Control Authority.

The Board of Finance is the budget-making authority responsible for financial and taxation matters, presenting the annual operating budget and special appropriations to the Town Meeting for its approval, and establishing the tax rate.

The Town's full-time professional staff includes an appointed Director of Finance/Administration and five other Department Heads.

The annual budget serves as the foundation for the Town of North Haven's financial planning and control. The budget is prepared for the General Fund by department. Transfers under \$20,000 may be made within a department. Required transfers are tracked continuously and are formally adopted immediately after the end of the fiscal year as part of the end of the fiscal year closing of the budget.

Budget-to-actual comparisons are provided in this report for each the General Fund in the Requirement Supplementary Information section of the report as RSI 1 and 2.

## **Education System**

The Town's school system services grades pre-kindergarten through twelve and is governed by the local Board of Education. The Town has a nine-member Board of Education elected to six-year staggered terms. The primary function of the Board is to establish policy. Some of the areas for which such policies are set include curriculum, budget requests submission, ensuring funds for education as appropriated by the Town are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation.

The Department of Education operates four elementary schools, each serving a quadrant of the Town for grades K-5. The middle school serves grades 6-8, and the senior high school serves grades 9-12.

Enrollment in grade kindergarten through twelve as of October 1, 2018 was 3,130. The rated capacity of the system facilities is 4,822.

## **Local Economy**

Connecticut Route No. 15, the Wilbur Cross Parkway, passes through North Haven as does U.S. Route No. 5 and Connecticut Route Nos. 10, 17 and 22. North Haven is accessible from three full interchanges and two partial interchanges to Interstate Route No. 91. In addition, the Route 40 Connector provides a vital link between the center of North Haven, I-91 and Route 10 in the Mount Carmel Section of Hamden. Freight, and passenger service, is provided by Amtrak, Metro-North and Conrail, which also operates the Cedar Hill Classification Yard, one of the largest in the East. Most of this yard is located in the Town. Amtrak presently has its regional maintenance of operations in this area. In addition, interstate and intrastate buses and trucking companies provide freight and passenger service. The Tweed/New Haven Airport provides passenger and air freight service and is located 10 miles away on the New Haven/East Haven city lines.

North Haven is a suburban residential community with many commercial and manufacturing resources. The Town is part of a 12 town region comprising the New Haven labor market. An estimated 17,640 people are employed in North Haven.

There is a diverse commercial tax base including large and small manufacturers, distributors of food, beverage and industrial products, retail centers, entertainment and restaurants. In addition to the ten largest taxpayers other companies include: Brescombe Barton, liquor distributor; United Aluminum, aluminum products manufacturer; Simms Metal Management, scrap metal recycler; Target Corp., retail; Hertz Equipment Rental, construction equipment rental; Montowese Health & Rehabilitation; health care; Rosewood LLC, apartments; Fleetpride, heavy truck parts supplier; H.B. Communications, AV systems provider; South Central Regional Water Authority; water utility; Praxair Surface Technologies; industrial coatings and C. Cowles, automotive parts manufacturer.

North Haven has many industrial parks, including the Mersick Industrial Park containing 35 acres; the Wharton Industrial Park containing 200 acres; the Leonardo Drive Industrial Park containing 70 acres; the Exit 10 Industrial Park containing 35 acres; and the Exit 9 Industrial Center containing 130 acres. Although much of the acreage included in these parks has been developed, there are some prime sites still available.

In 1960, there were 4,766 dwellings, as compared with 8,667 in 2017, that include mostly single family, owner occupied homes and condominiums. The average sales price of homes in North Haven was \$310,010, with homes ranging between \$138,000 and \$910,000. The Town's Planning and Zoning Commission is responsible for enforcing subdivision and other Town zoning regulations. In 2017, the Town adopted a new Plan of Conservation and Development to direct future growth and ensures its compatibility with existing uses.

The Town remains a desirable location for families and businesses. Although the population has remained stable over the last decade, it is experiencing growth of residential properties. An 18 unit upscale detached condominium complex has been completed; a 76 single family, detached condominium development is partially complete and a 149 unit condominium complex consisting of single family detached and duplex units is also under construction.

### **Major Initiatives**

The Town is committed to expanding its tax base by working closely with our current commercial taxpayers, as well as developers of new properties. They are home to over 1,300 businesses and support one of the largest commercial and industrial tax bases in Connecticut.

The Town Meeting recently approved an Economic Development Tax Incentive ordinance which will provide incentives to both existing businesses that want to expand and new businesses that want to build in town. The tax incentive is in the form of a three to seven year phased-in increase to the value of the property. Currently two businesses have taken advantage of this program: Cinemark received approval for a seven-year incentive for a new movie theater costing \$16.2 million and CubeSmart has approved an application for a \$4.6 million self-storage facility. In addition, Amazon has also been approved for the seven-year incentive for construction of a \$128.9 million distribution warehouse. The facility will also include \$130 million in personal property. It will consist of as much as 2 million sq. ft. of distribution space and have 83 loading docks, parking for 3,000 vehicles and spaces for 245 trailers.

North Haven Shopping Center has been purchased and renamed Washington Commons. The 93,550 sq. ft. retail center is being renovated and is attracting many new tenants.

Northern Washington Ave is continuing to rebuild with many older properties being sold to new owners. The area is attracting premium new auto dealers. In addition to the existing Mercedes-Benz, BMW and Acura dealers, a Volvo dealership has been opened and a Land Rover dealer is under construction.

The Town recognizes the importance of maintaining its infrastructure. The Town recently completed a \$69 million Middle School, replacing one that was built in 1960 and was in need replacement. We have also added onto the Town Hall to include an elevator to allow handicapped access to all floors of the building.

The bridge on Spring Road has been replaced and the Sackett Point Road Bridge over the Quinnipiac River is being designed and will be replaced. The Town is a remarkable community with a rich tradition of being an outstanding place to both live and work. We are committed to being focused on responsible growth of the grand list to reduce the tax burden for our town residents without impacting the quality of life for the townspeople.

**Finance Office:** The Finance Office assists the Treasurer, Board of Finance and First Selectman. Its principal responsibility is the Town's day to day financial/administrative management and record keeping. Additional responsibilities include general administration, facilities management, personnel, purchasing, grants management, insurance/risk management, labor relations and wage/benefit administration.

**Police:** The North Haven Police department provides full-time services. The staff consists of 50 police officers, four civilian dispatchers, four clerks, four part-time dispatchers, and one maintenance person. The Police department also provides four School Resource Officers to the Public Schools. Major equipment includes the Town's central radio communications and dispatch, E911 PSAP, eight unmarked cruisers, 15 marked cruisers, one armored vehicle, one cargo van, and one traffic light and sign maintenance bucket truck.

**Fire:** The North Haven Fire Department consists of a full-time career paid Headquarters staff and three volunteer fire companies. The Department has a career staff of 35 firefighters. Each volunteer company carries a maximum of 35 active firefighters and fire-police members. The major equipment includes: one 1,500 GPM pumper engine, six 1,250 GPM pumper engines, two emergency rescue vehicles and two 100+' aerial ladder trucks. There are over 650 fire hydrants within the Town. The Town provides emergency medical services to the paramedic level.

**Public Works:** The Department encompasses the offices of the Building Official, Blight Prevention Officer, Town Engineer, Land Use Administrator, Zoning Enforcement Officer and Executive Branch. Within the Department of Public Works is the Field Operations Division. The Field Operations Division includes matters pertaining to sanitation, recycling, streets and roads, parks, and equipment maintenance.

Additionally, the Department administers the Town's wastewater collection and treatment program under the direction of the Water Pollution Control Authority and the Underground Asset Management ("UGAM") Program whose primary focus is managing the Town pump stations and underground sanitary sewer piping.

**Water Pollution Control Authority:** The Water Pollution Control Authority ("WPCA") oversees the Town's sanitary sewage collection system; the extension of sewer mains; reviews and approves of the daily, monthly and yearly expense and capital budget items; establishes policies, procedures and regulations and approves of assessment and connection charges.

The WPCA also works with property developers in Town to establish new sewer collection systems and pump stations for proposed subdivisions and commercial developments in accordance with Town standards.

**Water Pollution Control Division:** The Water Pollution Control Division as contracted through Veolia Water oversees the operations of the Town's Water Pollution Control Facility ("WPCF"), its Underground Asset Management ("UGAM") Program and its Sewer Usage Fee invoicing program. The Division reports directly to the Director of the Department.

The WPCF was constructed in 1966 and was modified and expanded in 1991 and again in 2005 to meet advanced treatment requirements as administered through the State of Connecticut Department of Energy and Environmental Protection ("CT DEEP") and the United States Environmental Protection Agency ("USEPA"). Approximately 70% of the Town's residential, commercial, and industrial properties are served by the WPCF. The WPCF Includes preliminary, primary, and advanced secondary treatment of all sanitary sewage received at the plant. The treatment of sanitary sewage is subject to strict State of Connecticut and Federal National Pollutant Discharge Elimination System ("NPDES") permit regulations and discharge requirements.

WPCF personnel provide operation and maintenance of the treatment facility, its nine (9) pumping stations, billing and collection of sewer use fees, and is responsible for the preventative maintenance of the approximately one hundred twenty (120) miles of sanitary sewer mains. WPCF personnel also perform the marking of underground sewer utilities as outlined in the State of Connecticut's "Call Before You Dig" program, perform inspections of all new and existing sanitary sewer connections to the Town's collection system, and perform inspections of approximately 80 restaurants under the CT DEEP General Permit for the Discharge of Wastewater Associated With Food Preparation Establishments - also commonly referred to as the "FOG" program for the removal of Fats, Oils and Greases.

Preventative and corrective maintenance of all mechanical systems is also conducted by the WPCF personnel for the Town's swimming pool, and staff exercise each of the nine (9) emergency generators located throughout the town on a weekly basis.

The latest improvements made to the WPCF by the Town include upgrades for a new Ultra Violet (“U/V”) disinfection system.

The UGAM Program continues to focus its efforts on underground assets, including manhole inspections, televising sanitary sewer pipelines, flushing sanitary sewer lines, and most recently the raising of buried and/or paved over manhole covers throughout various locations in the Town.

The sewer usage fee invoices are transmitted once annually to those properties, which are connected to the Town's sanitary sewer system. This includes residential properties, which receive invoices for payments due on October 1<sup>st</sup> and commercial/industrial properties, which receive invoices for payments due on October 1<sup>st</sup> and May 1<sup>st</sup>. Sewer use fee payments are accepted via U.S. Mail to the address provided on the invoice, online (via credit cards) or in person (cash or checks only) at the Department's office located in the Town Hall Annex on 5 Linsley Street.

**Engineering Office:** The Town Engineer provides technical assistance and support to various boards and commissions, including Planning and Zoning, Inland Wetlands, Zoning Board of Appeals. The Town Engineer also works closely with the Director and the Office of the First Selectman and supports other Town Departments and Divisions within the Department of Public Works. The Town Engineer, upon request, provides technical support to the Open Space Advisory Committee.

This assistance includes review of roadway and bridge design, drainage improvements, sanitary sewer installations, utilities, stormwater management, traffic control and property development issues. Coordination with the State of Connecticut and Federal agencies, various consulting engineers, property developers, builders and the general public is provided in order to resolve potential problems prior to and during construction/development.

Other services provided by Engineering include design, technical administrative assistance and inspection for Town construction projects, coordination of Town map updating and the administration of the Town flood plain ordinance/regulatory process.

**Stormwater Management:** As required by the United States Environmental Protection Agency's (“USEPA’s”) National Pollutant Discharge Elimination System, Stormwater Phase II Rule, the Town of North Haven was required to renew its General Permit Registration for the Discharge of Stormwater from Small Municipal Separate Storm Sewer Systems (known as MS4). The purpose of the MS4 Stormwater Management Program is to educate the public as to the importance of protecting stormwater, eliminating pollutant (bacteria, nitrogen and phosphorus) discharges and improving the overall quality of the State and Town's waterbodies and receiving streams.

North Haven renewed its General Permit Registration with the State of Connecticut's Department of Energy and Environmental Protection (CT DEEP) on March 30, 2017. Additionally, in compliance with the USEPA and CT DEEP requirements, the Town of North Haven developed and adopted a revised MS4 Stormwater Management Plan and like the General Permit Registration, has filed this plan with the CT DEEP and has placed it on the Town's website available at [http://www.northhavenct.gov/documentcenter/PublicWorks/FINAL NorthHaven StormwaterManagementPlan2017 03 3 O.pdf](http://www.northhavenct.gov/documentcenter/PublicWorks/FINAL%20NorthHaven%20StormwaterManagementPlan2017%2003%203%20O.pdf).

Copies of the **Stormwater Management Plan** are available at the (1) Town of North Haven's Department of Public Works, Town Hall Annex Building, 5 Linsley Street, North Haven, Connecticut, 06473 and at the North Haven Library, 17 Elm Street, North Haven, Connecticut 06473 for public review.

The Department with assistance from environmental consultants work collaboratively to implement Best Management Practices (BMPs) that are related to stormwater management and stormwater monitoring throughout the Town. The Town began implementation of BMPs in 2004, many of which were identified in the recently revised April 1, 2017 **Stormwater Management Plan** particularly in the areas of sedimentation and erosion control and the reduction of contaminant loads in stormwater discharges.

Annual Reports summarizing the compliance status by the Town of North Haven under the General Permit for the **Discharge of Stormwater from Small Municipal Separate Storm Sewer Systems** are located on the Town's website under the Department of Public Works, Stormwater, Annual Reports tabs. The latest Annual Report was submitted to the State of Connecticut on March 29, 2018 and is available on the Town's website.

The Town of North Haven is in compliance with the stormwater monitoring requirements of the General Permit. The in-stream stormwater sampling of 2016 and subsequent reporting results to the CT DEEP complied with the monitoring requirements for the General Permit for 2016. Annual sampling for each prior year of the General Permit had previously been completed and reported to the CT DEEP.

**Field Operations:** The Field Operations Department is comprised of staff who are assigned to Streets and Roads, Sanitation, Transfer Station operations, Recycling Center operations, Parks and Equipment and Vehicle Maintenance. The Field Operations Department provides year round maintenance services to the Town's 146 plus miles of roadways, public drainage courses, parking lots, parks and other Town-owned open space areas. Field Operations personnel also provide for annual curbside leaf collection and disposal, winter snow and deicing efforts, street sweeping, catch basin cleaning, and replacement of asphalt curbing and road patching services.

The Department's Director of Field Operations also functions as the Town's Tree Warden and oversees the maintenance of where applicable, removal of all trees located on Town property or within the Town's Right of Way ("ROW"). In the fall of each year, the division operates a leaf collection program, which includes a six-week program for scheduled pickup of loose leaves placed at the curb and those placed in brown biodegradable bags.

The Streets and Roads Division is also responsible for the management, maintenance and operations of the Town's Leaf Composting Facility located at 91 T Sackett Point Road.

**Parks:** The Parks Division, which is an integral part of the Department's Division of Field Operations, is responsible for maintaining nearly 210 acres of park land and other open space areas throughout Town including: 15 ball fields, 2 tennis and basketball courts, 3 playgrounds, and 11 passive or natural areas. Some of the Town's critical open spaces include: Peter's Rock, Hansen Farm Park and Spring Road.

The Parks Division maintains the Town's Central Block and the Town cemeteries and assists with snow removal and deicing efforts as well as curbside leaf collection and removal. This division also provides assistance to other Town departments and support to Community Services and Recreation programs, affiliated sports leagues and special events held at the various Town Parks.

**Vehicle and Equipment Maintenance:** Supervised by the Field Operations Department, this section is responsible for keeping all of the Town's and Board of Education's vehicles, trucks and equipment operational. Department equipment includes, but is not limited to; plow trucks, sanitation trucks, recycling trucks, large lawn mowers, street sweepers, wood chippers, lawn maintenance equipment and more. A working foreman and three mechanics maintain and repair all Town and Board of Education owned-vehicles and equipment, including police vehicles and general Town vehicles utilized for day-to-day operations.

Vehicle and Equipment Maintenance Staff are also responsible for the daily management of the underground storage tanks ("USTs") located at the Public Works Garage, including inspections and obtaining receipts of records and print-outs from the Veeder Root fuel leak detention system associated with tank volumes.

**Sanitation:** The Sanitation Division is responsible for the weekly collection of municipal solid waste ("MSW") and recyclables for the 8,900 homes in Town. On average, this amounts to approximately 24,000 tons per year or 1 ton per Town resident annually. The Town also collects twice annually, bulky waste items such as refrigerators, ranges, tires and mattresses and/or other upholstered items. These items can also be disposed of at the Town's Transfer Station located at Universal Drive near Sackett Point Road.

The Sanitation Division provides single-stream curbside collection of State mandated recyclable items. These include: clear, green, and brown glass food and beverage containers; plastics (nos. 1-7) metal food and beverage containers, aluminum foil and pie plates; newspaper, paper and corrugated cardboard.

Residential solid wastes are collected once weekly by the Town's staff and disposed of at the Wallingford Resource Recovery Facility (Transfer Station). Since July 1, 2010, disposal is made at the same location; however, the facility is owned and operated by COVANTA PROJECTS OF WALLINGFORD, L.P. ("Covanta") per agreement between the Town and Covanta dated December 17, 2008 ("the Covanta Agreement").

The Town has entered into a Municipal Solid Waste Services Delivery and Disposal Contract with the Covanta Energy pursuant to which it participates with four (4) other central Connecticut municipalities in the Wallingford Resource Recovery System.

Under the Service Contract, the Town is required to deliver, or cause to be delivered to the system, solid wastes generated within Town boundaries up to the minimum commitment of the five participating municipalities. The total annual commitment for the five Towns is 125,000 tons per year. The Town's commitment to pay Municipal Disposal fees is a 'put-or-pay' commitment in that if the aggregate minimum commitment is not met by the five municipalities in any year, the Town must pay Municipal Disposal Fees for its full portion of the aggregate minimum commitment even if it did not deliver the full portion of the aggregate minimum commitment.

The Municipal Disposal Fee applicable in any contract year is calculated by estimating and netting out the System Cost and System Revenue for such contract year, as such terms are defined in the Service Contract. System costs include debt service on the Authority's bonds issued to finance the System, costs of operation and administrative costs, among other things.

Municipal Disposal Fees shall be payable so long as the System is accepting solid waste delivery by or on behalf of the Town, whether or not such waste is processed at the facility. The Town's obligation to Municipal Disposal Fees, so long as the Authority is accepting the Town's solid waste, is absolute and unconditional, and shall not be subject to any set-off, counterclaim, recoupment, defense, or other right which the Town may have against the Authority or any other person for any reason. The Town has pledged its full faith and credit to the payment of the Municipal Disposal Fees and has also agreed to enforce or levy and collect all taxes, cost sharing or other assessment or charges and take all such other action as may be necessary to provide for the payment of Municipal Disposal Fees.

The Town has a 'flow control' ordinance, which requires all collectors of solid waste in North Haven to deliver collected solid waste to the System.

**Transfer Station:** The Transfer Station is located on Universal Drive, approximately 500 feet south of the intersection with Sackett Point Road. Containers for normal household waste; bulky waste defined upholstered items and mattresses/box springs, brush, tires and white goods are available for use by residents only.

All vehicles must obtain a permit to use the Transfer Station, including trailers for cars or pick-up trucks. Each year, residents must bring their registration and driver's license to the Public Works Field Operation Office, located at 110 Elm Street. Each resident is entitled to six (6) passes for the transfer station which are valid for unlimited trips within the same day.

**Recycling:** The Town's Recycling Program annually ranks in the top 10% of the State of Connecticut Cities and Towns with a total of over 1,100 pounds of recyclables generated per resident and processed annually. In addition, North Haven recycles over 50% of its municipal solid waste, far surpassing the State's goal of 40%. This figure attests to North Haven's consistent ranking in the State's top communities in percentage of recyclables.

Effective August 1, 2013, the Town of North Haven in contract with John's Refuse and Recycling, commenced a no cost single-stream recyclables collection including the acceptance of plastics, (Nos. 1-7) mixed paper materials including junk mail and telephone books, glass and metal food and beverage containers, etc.

Effective April 4, 2013, the Town entered into its second "no cost" electronics recycling contract, this time with Electronics Recycling International and Take2Recycling. This contract allows the Town to comply with the 2009 mandated CT DEEP regulations governing electronics recycling.

**Leaf Disposal:** Leaves are a mandated recyclable item by the CT DEEP and must be composted by law. They may be composted by residents in their back yard or through the Town's Fall Leaf Collection and Compost Program. In the Fall of each year, the Division operates a Fall Leaf Collection Program, which includes a six week scheduled pick up program of curbside, loose leaves and those placed in brown biodegradable bags. This program is conducted in November and December annually. The Town does not collect leaves curbside at any other time of the year. However, residents may bring leaves year round to the Town's Recycling Center on Elm Street.

The Town continues to implement its in-house Leaf Composting effort, currently located at 91 T Sackett Point Road. Residents are able to pick-up composted materials at no cost at the Town's Recycling Center located on Elm Street. Compost materials are for residential use only and are available as early as June of each year. Materials will continue to be available on a first come, first served basis until the supply is exhausted.

**HazWaste Central:** Household hazardous waste generated by all Town residents can be taken free of charge to HazWaste Central located at the Regional Water Authority on 90 Sargent Drive in New Haven (Exit 46 Long Wharf). Household batteries, which are a State of Connecticut mandated recyclable item, must be disposed of as a Hazardous Waste and cannot be placed with regular trash and/or in the Town's 'green' recycling containers. Also, HazWaste Central accepts oil-based paints, car fluids, pesticides, cleaning products, etc. HazWaste Central is open Saturdays from mid-May through the last Saturday in October, 9:00 a.m. to Noon. Residents are asked to call (203) 401-2712 or visit [www.rwater.com/hazwaste](http://www.rwater.com/hazwaste). Please bring your driver's license with you when entering and dropping off materials at HazWaste Central. There are no costs to the residents who participate in this program and residents are not required to unload wastes from their vehicles, which are brought to HazWaste Central.

**Land Use Office:** The Land Use Office staff provides administrative support to the Planning and Zoning Commission, the Zoning Board of Appeals and the Inland Wetlands Commission. The Land Use Office staff also provides support to the Open Space Advisory Committee, upon request.



Under the direction of the Land Use Administrator, the office assists residents, property owners and developers through the application process, and to the appropriate Land Use Board and/or Commission.

Procedurally the office is responsible for accepting the formal application(s), preparing the legal notices, reviewing all applications for completeness and compliance, preparing the meeting agenda and organizing the actual meeting(s)/location(s).

The office also provides administrative support for the Zoning Enforcement Officer and works closely with the Building Department and Engineering offices of the Department of Public Works.

**Planning and Zoning Commission:** The Planning and Zoning Commission is a five (5) member elected Board with three (3) alternates. The Commission is responsible for regulating all land uses and approving development of land in North Haven, including site plans, subdivisions, zone changes, amendments to Zoning regulations and special permits. Zoning Regulations have been adopted to protect the health, safety and general welfare of the community. In addition to applications to the Planning and Zoning Commission, plot plans and Certificates of Compliance, the following are brought to the Land Use Office for review and approval: residential additions, garages, decks, fences and pools. Sign permits are reviewed and approved through the Land Use Office by the Zoning Enforcement Officer.

Complaints regarding Zoning and Inland Wetland violations are vigorously pursued by the Zoning Enforcement Officer. The Town continues to achieve a high rate of zoning compliance.

The Commission meets on the first Monday of the month at the Library Community Room at the North Haven Library located on 17 Elm Street at 7:00 p.m.

**Inland Wetlands Commission:** The Inland Wetlands Commission consists of seven (7) appointed members and three (3) alternates and is responsible for reviewing all development of land that contains inland wetlands and/or watercourses. The primary job of this Commission is to protect and preserve Inland Wetlands and watercourses throughout the Town, while maintaining a balance with the development and economic growth of North Haven.

**Zoning Board of Appeals:** The Zoning Board of Appeals is a five (5) member elected Board with three (3) alternates. The Board is responsible for hearing all applications on variances, exceptions and appeals of the decisions of the Zoning Enforcement Officer. Applications submitted to this Board are subject to a Public Hearing.

Board members attempt to visit each site prior to rendering a decision. Legal notices for each application are advertised twice prior to a Public Hearing being held.

**Zoning Enforcement Officer:** The Zoning Enforcement Officer is a key staff member to the Planning and Zoning and Inland Wetlands Commissions and to the Zoning Board of Appeals. The position's primary responsibility is to ensure that compliance with the Town's Inland Wetlands and Zoning Regulations is achieved.

The Zoning Enforcement Officer reviews and approves, where appropriate zoning applications for residential and commercial construction and investigates claims that violations to the regulations have occurred. Orders, which demand the correction of violations, are issued by the Zoning Enforcement Officer where appropriate.

In addition, the Zoning Enforcement Officer assists with blight prevention matters and works closely with businesses and homeowners to resolve issues related to building projects, land use, and related violations. Lastly, the Zoning Enforcement Officer provides support to the Open Space Advisory Committee, upon request.

**Building Department:** The Building Department is responsible for assuring the safety of North Haven residents through the enforcement of all applicable building codes for new or existing structures within the Town. This process typically includes the review of plans and the issuance of permits prior to the start of construction, followed by inspections of work in progress and ending with the issuance of a Final Inspection Report, a Certificate of Completion, or a Certificate of Occupancy when all the work has been completed in compliance with the current regulations.

Permitting software ("ViewPermit") has been implemented to expedite the issuance of permits. Applicants are encouraged to check with the Department on any changes to the Permit Fee Schedule or Code Changes. The Building Code currently adopted by the Town of North Haven is the 2016 Connecticut State Building Code as amended.

Asking questions prior to the start of a project is the safest and best way to ensure that the proper requirements are met. As defined by the State Building Code the following require permits:

- New homes;
- Additions, renovations or alterations to existing homes;
- Roofing, siding, door and window replacement;
- New or repairs to: decks, porches, sheds, pools, garages and carports;
- New Commercial buildings;
- Additions, renovations or alterations to Commercial Buildings;
- Generators, Solar PV arrays, coolers, outside storage, including pads and retaining walls;
- Installation or removal of gas, propane or oil tanks and/or lines;
- Heating, ventilation, hood and fire suppression systems, sprinkler system (new or repairs), Air Conditioning, Plumbing, Grease traps, Electrical service, wiring and low voltage;
- Installation of a fire place, pellet, gas or wood stove;
- Installation of swimming pools, safety fences for in-ground pools or any fence over 6' in height;
- Demolition of any structure, including swimming pools, decks, sheds, etc.; and
- In general the replacement or repair of any existing structure and any new work before it is started.

**Blight Enforcement:** The Blight Prevention Officer and/or his/her Designee(s) are also responsible for enforcement of the Blight Ordinance adopted in October, 2011. This covers any property that is in a blighted condition that may adversely affect the economic well-being of the Town of North Haven, or contribute to the decline of neighborhoods, and jeopardize the health, safety welfare and/or quality of life of persons within the Town of North Haven.

Blight complaint forms or what is referred to as "Property Maintenance Complaint Forms" can be found on the Town's website under the Building Department, Forms Section (Property Maintenance Complaint Form) and in the Building Department Office.

**Open Space Advisory Committee:** The Open Space Advisory Committee is comprised of a seven (7) member appointed advisory group. The Advisory Committee members with support from the Town Engineer, Land Use Administrator, Zoning Enforcement Officer and Department's Director are responsible for identifying and evaluating all open space properties throughout the Town of North Haven for potential purchase, acquisition, preservation, lease, and/or easement(s). Additionally, properties are also evaluated for grant and funding opportunities and applicability.

The Committee is charged with identifying any/all Open Space properties, which might be included under a Capital Bonding Package for Open Space Land Procurement or easement by the Town.

**Health:** The Quinnipiac Valley Health District is made up of North Haven, Hamden and Woodbridge, which joined together in 1978 to form a District Department of Health under provisions of Section 19-106 of the Connecticut General Statutes as amended. The District participates in per capita grants from the State of Connecticut, which help to defray the total cost of public health services.

The Town also participates in a Visiting Nurses Association Services, Inc. ("VNA"), which was formed in 1970 by the towns of North Haven, Woodbridge, Hamden and Bethany. The VNA provides home health care services.

**Community Services and Recreation:** The Department of Community Services/Recreation operates the Town's Comprehensive Human and Social Services program which includes Outpatient Psychiatric Services (under a contract with BH Care, Inc.), Youth Services, Day Care, Food Program, Energy Assistance, and a Senior Citizen's Program and Center which serves over 1,200 members.

The Recreation component within the Department is responsible for the planning and execution of activities, programs and special events designed to appeal to all age groups including, but not limited to tournaments, trips and a summer concert program; and operation and up-keep of the Town's Community Pool. The Recreation programs operate from the Mildred Wakeley Community and Recreation Center, which is also the site of a multiplicity of indoor recreational programs.

**Library:** The North Haven Memorial Library is a full-service facility offering programs and services for information, educational, cultural, and recreational purposes. The collection represents the diverse needs of the community with selections in both hard copy and downloadable resources. The library belongs to the LION consortium of 28 area libraries, which provides shared access of over 2 million volumes.

The library is open 58 hours per week in the winter and 48 hours per week in the summer.

**Utilities:** Electric Service – United Illuminating Company and Integrys Energy Services; Gas Service – Southern Connecticut Gas Company; Water Service – South Central Connecticut Regional Water Authority.

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

The Town's long-term financial planning is focused on maintaining a moderate to low debt to general fund balance ratio and to increase its general fund balance to budget ratio.

In November 2018, the Town issued \$7,500,000 of general obligation bonds which permanently financed the bond anticipation notes for North Haven Middle School outstanding at fiscal year end. They also rolled the \$15,000,000 bond anticipation note for the police department renovations and added \$5,500,000 for various capital projects. The bonds mature through 2029 and carry interest rates of 2.25% – 5.00%. The bond anticipation notes mature in December 2019 and carry an interest rate of 3.00%.

Unassigned fund balance in the general fund is 8.45% of total general fund revenues. A portion of the fund balance may be used to offset general fund expenditures in the near future.

### **Relevant Financial Policies**

The Town's financial policies have been applied consistently with the prior year and had no notable current year effect on the financial statements. There were no developments at the State level that impacted the current year financial statements.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of North Haven for its comprehensive annual financial report (“CAFR”) for the fiscal year ended June 30, 2017. This was the thirteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

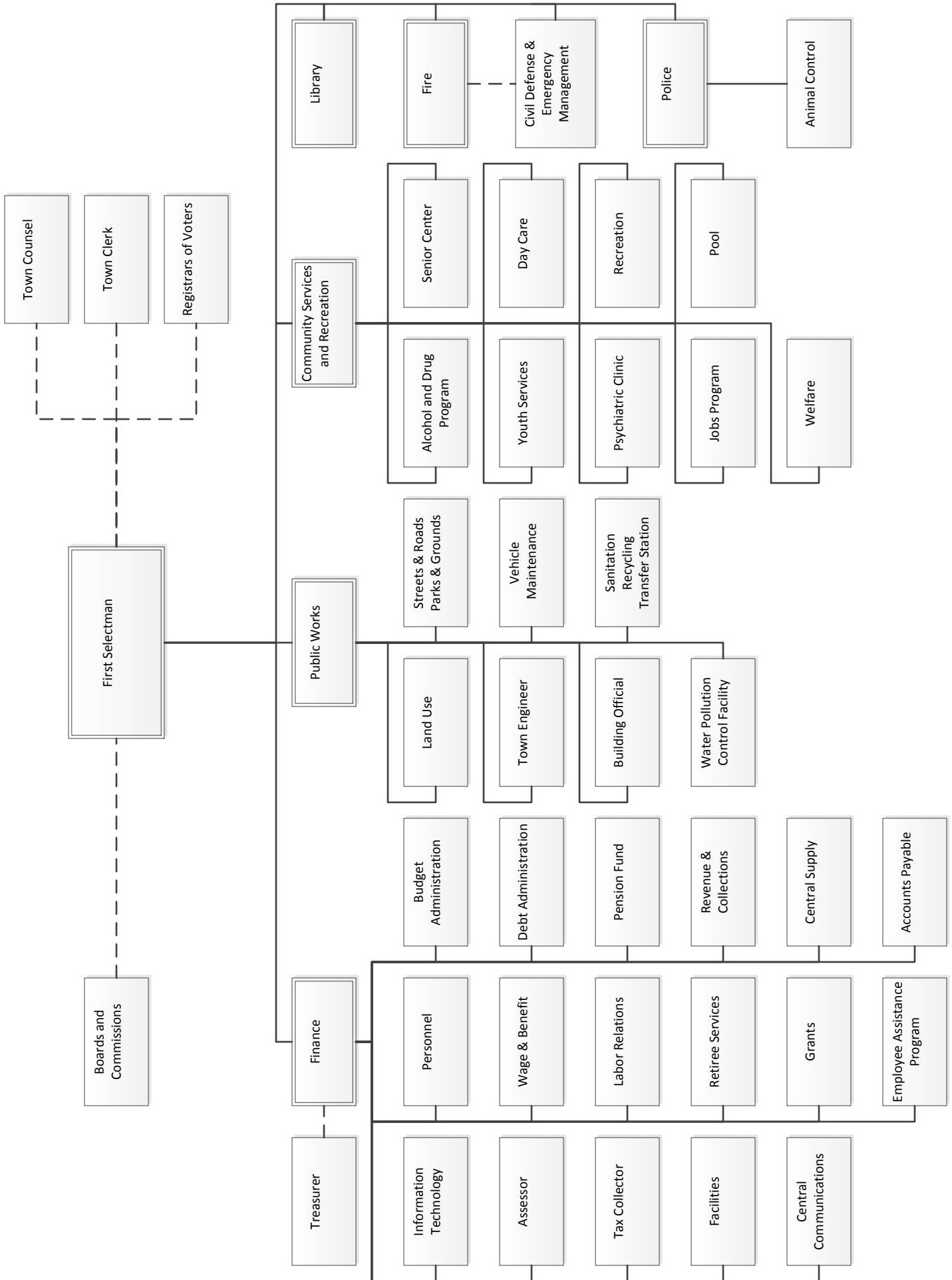
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of management and staff of the Department of Finance and members of other departments who assisted in its compilation, to which I hereby express my appreciation. I also extend this appreciation to the Board of Selectmen and Board of Finance for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,



Edward Swinkoski, CPA  
Director of Finance/Administration

# Organizational Chart



**Town of North Haven, Connecticut**

**List of Principal Officials  
For Year Ended June 30, 2018**

**FIRST SELECTMEN**

Michael J. Freda

**BOARD OF SELECTMEN**

William J. Pieper  
Sally J. Buemi

**BOARD OF FINANCE**

Richard Monico, Chairman  
Timothy M. Doheny, Vice Chairman  
Michael T. Hallahan, Secretary  
Michal J. Freda  
James J. Lianos  
Patricia A. Brown  
Dyann M. Vissicchio

**ADMINISTRATION**

Director of Finance/ Administration	Edward Swinkoski, CPA
Assistant Director of Finance/ Administration	Jacqueline Teuilngs
Manager, Information Technology	William Bennett
Human Resource Administrator	Josephine Landolfi
Assessor	Gary Johns
Tax Collector	J. Stacey Yarbrough
Town Counsel	William R. Ryan, Ryan and Ryan, LLC
Town Clerk	J. Stacey Yarbrough
Treasurer	Laurie-Jean Hannon
Director of Public Works	Lynn Sadosky
Director of Field Operations	Victor Palma
Assistant Director of Field Operations, Highway	Michael Landino
Assistant Director of Field Operations, Sanitation	Michael Maturo
Town Engineer	Andrew Bevilacqua
Building Official	Elio Floriano
Assistant Building Official	Robert Boender
Land Use Administrator	Alan Fredricksen
Zoning Enforcement Officer	Laura Magaraci
Chief of Police	Thomas McLoughlin
Deputy Chief of Police	Kevin Glenn
Fire Chief/Fire Marshall	Paul Januszewski
Deputy Fire Chief	David Marcarelli
Animal Control Officer	David Carney
Director of Community Services and Recreation	Edward J. Swinkoski, CPA
Assistant Director of Recreation	Andrew DelVecchio
Assistant Director of Recreation/Pool	Vacant
Youth Services Administrator	Nancy Leddy
Manager of Senior Center	Judy Amarone
Director of Library Services	Patricia LaTerza
Assistant Director of Library Services	Susan Griffiths

**Town of North Haven, Connecticut**

**List of Principal Officials  
For Year Ended June 30, 2018**

**BOARD OF EDUCATION**

Chairman – Anita B. Anderson  
Goldie Adele  
Bryan P. Bogan  
Jennifer Ceccarelli  
Randi M. Enrico-Petersen  
Dorothy Logan  
Wesley J. O'Brien  
Randi Petersen  
Josephine Solimene

Superintendent of Schools

Dr. Robert Cronin

Director of Business & Operations

Tina Tanguay



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of North Haven  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



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# Financial Section

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## **Independent Auditors' Report**

**Board of Finance  
Town of North Haven, Connecticut**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of North Haven, Connecticut ("Town"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

**Board of Finance  
Town of North Haven, Connecticut**

Page 2

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of North Haven, Connecticut, as of June 30, 2018, 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.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons and the pension and other post-employment benefit plan schedules on pages 21 to 30 and pages 94 to 122, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary and Other Information***

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

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

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

**Board of Finance  
Town of North Haven, Connecticut**

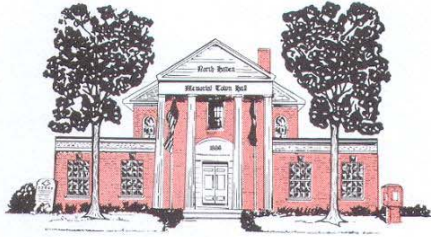
Page 3

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
December 28, 2018



TOWN OF NORTH HAVEN  
MEMORIAL TOWN HALL / 18 CHURCH STREET  
NORTH HAVEN, CONNECTICUT 06473



REPLY TO:

Tel. (203) 239-5321  
Fax (203) 234-2130

As management of the Town of North Haven, Connecticut ("Town"), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2018.

### **Financial Highlights**

- During the fiscal year, the Town implemented GASB 74 and 75 related to other post-employment benefits (OPEB). GASB 75 requires that the net OPEB liability be recorded on the government-wide financial statements. The result of implementing GASB 75 was a prior period adjustment as of July 1, 2017 to record the OPEB liability of \$90,230,101 and to remove the net OPEB obligation previously recorded of \$29,510,510. The current year OPEB expense was \$998,278 and the net OPEB liability at year end was \$67,792,858.
- On a government-wide basis, the liabilities and deferred inflows of resources of the Town exceeded its assets and deferred outflows of resources by \$19,204,089 (*net position*). Net position for the governmental activities was \$(32,857,989) and net position for business-type activities was \$13,653,900. *Unrestricted net position* was a deficit balance \$(94,721,395).
- On a government-wide basis, total net position increased by \$3,883,596. Of the total increase, \$3,698,083 was for governmental activities and \$185,513 for business-type activities. The increase is substantially due to positive operations of the governmental funds of \$1,070,865 (discussed below), a decrease in pension expense of \$(1,712,325) offset by net capital asset activity of \$13,210,364, and net debt activity of \$(10,411,789) due to the different basis of accounting (accrual vs modified accrual).
- The Town's governmental funds reported combined ending fund balances of \$13,595,621, an increase of \$1,070,865 in comparison with the prior year. The increase is due to positive operations of the North Haven Middle School Fund of \$9,416,449 as a result of issuance of debt of \$15,000,000. This was offset by the negative operations of the General Fund (\$1,654,836), Police Station Renovation (\$4,483,084), and nonmajor governmental funds (\$2,207,664). The operations of the General Fund were a result of the planned use of fund balance to balance the 2018 budget.
- At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$8,043,391 or 8.45% of total budgetary general fund expenditures and transfers out.
- The Town's total debt increased by \$9,848,996 as the result of the issuance of \$15,000,000 of general obligation bonds and notes net of scheduled principal payments on outstanding debt totaling \$5,151,004.
- Net capital assets increased by \$12,729,756 during the current fiscal year. The increase is attributable to capital asset additions for construction in progress for the new middle school and police renovation projects in excess of depreciation expense.

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

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

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows, liabilities and deferred inflows, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Town's financial health. Other non-financial events such as the impact of changes in the Town's tax base or infrastructure should also be considered when evaluating the Town's financial health.

The *statement of activities* presents information showing how the Town's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is actually received or paid. Therefore, revenues and expenses are reported in this statement for some items whose cash flow may occur in a future fiscal period. Taxes uncollected but levied or vacation leave unused but earned are examples of this.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public works, public safety, health and welfare, culture and recreation, and education. The business-type activities of the Town include the Water Pollution Control Authority.

The government-wide financial statements can be found on Exhibits A and B of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Town can be divided into the following three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

For governmental funds, the Town presents separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, North Haven Middle School and Police Station Renovation funds, all of which are considered to be major funds. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

**Proprietary Funds** - The Town uses two different types of proprietary funds. Enterprise funds are used to report the functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to report the activities of the Water Pollution Control Authority. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions.

The Town uses internal service funds to account for its employees and retirees' self-insured medical benefits as well as other liability insurances. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority. The Water Pollution Control Authority is considered a major fund.

The basic proprietary fund financial statements can be found on Exhibits F, G, and H.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Exhibits I and J.

### **Notes to Financial Statements**

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on Exhibit K of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension and retiree medical benefits to employees. This and other required supplementary information can be found immediately following the notes to financial statements.

The Town adopts an annual budget for its general fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget (RSI-1 and RSI-2).

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

**Government-Wide Financial Analysis**

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. In the case of the Town, the liabilities and deferred inflows of resources of the Town exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$19,204,089, at the close of the current fiscal year.

By far, the largest portion of the Town's net position is its investment in capital assets. Capital assets include land, construction in progress, buildings, improvements, machinery and equipment and infrastructure, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position is \$(94,721,395).

**Summary Statement of Net Position**  
**June 30, 2018 and 2017**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 43,267,504	\$ 43,496,865	\$ 5,488,173	\$ 4,806,022	\$ 48,755,677	\$ 48,302,887
Capital assets (net)	<u>174,008,598</u>	<u>160,798,234</u>	<u>8,181,757</u>	<u>8,662,365</u>	<u>182,190,355</u>	<u>169,460,599</u>
Total assets	<u>217,276,102</u>	<u>204,295,099</u>	<u>13,669,930</u>	<u>13,468,387</u>	<u>230,946,032</u>	<u>217,763,486</u>
Deferred outflows of resources	<u>8,405,999</u>	<u>4,752,219</u>	-	-	<u>8,405,999</u>	<u>4,752,219</u>
Long-term liabilities outstanding	188,338,273	213,886,479	-	-	188,338,273	213,886,479
Other liabilities	<u>32,410,527</u>	<u>26,584,395</u>	<u>16,030</u>	-	<u>32,426,557</u>	<u>26,584,395</u>
Total liabilities	<u>220,748,800</u>	<u>240,470,874</u>	<u>16,030</u>	-	<u>220,764,830</u>	<u>240,470,874</u>
Deferred inflows of resources	<u>37,791,290</u>	<u>5,132,516</u>	-	-	<u>37,791,290</u>	<u>5,132,516</u>
Net investment in capital assets	62,724,007	75,993,056	8,181,757	8,662,365	70,905,764	84,655,421
Restricted	4,611,542	1,042,387	-	-	4,611,542	1,042,387
Unrestricted	<u>(100,193,538)</u>	<u>(113,591,515)</u>	<u>5,472,143</u>	<u>4,806,022</u>	<u>(94,721,395)</u>	<u>(108,785,493)</u>
Total net position	<u><u>\$ (32,857,989)</u></u>	<u><u>\$ (36,556,072)</u></u>	<u><u>\$ 13,653,900</u></u>	<u><u>\$ 13,468,387</u></u>	<u><u>\$ (19,204,089)</u></u>	<u><u>\$ (23,087,685)</u></u>



Management's Discussion and Analysis (continued)

As detailed below, the Town's total net position increased by \$3,883,596 during the current fiscal year:

**Statement of Changes in Net Position  
Years Ended June 30, 2018 and 2017**

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 6,091,130	\$ 6,121,488	\$ 3,118,845	\$ 3,102,533	\$ 9,209,975	\$ 9,224,021
Operating grants and contributions	17,257,656	18,362,433	-	-	17,257,656	18,362,433
Capital grants and contributions	3,170,662	6,199,420	-	-	3,170,662	6,199,420
General revenues:						
Property taxes	85,077,427	84,905,013	-	-	85,077,427	84,905,013
Grants and contributions not restricted to specific programs	2,150,202	1,512,850	-	-	2,150,202	1,512,850
Investment income	5,651	114,594	-	-	5,651	114,594
Other	537,667	571,299	-	-	537,667	571,299
<b>Total revenues</b>	<b>114,290,395</b>	<b>117,787,097</b>	<b>3,118,845</b>	<b>3,102,533</b>	<b>117,409,240</b>	<b>120,889,630</b>
Expenses:						
General government	10,104,404	10,091,241	-	-	10,104,404	10,091,241
Public safety	18,464,330	19,103,364	-	-	18,464,330	19,103,364
Health and welfare	1,465,360	1,468,361	-	-	1,465,360	1,468,361
Public works	8,291,323	8,214,880	-	-	8,291,323	8,214,880
Culture and recreation	1,727,254	1,720,609	-	-	1,727,254	1,720,609
Education	69,927,584	69,076,068	-	-	69,927,584	69,076,068
Interest expense	612,057	1,426,036	-	-	612,057	1,426,036
WPCA	-	-	2,933,332	2,727,404	2,933,332	2,727,404
<b>Total expenses</b>	<b>110,592,312</b>	<b>111,100,559</b>	<b>2,933,332</b>	<b>2,727,404</b>	<b>113,525,644</b>	<b>113,827,963</b>
Change in net position	3,698,083	6,686,538	185,513	375,129	3,883,596	7,061,667
Net position - July 1 (as restated)	(36,556,072)	28,905,862	13,468,387	11,268,463	(23,087,685)	40,174,325
Restatement for energy lease	-	(6,338,681)	-	-	-	(6,338,681)
Restatement of capital asset balances	-	(4,429,865)	-	1,824,795	-	(2,605,070)
Restatement for GASB 84 implementation	-	(660,335)	-	-	-	(660,335)
Restatement for OPEB liability	-	(60,719,591)	-	-	-	(60,719,591)
<b>Net position - June 30</b>	<b>\$ (32,857,989)</b>	<b>\$ (36,556,072)</b>	<b>\$ 13,653,900</b>	<b>\$ 13,468,387</b>	<b>\$ (19,204,089)</b>	<b>\$ (23,087,685)</b>

On a government-wide basis, total net position increased by \$3,883,596. Of the total increase, \$3,698,083 was for governmental activities \$185,513 for business-type activities. The increase is substantially due to positive operations of the governmental funds of \$1,070,865 (discussed below), a decrease in pension expense of \$(1,712,325) offset by net capital asset activity of \$13,210,364, and net debt activity of \$(10,411,789) due to the different basis of accounting (accrual vs modified accrual).

### **Governmental Activities**

Governmental activities resulted in an increase of the Town's net position by \$3,698,083. The major factors for the increase are as follows:

#### **Revenues**

Governmental activities revenues totaled \$114,290,395. This represents a decrease of \$3,496,702 from the prior year. Operating grants and contributions are the second largest revenue source for the Town and represent 15.10% of revenues and includes grants for education, general government, public safety and public works. Property taxes are the largest revenue source for the Town and represent 74.44% of revenues. Capital grants and contributions, which include grants for school building construction and other general government activities, account for 2.77%. Grants and contributions not restricted to a specific program include payments in lieu of taxes and represent 1.88% of revenues. Charges for services accounted for 5.33% of revenue.

The most significant fluctuations from the prior year were as follows:

#### **Revenues**

- Operating grants and contributions decreased by \$1,104,777 due to reduction of State funding.
- Capital grants and contributions decreased by \$3,028,758 due to decrease in the receipt of school construction progress payments related to the new middle school construction project.

#### **Expenses**

Governmental activity expenses totaled \$110,592,312 for the fiscal year, a decrease of \$508,247. Of the expenses, \$69,927,584 or 63.23% is related to education. Public safety expenses were \$18,464,330 or 16.70%, general government expenses were \$10,104,404 or 9.14%, public works expenses amounted to \$8,291,323 or 7.50%, health and welfare expenses were 1,465,360 or 1.33%, and culture and recreation expenses were 1,727,254 or 1.56%.

The most significant fluctuations from the prior year were as follows:

- Public safety expenses decreased by \$639,034 due to the change of amount recognized as pension expense.
- Education expenses increased \$851,516 due to an increase in the on-behalf amount for the Town's allocable share of the Connecticut State Teachers' pension and OPEB amounts of \$973,472 offset by decreases in other educational grants as a result of cuts in State funding.

### **Business-Type Activities**

Business-type activities resulted in an increase in the Town's net position by \$185,513. General revenues do not support the Town's business-type activities; thus, the only source of revenues is from charges for services.

Water Pollution Control Authority operation resulted in an increase in net position of \$185,513 caused by slight increases in revenues that exceeded the small increase in operating expenses. Total net position at the end of the year was \$13,653,900.

### **Financial Analysis of the Town's Funds**

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

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

At year end, the Town's governmental funds reported combined ending fund balances of \$13,595,621 an increase of \$1,070,865 in comparison with the prior year. Of this total amount, \$4,409,820 represents restricted fund balance, \$4,371,560 represents assigned fund balance, \$3,005,190 constitutes committed fund balance, and \$201,722 is nonspendable. The remainder, unassigned fund balance, stands at \$1,607,329.

**General Fund.** The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance was \$8,043,391. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 8.45% of total general fund budgetary expenditures and transfers out, while total fund balance represents 12.86% of that same amount.

The Town's total fund balance in the general fund decreased by \$1,654,836 during the current fiscal year. This was primarily due to the Town budgeting \$1,731,172 of fund balance to balance the 2018 budget. Shortfalls in intergovernmental revenues of \$1,012,486 were offset by spending savings of \$647,401 for street and roads and \$200,765 in employee benefits

**North Haven Middle School.** This fund accounts for specially financed school capital projects under grants received from the State. The North Haven Middle School fund's revenues and other financing sources exceeded expenditures and other financing uses by \$9,416,449 for the fiscal year due to the general obligation bond proceeds received for the project.

**Police Station Renovation.** This fund accounts for the renovation of the North Haven police station. The fund's expenditures and other financing uses exceeded revenues and other financing sources by \$4,483,084 for the fiscal year due to the radio system and renovation projects that were underway.

**Proprietary Funds.** The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Town has two proprietary funds: Water Pollution Control Authority and the Internal Service Fund used for workers' compensation and various types of medical related claims.

**Water Pollution Control Authority.** There was an increase in net position of \$185,513 in the Water Pollution Control Authority due to a combined increase in operating costs and a greater increase in operating revenues. Unrestricted net position of the Water Pollution Control Authority was \$5,742,143 at year end.

**Internal Service Funds.** The internal service funds are used to account for dental self-insurance, medical self-insurance, prescription self-insurance and workers' compensation claims. The internal service funds had a decrease to its net position of \$596,183. This is mostly due to certain workers' compensation claims liabilities that are long-term liabilities and will be funded in subsequent years. The internal service funds had an unrestricted net position of \$982,537 at year end.

### **General Fund Budgetary Highlights**

On a budgetary basis, expenditures and other financing uses exceeded revenues and other financing sources by \$773,783. Overall, revenues and transfers in came in \$2,052,396 less than anticipated. In addition, \$1,289,405 less than budgeted was expended.

The most significant item budget variances were as follows:

#### **Revenues**

- The Town budgeted \$1,731,172 of fund balance to balance the 2018 budget.
- Charges for services was \$712,376 in excess of the amount budgeted due to amounts received for fire fees of \$909,772 offset by the shortfall in building fees of \$413,791.
- Intergovernmental revenue was \$1,012,486 less than budgeted due to decreases in State funding.

#### **Expenditures**

- Street and roads were less than budgeted by \$647,401 as expenditures were paid through the MRSA fund.
- Employee benefits were less than budgeted by \$200,765 due to a decrease in social security costs.

Significant budget transfers were as follows:

- The fire department budget was increased by \$376,445 for overtime and the cost of the fire consultant.
- The building inspection and permit line was increase by \$31,083 for additional consulting in relation to new economic development.
- Central supply was increased by \$36,646 for costs associated with telephone service charges.

### **Capital Asset and Debt Administration**

**Capital Assets** - The Town's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities amounted to \$174,008,598 and \$8,181,757 respectively. This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, distribution and collection system and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was \$12,729,756. This is mainly attributable to increases in construction in progress and building improvements offset by depreciation expense.

Management's Discussion and Analysis (continued)

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

- Governmental activities had construction in process additions totaling \$8,580,850 relating to the renovation of North Haven Middle School.
- Governmental activities had buildings and improvements additions totaling \$4,987,524 in relation to the renovation and construction of the police station.
- Purchase of a new firetruck for \$1,209,060

**Capital Assets - Net**  
**June 30, 2018 and 2017**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 3,137,527	\$ 3,137,527	\$ -	\$ -	\$ 3,137,527	\$ 3,137,527
Construction in progress	65,522,561	56,941,711	-	-	65,522,561	56,941,711
Land improvements	4,360,527	4,482,840	-	-	4,360,527	4,482,840
Buildings and improvements	90,883,329	88,734,592	5,508,738	5,816,794	96,392,067	94,551,386
Distribution and collection system	-	-	2,511,622	2,671,725	2,511,622	2,671,725
Machinery and equipment	5,174,713	4,453,344	161,397	173,846	5,336,110	4,627,190
Infrastructure	4,929,941	3,048,220	-	-	4,929,941	3,048,220
<b>Total</b>	<b><u>\$ 174,008,598</u></b>	<b><u>\$ 160,798,234</u></b>	<b><u>\$ 8,181,757</u></b>	<b><u>\$ 8,662,365</u></b>	<b><u>\$ 182,190,355</u></b>	<b><u>\$ 169,460,599</u></b>

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

**Long-term Debt** - At the end of the year, the Town had total bonded debt and loans outstanding of \$86,569,006 backed by the full faith and credit of the Town.

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
General obligation bonds	\$ 78,675,000	\$ 76,280,000
Bond anticipation notes	7,500,000	-
Clean water loans	394,006	440,010
<b>Total</b>	<b><u>\$ 86,569,006</u></b>	<b><u>\$ 76,720,010</u></b>

The Town's total debt increased by \$9,848,996 during the current fiscal year. The increase is the result of the issuance of debt of \$15,000,000 net with scheduled principal payments on outstanding debt of \$5,151,004.

The Town maintained an AAA rating by Standard & Poor's and Fitch during the fiscal year for general obligation debt.

The overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$592,515,980, which is significantly in excess of the Town's outstanding general obligation debt

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

**Economic Factors and Next Year's Budgets and Rates**

The following economic factors currently affect the Town of North Haven and were considered in developing the 2018-2019 fiscal year budget:

- At June 2018, the unemployment rate for the Town was 4.0% as compared to the state's average unemployment rate of 4.5% and a national unemployment rate of 4.0%.
- Inflationary trends in the region compare favorably to national indices.
- State funding amounts continues to be a concern for the Town.

**Requests for Information**

The financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report should be addressed to the Director of Finance/Administration, Town of North Haven, 18 Church Street, North Haven, Connecticut 06473.

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# **Basic Financial Statements**

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Town of North Haven, Connecticut

Statement of Net Position  
June 30, 2018

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:			
Cash	\$ 20,281,658	\$ 4,955,343	\$ 25,237,001
Investments	18,126,788	-	18,126,788
Receivables:			
Property taxes	1,246,327	-	1,246,327
Assessments and usage	338,900	560,406	899,306
Intergovernmental	365,552	-	365,552
Other	5,047	-	5,047
Internal balances	27,576	(27,576)	-
Other	93,037	-	93,037
Total current assets	<u>40,484,885</u>	<u>5,488,173</u>	<u>45,973,058</u>
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash	1,022,169	-	1,022,169
Investments	165,139	-	165,139
Permanently restricted:			
Investments	201,722	-	201,722
Total restricted assets	<u>1,389,030</u>	<u>-</u>	<u>1,389,030</u>
Receivables (net):			
Property taxes	1,292,183	-	1,292,183
Net pension asset	101,406	-	101,406
Capital assets (net of accumulated depreciation):			
Land	3,137,527	-	3,137,527
Construction in progress	65,522,561	-	65,522,561
Land improvements	4,360,527	-	4,360,527
Buildings and improvements	90,883,329	5,508,738	96,392,067
Distribution and collection system	-	2,511,622	2,511,622
Machinery and equipment	5,174,713	161,397	5,336,110
Infrastructure	4,929,941	-	4,929,941
Total capital assets (net of accumulated depreciation)	<u>174,008,598</u>	<u>8,181,757</u>	<u>182,190,355</u>
Total noncurrent assets	<u>176,791,217</u>	<u>8,181,757</u>	<u>184,972,974</u>
Total assets	<u>217,276,102</u>	<u>13,669,930</u>	<u>230,946,032</u>
<u>Deferred Outflows of Resources</u>			
Pension related	2,095,740	-	2,095,740
OPEB related	6,310,259	-	6,310,259
Total deferred outflows of resources	<u>8,405,999</u>	<u>-</u>	<u>8,405,999</u>

(Continued)

The notes to financial statements are an integral part of this statement.



Town of North Haven, Connecticut

Statement of Net Position  
June 30, 2018

<u>Liabilities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current liabilities:			
Accounts payable	\$ 5,047,479	\$ 16,030	\$ 5,063,509
Retainage payable	691,741	-	691,741
Accrued payroll and related liabilities	1,558,883	-	1,558,883
Accrued interest payable	1,045,439	-	1,045,439
Unearned revenue	81,505	-	81,505
Bond anticipation notes	15,000,000	-	15,000,000
Performance bonds	1,022,169	-	1,022,169
Bonds and notes payable	5,232,172	-	5,232,172
Capital lease payable	513,837	-	513,837
Landfill liability	10,000	-	10,000
Compensated absences	1,056,542	-	1,056,542
Risk management	1,150,760	-	1,150,760
	<u>32,410,527</u>	<u>16,030</u>	<u>32,426,557</u>
Total current liabilities			
Noncurrent liabilities:			
Bonds and notes payable and related liabilities	83,752,616		83,752,616
Capital lease payable	6,785,966	-	6,785,966
Landfill liability	60,000	-	60,000
Compensated absences	4,226,168	-	4,226,168
Claims payable	208,000	-	208,000
Net pension liability	24,430,316	-	24,430,316
OPEB liability	67,792,858	-	67,792,858
Risk management	1,082,349	-	1,082,349
	<u>188,338,273</u>	<u>-</u>	<u>188,338,273</u>
Total noncurrent liabilities			
Total liabilities	<u>220,748,800</u>	<u>16,030</u>	<u>220,764,830</u>
<u>Deferred Inflows of Resources</u>			
Advance property tax collections	288,781	-	288,781
Pension related	7,756,729	-	7,756,729
OPEB related	29,745,780	-	29,745,780
	<u>37,791,290</u>	<u>-</u>	<u>37,791,290</u>
Total deferred inflows of resources			
<u>Net Position</u>			
Net investment in capital assets	62,724,007	8,181,757	70,905,764
Restricted for:			
Endowments:			
Nonexpendable	101,722	-	101,722
Expendable	12,385	-	12,385
Perpetual Care:			
Nonexpendable	100,000	-	100,000
Expendable	113,080	-	113,080
General government	2,862,339	-	2,862,339
Public safety	254,997	-	254,997
Health and welfare	396,064	-	396,064
Culture and recreation	37,411	-	37,411
Education	733,544	-	733,544
Unrestricted	<u>(100,193,538)</u>	<u>5,472,143</u>	<u>(94,721,395)</u>
Total net position	<u>\$ (32,857,989)</u>	<u>\$ 13,653,900</u>	<u>\$ (19,204,089)</u>

The notes to financial statements are an integral part of this statement.

(Concluded)

**Town of North Haven, Connecticut**  
**Statement of Activities**  
**For the Year Ended June 30, 2018**

Functions/Programs	Program Revenues				Net Revenues (Expenses) and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 10,104,404	\$ 913,560	\$ 204,500	\$ -	\$ (8,986,344)	\$ -	\$ (8,986,344)
Public safety	18,464,330	2,092,833	76,166	-	(16,295,331)	-	(16,295,331)
Health and welfare	1,465,360	472,423	335,738	-	(657,199)	-	(657,199)
Public works	8,291,323	1,448,438	3,452	357,740	(6,481,693)	-	(6,481,693)
Culture and recreation	1,727,254	310,737	36,195	113,803	(1,266,519)	-	(1,266,519)
Education	69,927,584	853,139	16,601,605	2,699,119	(49,773,721)	-	(49,773,721)
Interest expense	612,057	-	-	-	(612,057)	-	(612,057)
Total governmental activities	110,592,312	6,091,130	17,257,656	3,170,662	(84,072,864)	-	(84,072,864)
<b>Business-type activities:</b>							
Water Pollution Control Authority	2,933,332	3,118,845	-	-	-	185,513	185,513
Total	\$ 113,525,644	\$ 9,209,975	\$ 17,257,656	\$ 3,170,662	(84,072,864)	185,513	(83,887,351)
General revenues:							
Property taxes					85,077,427	-	85,077,427
Grants and contributions not restricted to specific programs					2,150,202	-	2,150,202
Investment income					5,651	-	5,651
Other					537,667	-	537,667
Total general revenues					87,770,947	-	87,770,947
Change in net position					3,698,083	185,513	3,883,596
Net position - July 1, 2017 (as restated)					(36,556,072)	13,468,387	(23,087,685)
Net position - June 30, 2018					\$ (32,857,989)	\$ 13,653,900	\$ (19,204,089)

Town of North Haven, Connecticut

Balance Sheet  
Governmental Funds  
June 30, 2018

	General	North Haven Middle School	Police Station Renovation	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 12,510,207	\$ 1,770,312	\$ -	\$ 1,924,577	\$ 16,205,096
Restricted cash	1,022,169	-	-	-	1,022,169
Investments	17,986,505	-	-	507,144	18,493,649
Receivables:					
Property taxes	2,845,242	-	-	-	2,845,242
Intergovernmental	-	-	-	365,552	365,552
Assessments	338,900	-	-	-	338,900
Other	5,047	-	-	-	5,047
Due from other funds	1,948,105	-	10,425,044	4,356,177	16,729,326
Other	43,573	-	-	49,464	93,037
<b>Total assets</b>	<b>\$ 36,699,748</b>	<b>\$ 1,770,312</b>	<b>\$ 10,425,044</b>	<b>\$ 7,202,914</b>	<b>\$ 56,098,018</b>
<u>Liabilities</u>					
Liabilities:					
Accounts payable	\$ 3,531,009	\$ 720,773	\$ -	\$ 737,677	\$ 4,989,459
Retainage payable	-	691,741	-	-	691,741
Accrued payroll	1,526,541	-	-	32,342	1,558,883
Due to other funds	15,077,535	2,298	-	819,021	15,898,854
Unearned revenue	32,250	-	-	49,255	81,505
Bond anticipation notes	-	-	15,000,000	-	15,000,000
Performance bonds	1,022,169	-	-	-	1,022,169
<b>Total liabilities</b>	<b>21,189,504</b>	<b>1,414,812</b>	<b>15,000,000</b>	<b>1,638,295</b>	<b>39,242,611</b>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	2,632,105	-	-	-	2,632,105
Advance property tax collections	288,781	-	-	-	288,781
Sewer assessments	338,900	-	-	-	338,900
<b>Total deferred inflows of resources</b>	<b>3,259,786</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,259,786</b>
<u>Fund Balances</u>					
Nonspendable	-	-	-	201,722	201,722
Restricted	-	-	-	4,409,820	4,409,820
Committed	-	355,500	-	2,649,690	3,005,190
Assigned	4,207,067	-	-	164,493	4,371,560
Unassigned	8,043,391	-	(4,574,956)	(1,861,106)	1,607,329
<b>Total fund balances</b>	<b>12,250,458</b>	<b>355,500</b>	<b>(4,574,956)</b>	<b>5,564,619</b>	<b>13,595,621</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 36,699,748</b>	<b>\$ 1,770,312</b>	<b>\$ 10,425,044</b>	<b>\$ 7,202,914</b>	<b>\$ 56,098,018</b>

(Continued)

The notes to the financial statements are an integral part of this statement.

**Town of North Haven, Connecticut**  
**Reconciliation of Fund Balance**  
**to Net Position of Governmental Activities**  
**June 30, 2018**

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

Total fund balance (Exhibit C, Page 1 of 2)	\$ 13,595,621
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets	160,798,234
Capital assets additions (net of construction in progress)	17,876,834
Depreciation expense	(4,666,470)

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

Property tax interest and lien accrual	1,407,554
Allowance for doubtful accounts	(1,714,286)
Net pension asset	101,406

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

Property taxes - accrual basis change	2,632,105
Sewer assessments receivable - accrual basis change	338,900
Deferred outflows related to pensions	2,095,740
Deferred outflows related to OPEB	6,310,259

Internal service funds are used by management to charge the cost of medical insurance premiums to individual departments:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	982,537
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Some liabilities and deferred inflows, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(86,569,006)
Bond premium	(2,415,782)
Landfill liability	(70,000)
Capital lease payable	(7,299,803)
Compensated absences	(5,282,710)
Claims payable	(208,000)
Net pension liability	(24,430,316)
OPEB liability	(67,792,858)
Accrued interest payable	(1,045,439)
Deferred inflows related to pensions	(7,756,729)
Deferred inflows related to OPEB	(29,745,780)

Net position of governmental activities (Exhibit A)	<u>\$ (32,857,989)</u>
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(Concluded)

The notes to financial statements are an integral part of this statement.

## Town of North Haven, Connecticut

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For The Year Ended June 30, 2018**

	General	North Haven Middle School	Police Station Renovation	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 85,795,155	\$ -	\$ -	\$ -	\$ 85,795,155
Intergovernmental	14,591,953	2,699,119	-	5,463,574	22,754,646
Charges for services	3,627,502	-	-	2,124,728	5,752,230
Investment income	-	-	-	5,651	5,651
Contributions	-	-	-	12,210	12,210
Other	514,900	14,584	-	8,183	537,667
Total revenues	<u>104,529,510</u>	<u>2,713,703</u>	<u>-</u>	<u>7,614,346</u>	<u>114,857,559</u>
Expenditures:					
Current:					
General government	7,945,372	-	-	68,385	8,013,757
Public safety	10,510,097	-	-	965,121	11,475,218
Health and welfare	974,369	-	-	318,721	1,293,090
Public works	4,572,370	-	-	-	4,572,370
Culture and recreation	568,903	-	-	358,561	927,464
Employee benefits	11,830,977	-	-	-	11,830,977
Education	62,750,555	-	-	3,921,950	66,672,505
Debt service	6,790,890	-	-	-	6,790,890
Capital outlay	524,916	8,580,850	4,483,084	5,114,229	18,703,079
Total expenditures	<u>106,468,449</u>	<u>8,580,850</u>	<u>4,483,084</u>	<u>10,746,967</u>	<u>130,279,350</u>
Excess (deficiency) of revenues over expenditures	<u>(1,938,939)</u>	<u>(5,867,147)</u>	<u>(4,483,084)</u>	<u>(3,132,621)</u>	<u>(15,421,791)</u>
Other financing sources (uses):					
Issuance of debt	-	15,000,000	-	-	15,000,000
Capital lease	-	-	-	1,209,060	1,209,060
Bond premium	-	283,596	-	-	283,596
Transfers in	284,103	-	-	-	284,103
Transfers out	-	-	-	(284,103)	(284,103)
Net other financing sources (uses)	<u>284,103</u>	<u>15,283,596</u>	<u>-</u>	<u>924,957</u>	<u>16,492,656</u>
Net change in fund balances	(1,654,836)	9,416,449	(4,483,084)	(2,207,664)	1,070,865
Fund balances - July 1, 2017 (as restated)	<u>13,905,294</u>	<u>(9,060,949)</u>	<u>(91,872)</u>	<u>7,772,283</u>	<u>12,524,756</u>
Fund Balances - June 30, 2018	<u>\$ 12,250,458</u>	<u>\$ 355,500</u>	<u>\$ (4,574,956)</u>	<u>\$ 5,564,619</u>	<u>\$ 13,595,621</u>

The notes to financial statements are an integral part of this statement.

Town of North Haven, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to Statement of Activities  
For The Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds (Exhibit D) \$ 1,070,865

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	17,876,834
Depreciation expense	<u>(4,666,470)</u>
<b>Total</b>	<b><u>13,210,364</u></b>

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

Change in property tax receivable - accrual basis change	(410,996)
Change in school building receivable	(188,336)
Change in sewer assessment - accrual basis change	338,900
Change in property tax interest and lien revenue	1,407,554
Change in property tax allowance for doubtful accounts	(308,193)
Change in net pension asset	<u>22,001</u>
<b>Total</b>	<b><u>860,930</u></b>

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 however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Issuance of bonds	(15,000,000)
Bond premium	(283,596)
Capital lease	(1,209,060)
Principal repayments:	
General obligation bonds	5,151,004
Capital lease	721,317
Bond premium	198,546
Landfill closure costs	<u>10,000</u>
<b>Total</b>	<b><u>(10,411,789)</u></b>

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

Compensated absences	179,977
Pension expense	(1,712,325)
OPEB expense	998,278
Accrued interest payable	<u>97,966</u>
<b>Total</b>	<b><u>(436,104)</u></b>

The net revenue of the activities of the internal service funds is reported with governmental activities (596,183)

Change in net position of governmental activities (Exhibit B) \$ 3,698,083

The notes to financial statements are an integral part of this statement.

Town of North Haven, Connecticut

Statement of Fund Net Position  
 Proprietary Funds  
 For the Year Ended June 30, 2018

	Business-type Activities Enterprise Fund	Governmental Activities
	Water Pollution Control Authority	Internal Service Funds
<u>Assets</u>		
Current assets:		
Cash	\$ 4,955,343	\$ 4,076,562
Usage receivable	560,406	-
Due from other funds	-	295,064
Total current assets	<u>5,515,749</u>	<u>4,371,626</u>
Capital assets (net):		
Buildings and improvements	5,508,738	-
Distribution and collection system	2,511,622	-
Machinery and equipment	161,397	-
Total capital assets (net)	<u>8,181,757</u>	<u>-</u>
Total assets	<u>13,697,506</u>	<u>4,371,626</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	16,030	56,770
Due to other funds	27,576	1,099,210
Claims payable	-	1,150,760
Total current liabilities	<u>43,606</u>	<u>2,306,740</u>
Noncurrent liabilities:		
Claims payable	-	1,082,349
Total liabilities	<u>43,606</u>	<u>3,389,089</u>
<u>Net Position</u>		
Net investment in capital assets	8,181,757	-
Unrestricted	5,472,143	982,537
Total net position	<u>\$ 13,653,900</u>	<u>\$ 982,537</u>

The notes to financial statements are an integral part of this statement.

Town of North Haven, Connecticut

Statement of Revenues, Expenses and Changes in Fund Net Position  
 Proprietary Funds  
 For the Year Ended June 30, 2018

	Business-type Activities <u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water Pollution Control Authority</u>	<u>Internal Service Funds</u>
Operating revenues:		
Charges for services	<u>\$ 3,118,845</u>	<u>\$ 13,385,206</u>
Operating expenses:		
Repairs and maintenance	116,627	-
Contracted services	2,022,858	-
Materials and supplies	7,421	-
Utilities	305,818	-
Claims incurred	-	13,091,158
Administration	-	890,231
Depreciation and amortization	<u>480,608</u>	<u>-</u>
Total operating expenses	<u>2,933,332</u>	<u>13,981,389</u>
Change in net position	185,513	(596,183)
Total net position - July 1, 2017 (as restated)	<u>13,468,387</u>	<u>1,578,720</u>
Total net position - June 30, 2018	<u><u>\$ 13,653,900</u></u>	<u><u>\$ 982,537</u></u>

The notes to financial statements are an integral part of this statement.



## Town of North Haven, Connecticut

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water Pollution Control Authority</u>	<u>Internal Service Funds</u>
Cash flows from operating activities:		
Receipts from customers	\$ 3,174,437	\$ 13,385,206
Receipts (payments) on due to/from balances	(194,269)	820,309
Payments to suppliers	(2,436,694)	-
Claims paid	-	(12,428,517)
	<u>543,474</u>	<u>1,776,998</u>
Net cash provided by (used in) operating activities	543,474	1,776,998
Cash - July 1, 2017	<u>4,411,869</u>	<u>2,299,564</u>
Cash - June 30, 2018	<u>\$ 4,955,343</u>	<u>\$ 4,076,562</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 185,513	\$ (596,183)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	480,608	-
(Increase) decrease in:		
Receivables	55,592	-
Increase (decrease) in:		
Accounts and other payables	16,030	1,552,872
Interfunds	(194,269)	820,309
Net cash provided by (used in) operating activities	<u>\$ 543,474</u>	<u>\$ 1,776,998</u>

The notes to financial statements are an integral part of this statement.

## Town of North Haven, Connecticut

Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2018

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Custodial Fund</u>
<u>Assets</u>			
Cash	\$ 1,063,465	\$ 457,684	\$ 788,005
Investments:			
Mutual funds:			
Equity	38,397,561	-	-
Bond	382,985	-	-
Money market	68,110	-	-
Certificates of deposit	1,338,650	-	-
U.S. government obligations	1,628,598	-	-
U.S. government agency securities	695,262	-	-
Common stock	10,288,236	-	-
Exchange traded funds	13,657,591	-	-
Corporate bonds	7,082,057	-	-
Municipal bonds	600,256	-	-
Real estate funds	16,862,897	-	-
Private equity funds	12,353,563	-	-
Total investments	<u>103,355,766</u>	<u>-</u>	<u>-</u>
Accounts receivable			
Contributions	532,184	-	-
Interest	91,335	-	-
Due from other funds	-	1,250	-
Total other assets	<u>623,519</u>	<u>1,250</u>	<u>-</u>
Total assets	<u>105,042,750</u>	<u>458,934</u>	<u>788,005</u>
<u>Liabilities</u>			
Accounts payable	<u>5,330</u>	<u>17,602</u>	<u>-</u>
<u>Net Position</u>			
Restricted for:			
Pensions	105,037,420	-	-
Individuals and organizations	<u>-</u>	<u>441,332</u>	<u>788,005</u>
Total net position	<u>\$ 105,037,420</u>	<u>\$ 441,332</u>	<u>\$ 788,005</u>

The notes to financial statements are an integral part of this statement.

## Town of North Haven, Connecticut

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2018**

	Pension Trust Funds	Private Purpose Trust Funds	Custodial Fund
Additions:			
Contributions:			
Employer	\$ 4,812,269	\$ -	\$ -
Plan members	86,136	-	-
Private	-	88,150	245,260
Charges for services	-	-	794,323
Total contributions	<u>4,898,405</u>	<u>88,150</u>	<u>1,039,583</u>
Investment income (loss):			
Change in fair value of investments	9,061,396	-	-
Interest and dividends	431,444	1,743	-
Total investment income (loss)	9,492,840	1,743	-
Less investment expenses	739,013	-	-
Net investment income (loss)	<u>8,753,827</u>	<u>1,743</u>	<u>-</u>
Total additions	<u>13,652,232</u>	<u>89,893</u>	<u>1,039,583</u>
Deductions:			
Benefits	6,641,060	-	-
Administration	2,442	-	-
Scholarships awarded	-	39,838	-
Activities and events	-	-	601,928
Total deductions	<u>6,643,502</u>	<u>39,838</u>	<u>601,928</u>
Change in net position	7,008,730	50,055	437,655
Net position - July 1, 2017 (as restated)	<u>98,028,690</u>	<u>391,277</u>	<u>350,350</u>
Net position - June 30, 2018	<u>\$ 105,037,420</u>	<u>\$ 441,332</u>	<u>\$ 788,005</u>

The notes to financial statements are an integral part of this statement.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**History and organization**

The Town of North Haven, Connecticut (the Town), was incorporated in 1786 under the provisions of the Home Rule Law of the State of Connecticut. It operates under a Board of Selectmen form of government and provides services as authorized by its charter including public safety (police and fire), sanitation, health and social services, recreation, education and general administrative services.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund 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 revenues 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 government 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. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, expenditure-type reimbursement grants, certain intergovernmental revenues, transfers 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 by the Town.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**B. Measurement focus, basis of accounting and financial statement presentation (Continued)**

The Town reports the following major governmental funds:

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

The *North Haven Middle School Fund* accounts for the expenditures for the construction of a new middle school.

The *Police Station Renovation Fund* accounts for the expenditures for the renovation of the police station.

The Town reports the following major proprietary fund:

The *Water Pollution Control Authority Fund* accounts for the operations of the Town's sewer and water services. The major source of revenue is user fees.

Additionally, the Town reports the following fund types:

The *Internal Service Funds* account for risk financing activities for workers' compensation and liability, automobile and pooled property insurance as allowed by GASB Statement No. 10.

The *Pension Trust Funds* account for the activity of the Town's defined benefit pension plans, which accumulates resources for pension benefit payments to qualified employees.

The *Private Purpose Trust Funds* account for resources legally held in trust for educational purposes.

The *Custodial Fund* accounts for monies held by the Town as custodian for student groups.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the Town's sewer and water operations and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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 enterprise funds and of the Town's internal service fund are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**B. Measurement focus, basis of accounting and financial statement presentation (Continued)**

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

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

For cash flow purposes, the Town's cash consists of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

**b. Investments**

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

Investments for the Town are reported at fair value. State Treasurers Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The balance of the pooled fixed income investments was invested in pool, which operates under State Statutes. The fair value of the position in the pool is the same as the value of the pool shares.

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

## Town of North Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

**C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (Continued)****1. Deposits and investments (continued)**

The investment guidelines are as follows:

Asset Class	Target Allocation			
	Employee Retirement Plan	Police Retirement Plan	Fire Retirement Plan	Volunteer Fire Retirement Plan
Domestic Equity	40.00%	65.00%	-	55.00%
International Developed Equity	20.00%	-	-	-
Fixed Income	-	-	60.00%	-
Core Fixed Income	35.00%	30.00%	35.00%	40.00%
High Yield Bonds	5.00%	-	-	-
Cash	-	5.00%	5.00%	5.00%
Total	100.00%	100.00%	100.00%	100.00%

The pension funds allow for investments in certain alternative investments. Alternative investments may include private equity fund, partnerships, hedge and absolute return funds for which there may be no readily available market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager that represents the net assets of the fund. These estimated values do not necessarily represent the amounts that will be ultimately realized upon disposition of the assets, which may be materially higher or lower than the values determined if a ready available market for the securities existed.

**c. Method used to value investments**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

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

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**b. Property taxes and other receivables**

In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 10% to 50% of outstanding receivable balances and are calculated based upon prior collections.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (Continued)****2. Receivables and payables (continued)****b. Property taxes and other receivables (continued)**

In the fund financial statements, all property taxes receivable at June 30, which have not been collected within 60 days of June 30, have been recorded as deferred inflows of resources since they are not considered to be available to finance expenditures of the current year. Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

**3. Restricted Assets**

The restricted assets for the Town are restricted for performance bonds and endowment purposes. Performance bonds are restricted until the monies are returned to the vendor after satisfactory completion of contract or the Town calls the bond for nonperformance. The trust agreement restricts the expenditure of the investment income only for the designated purpose.

**4. Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements and proprietary fund financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$1,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	20
Distribution and collection system	30-75
Machinery and equipment (including vehicles)	5-8
Infrastructure	30-50



## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (Continued)****5. Deferred outflows/inflows of resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows of resources related to pensions and OPEB for differences between expected and actual experience, changes in assumptions and net difference between projected and actual earnings of the plan investments. The deferred outflows related to the differences between expected and actual experience and the change in assumptions will be amortized over the average remaining service life of all plan members. The deferred outflow for the net difference between projected and actual earnings of the plan investments will be amortized over a five year period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance collections as a deferred inflow. The Town reports a deferred inflow related to pensions and OPEB for the differences between expected and actual experience, the changes in assumptions, and the net difference between projected and actual earnings of the plan. These deferred inflows will be amortized over the remaining service life of all plan members. The deferred inflow for the net difference between projected and actual earnings of the plan investments will be amortized over a five year period.

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

**6. Net position flow assumption**

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

**7. Compensated absences**

Employees of the Town and the Board of Education earn sick leave, which can accumulate, and vacation leave based on the provisions of negotiated contracts or other personnel policies. In no case do these sick leave rights vest with the employee. The payment of nonvesting accumulated sick pay benefits depends on the future illness of the employee and, therefore, no liability has been accrued in these financial statements for such payments.

Vacation leave vests with the employee and is accrued in the government-wide fund financial statements at current salary rates when earned.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (Continued)****8. 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, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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

**9. Fund equity and net position**

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

Nonspendable

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

Restricted

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

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (Continued)****9. Fund equity and net position (continued)**Committed

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

Assigned

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

Unassigned

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

The Town will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**10. Use of estimates**

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

**11. Reclassifications**

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

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**2. Stewardship, compliance and accountability****A. Basis of budgeting**

Only the General Fund has a legally adopted annual budget.

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

**B. Deficit fund balance**

The following fund had a deficit fund balance at year end:

Capital projects fund	\$ 541,813
Town medical self-insurance fund	286,426
Board of education medical self-insurance fund	100,145
Elected officials pension plan	5,330

The deficits will be eliminated by future transfers from the General Fund

**C. Donor-restricted endowments**

The Town has received certain endowments for the public library and the cemetery. The amounts are reflected in fund balance as restricted for permanent funds. Investment income (including appreciation) is approved for expenditure by the Library Board. At year end, the amount of appreciation included in restricted fund balance for the library and cemetery funds totaled \$12,385 and \$113,080 respectively.

**D. Capital project authorizations**

The following is a summary of certain capital projects:

	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Sackett Point Bridge	\$ 12,000,000	\$ 598,371	\$ 11,401,629
Valley Service Road	2,150,000	198,140	1,951,860
North Haven Middle School	69,814,452	37,842,247	31,972,205
Police Department renovations and communication equipment	18,000,000	4,574,956	13,425,044
Total	<u>\$ 101,964,452</u>	<u>\$ 43,213,714</u>	<u>\$ 58,750,738</u>

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## 3. Detailed notes

## A. Cash and investments

Deposits - Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year end, \$23,736,427 of the Town's bank balance of \$37,841,384 (including certificates of deposit accounts and money markets classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 17,798,945
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>5,937,482</u>
Total amount subject to custodial credit risk	<u>\$ 23,736,427</u>

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

The Town's investments (including restricted investments) consisted of the following types and maturities. Specific identification was used to determine the maturities.

Type of Investment	Fair Value	Investment Maturities (In Years)				
		N/A	Less Than 1	1-5 Years	5-10 Years	Over 10 Years
<u>Mutual funds:</u>						
Money market	\$ 68,110	\$ -	\$ 68,110	\$ -	\$ -	\$ -
Equity	38,397,561	38,397,561	-	-	-	-
Bond	382,985	-	-	206,483	176,502	-
Private equity funds	12,353,563	12,353,563	-	-	-	-
Real estate funds	16,862,897	16,862,897	-	-	-	-
Certificates of deposit	-	-	-	-	-	-
Pooled fixed income	12,866,879	-	12,866,879	-	-	-
U.S. government obligations	695,262	-	-	-	-	695,262
U.S. government agency obligations	1,628,598	-	948,531	246,094	-	433,973
Common stock	10,288,236	10,288,236	-	-	-	-
Exchange traded funds	13,657,591	13,657,591	-	-	-	-
Municipal bonds	600,256	-	200,000	400,256	-	-
Corporate bonds	7,082,057	-	563,723	4,478,425	1,744,603	295,306
Total	<u>\$121,849,415</u>	<u>\$ 91,559,848</u>	<u>\$ 21,612,663</u>	<u>\$ 5,331,258</u>	<u>\$ 1,921,105</u>	<u>\$ 1,424,541</u>

Fair value of investments

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

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

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## A. Cash and investments (Continued)

The Town had the following recurring fair value measurements:

Investments by Fair Value Level	Amount	Quoted Market	Significant
		Prices in Active Markets Level 1	Observable Inputs Level 2
<u>Mutual Funds:</u>			
Money market	\$ 68,110	\$ 68,110	\$ -
Equity	38,397,561	38,397,561	-
Bond	382,985	382,985	-
U.S. government obligations	781,989	-	781,989
U.S. government agency obligations	1,541,871	-	1,541,871
Common stock	10,288,236	10,288,236	-
Exchange traded funds	13,657,591	13,657,591	-
Municipal bonds	600,256	-	600,256
Corporate bonds	7,082,057	-	7,082,057
Total Investments by Fair Value Level	<u>\$ 72,800,656</u>	<u>\$ 62,794,483</u>	<u>\$ 10,006,173</u>
Investments Measured at the Net Asset Value (NAV)			
Private equity funds	12,353,563		
Real estate funds	<u>16,862,897</u>		
Total Investments Measured at Net Asset Value (NAV)	<u>29,216,460</u>		
<u>Other Investments</u>			
Pooled fixed income	12,866,879		
Bank money market accounts	<u>6,965,420</u>		
Total Other Investments	<u>19,832,299</u>		
Total Investments	<u>\$ 121,849,415</u>		

Investments measured at NAV

Investment Description	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Real estate funds	1 \$ 16,862,897	\$ -	Quarterly	90 days
Private equity limited partnership investments	2 <u>12,353,563</u>	<u>8,224,000</u>	Not permitted	Not permitted
Total Investments Measured at the NAV	<u>\$ 29,216,460</u>	<u>\$ 8,224,000</u>		

## Town of North Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018**

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

1. *Real estate funds.* This type includes 2 real estate funds that invest primarily in U.S. commercial real estate. Both funds permit redemptions quarterly with 90 days notice. Currently, there is no estimate of when underlying investments will be liquidated. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Town's ownership interest in partners' capital.
2. *Private equity limited partnership investments.* This type includes 4 private equity funds that invest primarily in private equity limited partnerships. These investments can never be redeemed but instead, the nature of the investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. Currently, there is no estimate of when underlying investments will be liquidated. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.

Interest rate risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

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

Average Rating	Money Market Mutual Funds	Bond Mutual Funds	Pooled Fixed Income	U.S. Government Obligations	U.S. Government Agency Obligations	Municipal Bonds	Corporate Bonds
AAA	\$ 36,136	\$ -	\$ 12,866,879	\$ -	\$ 1,541,871	\$ 400,256	\$ 494,839
AA	-	206,483	-	-	-	200,000	919,470
A	-	176,502	-	-	-	-	555,824
B	-	-	-	-	-	-	64,188
BB	-	-	-	-	-	-	498,388
BBB	-	-	-	-	-	-	4,297,784
Unrated	-	-	-	781,989	-	-	245,828
Total	<u>\$ 36,136</u>	<u>\$ 382,985</u>	<u>\$ 12,866,879</u>	<u>\$ 781,989</u>	<u>\$ 1,541,871</u>	<u>\$ 600,256</u>	<u>\$ 7,076,321</u>

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

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**A. Cash and investments (Continued)**

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

Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

The following Town investments are held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk.

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
U.S. government obligations	\$ 781,989	\$ -	\$ 781,989
U.S. government agency obligations	1,541,871	-	1,541,871
Common stock	10,288,236	500,000	9,788,236
Municipal bonds	600,256	-	600,256
Corporate bonds	7,076,321	500,000	6,576,321
Total	<u>\$ 20,288,673</u>	<u>\$ 1,000,000</u>	<u>\$ 19,288,673</u>

**B. Receivables**

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

Governmental Activities:

	Property Taxes		
	Taxes	Interest & Lien Fees	Total
Current portion	<u>\$ 739,763</u>	<u>\$ 506,566</u>	<u>\$ 1,246,327</u>
Long-term portion	\$ 2,105,479	\$ 900,988	\$ 3,006,469
Less allowance for uncollectible	<u>(1,009,286)</u>	<u>(705,000)</u>	<u>(1,714,286)</u>
Net long-term portion	<u>\$ 1,096,193</u>	<u>\$ 195,988</u>	<u>\$ 1,292,183</u>
Total receivable	<u>\$ 2,845,242</u>	<u>\$ 1,407,554</u>	<u>\$ 4,252,796</u>



## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**B. Receivables (Continued)**Business-Type Activities:

	WPCA Use Charges		
	Sewer Use Charges	Interest & Lien Fees	Total
Receivable amount	\$ 578,565	\$ 44,109	\$ 622,674
Less allowance for uncollectibles	(57,856)	(4,411)	(62,267)
Net receivable	<u>\$ 520,708</u>	<u>\$ 39,698</u>	<u>\$ 560,406</u>

**C. Capital assets**

Capital asset activity for the year was as follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 3,137,527	\$ -	\$ -	\$ 3,137,527
Construction in progress	56,941,711	8,580,850	-	65,522,561
Total capital assets, not being depreciated	<u>60,079,238</u>	<u>8,580,850</u>	<u>-</u>	<u>68,660,088</u>
Capital assets, being depreciated:				
Land improvements	6,304,122	158,364	-	6,462,486
Buildings and improvements	131,558,988	4,987,524	-	136,546,512
Machinery and equipment	17,029,364	1,941,203	-	18,970,567
Infrastructure	27,553,676	2,208,893	-	29,762,569
Total capital assets, being depreciated	<u>182,446,150</u>	<u>9,295,984</u>	<u>-</u>	<u>191,742,134</u>
Total capital assets	<u>242,525,388</u>	<u>17,876,834</u>	<u>-</u>	<u>260,402,222</u>
Less accumulated depreciation:				
Land improvements	1,821,282	280,677	-	2,101,959
Buildings and improvements	42,824,396	2,838,787	-	45,663,183
Machinery and equipment	12,576,020	1,219,834	-	13,795,854
Infrastructure	24,505,456	327,172	-	24,832,628
Total accumulated depreciation	<u>81,727,154</u>	<u>4,666,470</u>	<u>-</u>	<u>86,393,624</u>
Total capital assets, being depreciated, net	<u>100,718,996</u>	<u>4,629,514</u>	<u>-</u>	<u>105,348,510</u>
Capital assets, net	<u>\$ 160,798,234</u>	<u>\$ 13,210,364</u>	<u>\$ -</u>	<u>\$ 174,008,598</u>

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## C. Capital assets (Continued)

Business-Type Activities:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets, being depreciated:				
Buildings and improvements	\$ 13,625,645	\$ -	\$ -	\$ 13,625,645
Machinery and equipment	4,690,221	-	-	4,690,221
Distribution and collection system	22,436,544	-	-	22,436,544
Total capital assets, being depreciated	40,752,410	-	-	40,752,410
Total capital assets	40,752,410	-	-	40,752,410
Less accumulated depreciation for:				
Buildings and improvements	7,808,851	308,056	-	8,116,907
Machinery and equipment	4,516,375	12,449	-	4,528,824
Distribution and collection system	19,764,819	160,103	-	19,924,922
Total accumulated depreciation	32,090,045	480,608	-	32,570,653
Total capital assets, being depreciated, net	8,662,365	(480,608)	-	8,181,757
Capital assets, net	\$ 8,662,365	\$ (480,608)	\$ -	\$ 8,181,757

## Governmental activities:

General government	\$ 424,606
Public safety	583,758
Public works	985,442
Health and welfare	18,362
Culture and recreation	190,387
Education	2,463,915

Total depreciation expense - governmental activities \$ 4,666,470

## Business-type activities:

Water Pollution Control Authority	<u>\$ 480,608</u>
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**Construction Commitments**

The Town had the following construction commitments:

North Haven Middle School	\$ 686,788
Police Station Renovations	<u>10,579,918</u>
Total	<u>\$ 11,266,706</u>

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## D. Interfund accounts

## 1. Interfund payables and receivables

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
<b>Major Funds</b>			
<b>General Fund:</b>			
Water Pollution Control Authority	N/A	\$ 27,576	\$ -
North Haven Middle School	N/A	2,298	-
General Government	N/A	-	21,779
Public Safety	N/A	-	646,968
Health and Welfare	N/A	-	313,057
Cultural and Recreation	N/A	-	272,890
Education Grants	N/A	-	837,622
Capital Projects	N/A	779,347	-
Capital Nonrecurring	N/A	-	2,233,576
Private Purpose Trust Funds	N/A	-	1,250
Library	N/A	3,538	-
Cemetery	N/A	36,136	-
Internal Service Funds - Town	N/A	1,099,210	-
Internal Service Funds - Board of Education	N/A	-	295,064
State/Federal Grants	N/A	-	30,285
Police Station Renovation	N/A	-	10,425,044
		<u>1,948,105</u>	<u>15,077,535</u>
Total General Fund			
North Haven Middle School	General Fund	<u>-</u>	<u>2,298</u>
Police Station Renovation	General Fund	<u>10,425,044</u>	<u>-</u>

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## D. Interfund accounts (Continued)

## 1. Interfund payables and receivables (Continued)

	Corresponding Fund	Due From	Due To
Other Governmental Funds			
Special Revenue Funds:			
General Government	General Fund	\$ 21,779	\$ -
Public Safety	General Fund	646,968	-
Health and Welfare	General Fund	313,057	-
Cultural and Recreation	General Fund	272,890	-
Education Grants	General Fund	837,622	-
State/Federal Grants	General Fund	30,285	-
Capital Projects Funds:			
Capital Projects	General Fund	-	779,347
Capital Nonrecurring	General Fund	2,233,576	-
Permanent Funds:			
Library	General Fund	-	3,538
Cemetery	General Fund	-	36,136
Total Other Governmental Funds		<u>4,356,177</u>	<u>819,021</u>
Business-type Funds:			
Water Pollution Control Authority	General Fund	-	<u>27,576</u>
Internal Service Funds:			
Town	General Fund	-	1,099,210
Board of Education	General Fund	<u>295,064</u>	<u>-</u>
Total Internal Service Funds		<u>295,064</u>	<u>1,099,210</u>
Fiduciary Funds:			
Private Purpose Trust Funds	General Fund	<u>1,250</u>	<u>-</u>
Grand Total		<u>\$ 17,025,640</u>	<u>\$ 17,025,640</u>

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## D. Interfund accounts (Continued)

## 2. Interfund transfers

A summary of interfund transfers is as follows:

	Corresponding Fund	Transfers In	Transfers Out
<b>Major Funds</b>			
General Fund:			
Capital Projects	N/A	\$ 272,467	\$ -
Capital Nonrecurring	N/A	11,636	-
Total General Fund		284,103	-
<b>Other Governmental Funds</b>			
Capital Projects Funds:			
Capital Projects	General Fund	-	272,467
Capital Nonrecurring	General Fund	-	11,636
Total Other Governmental Funds		-	284,103
Grand Total		\$ 284,103	\$ 284,103

Transfers are used to account for the financing by the general fund of various program and activities in other funds.

## E. Short-term obligations - bond anticipation notes

The Town uses bond anticipation notes during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

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

Type of Obligation	Maturity Date	Coupon Interest Rates	Balance July 1, 2017	Additions	Reductions	Permanently Financed	Balance June 30, 2018
Police Department Renovations	11/8/2018	2.250%	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ -	\$ 15,000,000
North Haven Middle School	11/8/2018	2.250%	-	7,500,000	-	7,500,000	-
Total			\$ 15,000,000	\$ 22,500,000	\$ 15,000,000	\$ 7,500,000	\$ 15,000,000

In November 2018, the Town issued \$7,500,000 of general obligation bonds which permanently financed the bond anticipation notes for North Haven Middle School outstanding at fiscal year end. They also rolled the \$15,000,000 bond anticipation note for the Police Department Renovations Fund and added \$5,500,000 for various capital projects. The bonds mature through 2029 and carry interest rates of 2.25% – 5.00%. The bond anticipation notes mature in December 2019 and carry an interest rate of 3.00%.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## F. Changes in long-term obligations

## 1. Summary of changes

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

Governmental Activities:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Current Portion	Long-Term Portion
<u>General Obligation Bonds:</u>										
<u>General Purpose:</u>										
Refunding issue	\$ 1,914,225	03/15/05	03/15/18	3.00%-5.0%	\$ 138,647	\$ -	\$ 138,647	\$ -	\$ -	\$ -
Debt issue	935,000	04/26/06	07/15/25	3.875%-5.0%	515,012	-	50,000	465,012	50,000	415,012
Refunding issue	3,510,000	04/29/10	10/15/21	1.00%-4.0%	788,221	-	411,000	377,221	100,000	277,221
Debt issue	6,460,000	12/11/12	08/01/27	2.0%-3.0%	4,885,000	-	425,000	4,460,000	425,000	4,035,000
Debt issue	9,185,000	06/14/14	06/01/29	2.0%-2.625%	8,685,000	-	700,000	7,985,000	700,000	7,285,000
Debt issue	3,000,000	10/24/16	11/01/36	2.0%-4.0%	3,000,000	-	-	3,000,000	-	3,000,000
Debt issue	7,500,000	10/31/17	11/01/37	3.00%-5.0%	-	7,500,000	-	7,500,000	-	7,500,000
<b>Total General Purpose</b>	<b>32,504,225</b>				<b>18,011,880</b>	<b>7,500,000</b>	<b>1,724,647</b>	<b>23,787,233</b>	<b>1,275,000</b>	<b>22,512,233</b>
<u>Schools:</u>										
Refunding issue	10,970,775	03/15/05	03/15/18	3.00%-5.0%	796,353	-	796,353	-	-	-
Debt issue	22,445,000	04/26/06	07/15/25	3.875%-5.0%	12,604,988	-	1,370,000	11,234,988	1,390,000	9,844,988
Debt issue	21,850,000	01/23/07	07/15/25	3.875%-4.75%	11,500,000	-	1,150,000	10,350,000	1,150,000	9,200,000
Refunding issue	1,950,000	04/29/10	10/15/21	1.00%-4.0%	1,366,779	-	64,000	1,302,779	370,000	932,779
Debt issue	25,000,000	10/06/15	10/01/35	2.25%-5.0%	25,000,000	-	-	25,000,000	1,000,000	24,000,000
Debt issue	7,000,000	10/24/16	11/01/36	2.0%-4.0%	7,000,000	-	-	7,000,000	-	7,000,000
<b>Total Schools</b>	<b>89,215,775</b>				<b>58,268,120</b>	<b>-</b>	<b>3,380,353</b>	<b>54,887,767</b>	<b>3,910,000</b>	<b>50,977,767</b>
<b>Total General Obligation Bonds</b>					<b>76,280,000</b>	<b>7,500,000</b>	<b>5,105,000</b>	<b>78,675,000</b>	<b>5,185,000</b>	<b>73,490,000</b>
<u>Notes:</u>										
Bond Anticipation Notes					-	7,500,000	-	7,500,000	-	7,500,000
<u>Sewer:</u>										
CWF 489C	889,772	04/20/06	03/31/26	2.00%	440,010	-	46,004	394,006	47,172	346,834
<b>Total Bonds/Notes</b>					<b>76,720,010</b>	<b>15,000,000</b>	<b>5,151,004</b>	<b>86,569,006</b>	<b>5,232,172</b>	<b>81,336,834</b>
Bond Premium					2,330,732	283,596	198,546	2,415,782	-	2,415,782
<b>Total Bonds/Notes and related liabilities</b>					<b>79,050,742</b>	<b>15,283,596</b>	<b>5,349,550</b>	<b>88,984,788</b>	<b>5,232,172</b>	<b>83,752,616</b>
Capital Leases Payable					6,812,060	1,209,060	721,317	7,299,803	513,837	6,785,966
Compensated Absences					5,462,687	241,429	421,406	5,282,710	1,056,542	4,226,168
Landfill Liability					80,000	-	10,000	70,000	10,000	60,000
Claims Payable					208,000	-	-	208,000	-	208,000
Risk Management Claims					649,413	13,091,158	11,507,462	2,233,109	1,150,760	1,082,349
Net Pension Liability					31,472,881	11,055,542	18,098,107	24,430,316	-	24,430,316
OPEB Liability					90,230,101	13,743,707	36,180,950	67,792,858	-	67,792,858
<b>Total Long-Term Obligations</b>					<b>\$ 213,965,884</b>	<b>\$ 54,624,492</b>	<b>\$ 72,288,792</b>	<b>\$ 196,301,584</b>	<b>\$ 7,953,311</b>	<b>\$ 188,348,273</b>

All long-term liabilities are generally liquidated by the General Fund.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## F. Changes in long-term obligations (Continued)

## 1. Summary of changes (continued)

The following is a summary of amounts to be provided for the retirement of bond and note maturities:

Year Ended June 30:	Note Principal	Bond Principal	Total Interest
2019	\$ 47,172	\$ 5,185,000	\$ 2,408,435
2020	49,096	5,640,000	2,309,028
2021	50,087	5,955,000	2,088,949
2022	51,098	6,050,000	1,849,688
2023	52,129	6,020,000	1,619,707
2024	53,181	6,050,000	1,411,391
2025	50,654	6,235,000	1,211,779
2026	40,589	6,215,000	1,012,752
2027	-	4,975,000	847,064
2028	-	3,825,000	740,626
2029	-	3,375,000	663,376
2030	-	2,625,000	566,813
2031	-	2,625,000	486,376
2032	-	2,625,000	401,876
2033	-	2,625,000	320,438
2034	-	2,450,000	238,688
2035	-	2,450,000	159,563
2036	-	2,400,000	80,250
2037	-	900,000	27,000
2038	-	450,000	6,750
	<u>\$394,006</u>	<u>\$ 78,675,000</u>	<u>\$ 18,450,548</u>

## 2. Capital leases

The Town is committed under capital leases for several vehicles, equipment and software. These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Machinery and equipment totaling \$2,848,300 less \$1,333,139 of accumulated depreciation, are recorded under capital leases. This year, \$323,333 was included in depreciation expense.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**F. Changes in long-term obligations (Continued)****2. Capital leases (continued)**

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

Year Ending June 30,	
2019	\$ 694,095
2020	597,845
2021	587,787
2022	599,095
2023	610,741
Thereafter	5,895,918
Less amount representing interest	<u>(1,685,678)</u>
	<u>\$ 7,299,803</u>

**3. Municipal Solid Waste Landfill Closure and Post-closure Care Costs**

State and Federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill site for 30 years. Estimated total current costs of landfill post-closure care is \$70,000 which is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfill. However, the actual cost of monitoring and other post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

**4. Claims and Judgments**

The Town, its officers and employees, are defendants in numerous lawsuits. Based upon consultation with legal counsel, the Town's management estimates that potential claims against the Town resulting from such litigation would not materially affect the financial position of the Town. The Town has recorded \$208,000 in the government-wide financial statements to cover probable claims.



## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## F. Changes in long-term obligations (Continued)

## 5. Statutory debt limitations

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 190,451,565	\$ 38,787,233	\$ 151,664,332
Schools	380,903,130	62,387,767	318,515,363
Sewer	317,419,275	394,006	317,025,269
Urban renewal	275,096,705	-	275,096,705
Pension deficit	253,935,420	-	253,935,420

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$592,515,980.

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

## 6. Authorized/unissued debt

The amount of authorized and unissued bonds are as follows:

Project	Authorized Unissued Debt
New High School Construction	\$ 3,564,762
Town Hall Annex/Police	3,000,000
Sackett Point Bridge	12,000,000
Todd Drive Drainage	600,000
Valley Service Road	2,150,000
Public Works Garage	10,000
Spring Road Bridge	45,000
North Haven Middle School	11,297,763
Police Dept Renovations & Communication Equipment	18,000,000
Total	\$ 50,667,525

## 7. Prior Year Advance Refunding

In prior years, the Town defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability of the defeased bonds are not included in the Town's financial statements. At fiscal year end, \$1,725,000 of bonds outstanding are considered defeased.

## G. Restricted net position

The amount of restricted net position, which was restricted by enabling legislation, totaled \$41,297.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## H. Fund balance classifications

Fund balances are classified as follows:

<u>Fund Balance Component</u>	<u>General Fund</u>	<u>North Haven Middle School</u>	<u>Police Station Renovation</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b><u>Nonspendable:</u></b>					
Permanent funds	\$ -	\$ -	\$ -	\$ 201,722	\$ 201,722
<b><u>Restricted:</u></b>					
General government:	-	-	-	21,779	21,779
Public safety	-	-	-	254,997	254,997
Health and welfare	-	-	-	396,064	396,064
Culture and recreation	-	-	-	37,411	37,411
State and federal grants	-	-	-	25,315	25,315
Education	-	-	-	593,520	593,520
Capital projects	-	-	-	140,024	140,024
Capital nonrecurring	-	-	-	2,815,245	2,815,245
Permanent funds	-	-	-	125,465	125,465
Total restricted	-	-	-	4,409,820	4,409,820
<b><u>Committed:</u></b>					
General	-	-	-	-	-
Public safety	-	-	-	435,264	435,264
Education programs	-	355,500	-	-	355,500
Capital projects	-	-	-	382,038	382,038
Capital nonrecurring	-	-	-	1,832,388	1,832,388
Total committed	-	355,500	-	2,649,690	3,005,190
<b><u>Assigned:</u></b>					
Economic development	10,000	-	-	-	10,000
Debt retirement	3,531,940	-	-	-	3,531,940
Subsequent year budget	400,000	-	-	-	400,000
Education - other programs	256,588	-	-	-	256,588
Public safety	-	-	-	11,116	11,116
Culture and recreation	-	-	-	153,377	153,377
Total assigned	4,198,528	-	-	164,493	4,363,021
<b><u>Unassigned</u></b>	<b>8,051,930</b>	<b>-</b>	<b>(4,574,956)</b>	<b>(1,861,106)</b>	<b>1,615,868</b>
Total	\$ 12,250,458	\$ 355,500	\$ (4,574,956)	\$ 5,564,619	\$ 13,595,621

## 4. Other information

## A. Risk management

The Town utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

All Town departments and agencies are charged premiums by the Internal Service Fund, which are included in department and agency expenditures, to cover the estimated cost of claims payment based on historical cost estimates of the amounts needed to pay prior and current year claims.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## A. Risk management (continued)

Claims liabilities include an estimate of claims incurred but not reported and are the Town's best estimate based on available information.

The claims liability reported in the fund is based upon accounting principles, which require that a liability for estimated claims incurred but not reported be recorded. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

The amount of settlements did not exceed insurance coverage in the past three years.

Changes in the balances of claim liabilities during the past two years is as follows:

	Claims Payable July 1	Current year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
<b><u>Medical Insurance</u></b>				
<u>Town Dental</u>				
2016-2017	\$ 12,462	\$ 249,059	\$ 249,332	\$ 12,189
2017-2018	12,189	190,412	190,143	12,458
<u>Town Medical</u>				
2016-2017	-	-	-	-
2017-2018	-	5,399,424	5,090,971	308,453
<u>Town Prescription</u>				
2016-2017	19,679	487,045	492,206	14,518
2017-2018	14,518	250,682	251,941	13,259
<u>BOE Dental</u>				
2016-2017	16,620	316,081	317,869	14,832
2017-2018	14,832	213,311	212,703	15,440
<u>BOE Medical</u>				
2016-2017	-	-	-	-
2017-2018	-	5,906,774	5,403,386	503,388
<u>BOE Prescription</u>				
2016-2017	44,827	369,841	402,570	12,098
2017-2018	12,098	30,485	40,652	1,931
<b><u>Workers Compensation</u></b>				
<u>Town</u>				
2016-2017	443,105	203,981	240,001	407,085
2017-2018	407,085	875,787	256,396	1,026,476
<u>Board of Education</u>				
2016-2017	338,595	(98,470)	51,434	188,691
2017-2018	188,691	224,283	61,270	351,704
<b><u>Total Risk Management Activities</u></b>				
2016-2017	\$ 875,288	\$ 1,527,537	\$ 1,753,412	\$ 649,413
2017-2018	\$ 649,413	\$ 13,091,158	\$ 11,507,462	\$ 2,233,109

## Town of North Haven, Connecticut

**Notes to Financial Statements  
For the Year Ended June 30, 2018****B. Commitments and litigation**

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

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

**C. Tax abatements**

An economic development tax incentive program, Article IX of Chapter 184 of the Ordinances of the Town, was enacted pursuant to Section 12-65b of the Connecticut General Statutes on October 14, 2014. This program is intended to attract new businesses to the Town and encourage the expansion of existing businesses to strengthen the Town's tax base.

The program is available to manufacturing, storage, warehousing, distribution, office, information technology, and recreational facilities and transient residential businesses limited to hotels, with or without an interior or attached restaurant. The program does not apply to residential developments, retail businesses, or restaurants. Personal property is also not included in the program.

The economic development tax incentive amount is based upon the total cost of improvements to real property. The form of the adjustment or reduction in the assessed value of that portion of the real property is comprised of the qualifying new construction or expansion. Improvements of \$500,000 to \$3,000,000 will qualify for a 3 year phase-in, improvements of \$3,000,001 to \$10,000,000 will qualify for a 5 year phase-in and improvements valued at greater than \$10,000,001 will qualify for a 7 year phase-in.

The amount of the tax abatement under these programs was approximately \$166,589.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## D. Pension Plans

## 1. Plan description

Plan Administration

The Town administers five single-employer defined benefit pension plans:

- Employee Retirement Plan
- Police Retirement Plan
- Fire Retirement Plan
- Volunteer Fire Retirement Plan
- Elected Officials Retirement Plan

All five single-employer defined benefit pension plans provide pensions for all permanent full-time employees. The pension plans grant the authority to establish and amend the benefit terms to the Retirement Board. The plans do not issue separate, stand-alone financial reports. Management of each plan is vested in a Retirement Board.

## 2. Participant data

As of July 1, 2016 for the police and fire retirement plans and July 1, 2017 for the employee, volunteer and elected officials' retirement plans, membership in the plans is comprised of the following:

	Employee Retirement Plan	Police Retirement Plan	Fire Retirement Plan	Volunteer Fire Retirement Plan	Elected Officials Retirement Plan
Retirees and beneficiaries receiving benefits	214	54	27	20	3
Terminated employees entitled to benefits	17	2	-	11	-
Active members	136	35	30	50	2
Total	367	91	57	81	5

Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

D. Pension Plans (Continued)

3. Benefit provisions

	Employee Retirement Plan	Police Retirement Plan	Fire Retirement Plan	Volunteer Fire Retirement Plan	Elected Officials Retirement Plan
Normal retirement	Age 55-65 with 5 or 25 years of service	25 years of service but no later than age 65	25 years of service but no later than age 65	20 years of service	Age 65 with 8 years of service
Benefit calculation	2.5% of final average compensation per year of service to a maximum of 80%	2.5% of average annual pay per year of service to a maximum of 75%	2.5% of average annual pay per year of service to a maximum of 75%	\$200 per month plus \$4 per month for each year of service in excess of 20 years plus the Supplemental Office Benefit up to a maximum of \$300 per month	5% of final average compensation per year of service to a maximum of 50%
Final average compensation	Average of basic annual rate of pay earned during the 3 highest years out of the last 5 years	Average of compensation for basic pay for 3 highest years out of last 5	Average of compensation for basic pay for 3 highest years out of last 5		Average of basic salary earned during the 5 highest years of employment
Early retirement age	55				Age 62
Early retirement service requirement	10 years				8 years
Early retirement amount	Normal pension accrued reduced by 6% for each year of age less than normal retirement age				Normal pension accrued, reduced by 10%-20% if official is age 62-64
Service connected disability amount	25% of basic annual compensation if less than 15 years of service and 50% of annual compensation	Normal pension based on service accrued and final average compensation at disability, payable immediately	Normal pension based on service accrued and average annual pay at disability with a minimum benefit of 50% of average annual pay		
Non-service connected disability service amount	Normal pension based on service accrued and final average compensation at disability, payable immediately	Normal pension based on service accrued and average annual pay at disability with a minimum benefit of 50% of average annual pay	Normal pension based on service accrued and average annual pay at disability with a minimum benefit of 50% of average annual pay	Additional monthly amount for each year of service in excess of 20 years depending on officer grade level	
Non-service connected disability service requirement	15 years	10 years	10 years	10 years	
Vesting - Age	None	None	None	None	
Vesting - Service	10 years	10 years	10 years	20 years	
Vesting - Amount	Normal pension accrued payable at normal retirement date. Employees who terminate employment with less than 10 years receive a refund of their own contributions with interest	Normal pension accrued, payable when the employee would have completed 25 years of service had the participant not terminated employment, but not later than age 65	Normal pension accrued, payable when the employee would have completed 25 years of service had the participant not terminated employment, but not later than age 65	Normal pension accrued, payable at normal retirement date	

Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

D. Pension Plans (Continued)

3. Benefit provisions (continued)

	Employee Retirement Plan	Police Retirement Plan	Fire Retirement Plan	Volunteer Fire Retirement Plan	Elected Officials Retirement Plan
Pre-retirement death benefit amount	50% of final pay, payable as a life annuity to spouse until remarriage or to dependent child until attaining age 18 or 23, if in school	50% of final pay, payable as a life annuity to spouse until remarriage or to dependent child until attaining age 18 or 23, if in school	50% of final pay, payable as a life annuity to spouse until remarriage or to dependent child until attaining age 18 or 23, if in school		
Post-retirement death benefit amount				50% of benefit pensioner was receiving payable to surviving spouse until death or remarriage or to children until age 18	
Cost of living increases	On January 1 of each year, the benefits for retirees are adjusted in accordance with percentage changes in Social Security retirement benefits.	On July 1 of each year following a pensioner's 62nd birthday, a 3% compounding cost-of-living increase will be granted. For disability pensioners, the cost-of-living increase is also deferred to age 62.	On July 1 of each year following a pensioner's 62nd birthday, a 3% compounding cost-of-living increase will be granted. For disability pensioners, the cost-of-living increase is also deferred to age 62.		On January 1 of each year, benefits for retirees shall be adjusted in accordance with the percentage change in Social Security retirement benefits

4. Contributions required

	Employee Retirement Plan	Police Retirement Plan	Fire Retirement Plan	Volunteer Fire Retirement Plan	Elected Officials Retirement Plan
Board of Education employees	3% - 4%	None required	None required	None required	None required
Town employees	None required	None required	None required	None required	None required

5. Investments

*Investment Policy:* The pension plans' 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 Town's 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 following was the Board's adopted asset allocation policy for both the Employees' and Police and Fire Employees' Retirement Plans:

Asset Class	Target Allocation			
	Employee Retirement Plan	Police Retirement Plan	Fire Retirement Plan	Volunteer Fire Retirement Plan
Domestic Equity	40.00%	65.00%	-	55.00%
International Developed Equity	20.00%	-	-	-
Fixed Income	-	-	60.00%	-
Core Fixed Income	35.00%	30.00%	35.00%	40.00%
High Yield Bonds	5.00%	-	-	-
Cash	-	5.00%	5.00%	5.00%
Total	100.00%	100.00%	100.00%	100.00%

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## D. Pension Plans (Continued)

## 6. Concentrations

There were no investments in any one organization that represents 5% or more of the pension plans' net position.

## 7. Long-term rate of return

The long-term expected rate of return on the pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the pension plan's target asset allocation (see discussion of the pension plan's investment policy) are also summarized above.

Asset Class	Long-Term Expected Real Rate of Return			
	Employee Retirement Plan	Police Retirement Plan	Fire Retirement Plan	Volunteer Fire Retirement Plan
Domestic Equity	6.40%	6.40%	-	6.40%
International Developed Equity	7.40%	-	-	-
Fixed Income	-	-	6.40%	-
Core Fixed Income	1.75%	1.75%	1.75%	1.75%
High Yield Bonds	4.30%	-	-	-
Cash	-	1.10%	1.10%	1.10%
Inflation rate	2.00%	2.00%	2.00%	2.00%

*Rate of return:* The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

	Employee Retirement Plan	Police Retirement Plan	Fire Retirement Plan	Volunteer Fire Retirement Plan	Elected Officials Retirement Plan
Rate of Return	9.14%	9.08%	8.26%	6.74%	N/A

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## 8. Net Pension Liability

The components of the net pension liability were as follows:

	Employee Retirement Plan	Police Retirement Plan	Fire Retirement Plan	Volunteer Fire Retirement Plan	Elected Officials Retirement Plan
Total pension liability	\$ 68,542,610	\$ 35,840,433	\$ 21,873,086	\$ 902,651	\$ 2,207,550
Plan fiduciary net position	(59,010,689)	(27,583,397)	(17,444,607)	(1,004,057)	5,330
Net pension liability (asset)	<u>\$ 9,531,921</u>	<u>\$ 8,257,036</u>	<u>\$ 4,428,479</u>	<u>\$ (101,406)</u>	<u>\$ 2,212,880</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>86.09%</u>	<u>76.96%</u>	<u>79.75%</u>	<u>111.23%</u>	<u>-0.24%</u>



## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## D. Pension Plans (Continued)

## 9. Actuarial assumptions

	Employee Retirement Plan	Police Retirement Plan	Fire Retirement Plan	Volunteer Fire Retirement Plan	Elected Officials Retirement Plan
Valuation date	July, 1 2017	July, 1 2016	July, 1 2016	July, 1 2017	July, 1 2017
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Closed, level payments	3.00% annual increases, closed	3.00% annual increases, closed	Level, annual payment	Increasing 3.00% each year
Asset valuation method	Fair value	Fair value	Fair value	Fair value	N/A
Investment rate of return	7.00%, net of pension plan investment expense, including inflation	7.00%, net of pension plan investment expense, including inflation	7.00%, net of pension plan investment expense, including inflation	6.75%, net of pension plan investment expense, including inflation	3.87%, net of pension plan investment expense, including inflation
Inflation	2.00%	2.00%	2.00%	2.00%	2.00%
Salary increases	3.0% to 6.7%	4.00%	3.50%	N/A	3.00% each year
Discount rate	7.00%	7.00%	7.00%	6.75%	3.87%
Cost of living adjustments	2.25%	3.00% starting at age 62	3.00% starting at age 62	3.00% starting at age 62	2.25%
Mortality rates	RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2017	RP-2014 (adjusted back to 2006) Blue Collar Employee & Healthy Annuitant Tables projected generationally with Scale MP-2017	RP-2014 (adjusted back to 2006) Blue Collar Employee & Healthy Annuitant Tables projected generationally with Scale MP-2017	RP-2014 Blue Collar (adjusted back to 2006), projected generationally with Scale MP-2017	RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2016

## A. Benefit Changes

Police Retirement Plan - Active employees hired after September 6, 2012 were valued (disability only).

Fire Retirement Plan - Active employees hired after October 30, 2012 were valued (disability only).

## B. Changes in Assumptions

Mortality was updated to RP-2014 (adjusted back to 2006) Blue Collar Employee and Healthy Annuitant Tables, Projected generationally with Scale MP-2017 from MP-2015 for the Police and Fire Retirement Plans, respectively.

Retirement rates were updated to reflect past experience and future expectation for the Police and Fire Retirement Plans.

100% of disabilities are assumed to be service connected for the Police Retirement Plan.

The discount rate increased from 3.58% to 3.87% for the Elected Officials Retirement Plan.

There were no changes in assumptions for the Employee and Volunteer Fire Retirement Plans.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## D. Pension Plans (Continued)

## 10. Discount Rate

The discount rate used to measure the total pension liability was as follows:

	Employee Retirement Plan	Police Retirement Plan	Fire Retirement Plan	Volunteer Fire Retirement Plan	Elected Officials Retirement Plan
Discount Rate	7.00%	7.00%	7.00%	6.75%	3.87%

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

## 11. Changes in the Net Pension Liability

The Town's net pension liability was measured at June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 for the Employee, Volunteer Fire and Elected Officials Retirement plans and July 1, 2016 for the Police and Fire Retirement plans, respectively. The changes in net pension liability for each plan for the fiscal year were as follows:

Employee Retirement Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2017	\$ 66,767,969	\$ 55,736,043	\$ 11,031,926
Service cost	942,978	-	942,978
Interest	4,607,608	-	4,607,608
Contributions - employer	-	2,089,673	(2,089,673)
Contributions - member	-	86,136	(86,136)
Net investment income (loss)	-	4,874,782	(4,874,782)
Benefit payments, including refunds of member contributions	(3,775,945)	(3,775,945)	-
Net change	1,774,641	3,274,646	(1,500,005)
Balance at June 30, 2018	\$ 68,542,610	\$ 59,010,689	\$ 9,531,921

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## D. Pension Plan (Continued)

## 11. Changes in the Net Pension Liability (continued)

Police Retirement Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2017	\$ 36,577,961	\$ 25,301,844	\$ 11,276,117
Service cost	568,487	-	568,487
Interest	2,540,426	-	2,540,426
Change of benefit terms	22,402	-	22,402
Differences between expected and actual experience	37,709	-	37,709
Changes in assumptions	(2,197,269)	-	(2,197,269)
Contributions - employer	-	1,566,982	(1,566,982)
Net investment income (loss)	-	2,423,854	(2,423,854)
Benefit payments, including refunds of member contributions	(1,709,283)	(1,709,283)	-
Net change	(737,528)	2,281,553	(3,019,081)
Balance at June 30, 2018	\$ 35,840,433	\$ 27,583,397	\$ 8,257,036

Fire Retirement Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2017	\$ 23,078,950	\$ 16,029,787	\$ 7,049,163
Service cost	420,459	-	420,459
Interest	1,610,604	-	1,610,604
Change of benefit terms	7,685	-	7,685
Differences between expected and actual experience	(441,692)	-	(441,692)
Changes in assumptions	(1,821,368)	-	(1,821,368)
Contributions - employer	-	1,005,527	(1,005,527)
Net investment income (loss)	-	1,390,845	(1,390,845)
Benefit payments, including refunds of member contributions	(981,552)	(981,552)	-
Net change	(1,205,864)	1,414,820	(2,620,684)
Balance at June 30, 2018	\$ 21,873,086	\$ 17,444,607	\$ 4,428,479

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## D. Pension Plan (Continued)

## 11. Changes in the Net Pension Liability (continued)

Volunteer Fire Retirement Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2017	\$ 881,611	\$ 961,016	\$ (79,405)
Service cost	8,073	-	8,073
Interest	58,516	-	58,516
Contributions - employer	-	21,356	(21,356)
Net investment income (loss)	-	68,914	(68,914)
Benefit payments, including refunds of member contributions	(45,549)	(45,549)	-
Administration expenses	-	(1,680)	1,680
Net change	21,040	43,041	(22,001)
Balance at June 30, 2018	\$ 902,651	\$ 1,004,057	\$ (101,406)

Elected Officials Retirement Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2017	\$ 2,215,675	\$ -	\$ 2,215,675
Service cost	110,868	-	110,868
Interest	80,986	-	80,986
Changes in assumptions	(71,248)	-	(71,248)
Contributions - employer	-	128,731	(128,731)
Net investment income (loss)	-	(4,568)	4,568
Benefit payments, including refunds of member contributions	(128,731)	(128,731)	-
Administration expenses	-	(762)	762
Net change	(8,125)	(5,330)	(2,795)
Balance at June 30, 2018	\$ 2,207,550	\$ (5,330)	\$ 2,212,880

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## D. Pension Plan (Continued)

## 12. Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the current 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 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
<u>Net Pension Liability</u>			
Employees Retirement Plan	<u>\$17,102,927</u>	<u>\$ 9,531,921</u>	<u>\$ 3,128,216</u>
Police Retirement Plan	<u>\$13,017,861</u>	<u>\$ 8,257,036</u>	<u>\$ 4,335,716</u>
Fire Retirement Plan	<u>\$ 7,287,333</u>	<u>\$ 4,428,479</u>	<u>\$ 2,050,245</u>
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Volunteer Fire Retirement Plan	<u>\$ 5,351</u>	<u>\$ (101,406)</u>	<u>\$ (190,072)</u>
	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Elected Officials Retirement Plan	<u>\$ 2,475,878</u>	<u>\$ 2,212,880</u>	<u>\$ 1,994,157</u>

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## D. Pension Plan (Continued)

## 13. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Town recognized pension expense of \$3,026,586. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Employee Retirement Plan Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 469,308
Changes in assumptions	-	481,021
Net difference between projected and actual earnings on pension plan investments	-	70,657
Total	<u>\$ -</u>	<u>\$ 1,020,986</u>
Net amount of deferred inflows and outflows		<u>\$ (1,020,986)</u>
Police Retirement Plan Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,540	\$ 1,044,473
Changes in assumptions	990,456	2,318,929
Net difference between projected and actual earnings on pension plan investments	-	668,252
Total	<u>\$ 1,020,996</u>	<u>\$ 4,031,654</u>
Net amount of deferred inflows and outflows		<u>\$ (3,010,658)</u>

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## D. Pension Plan (Continued)

13. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (continued)

Fire Retirement Plan Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 354,693	\$ 371,359
Changes in assumptions	648,468	1,796,533
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>325,543</u>
Total	<u>\$ 1,003,161</u>	<u>\$ 2,493,435</u>
Net amount of deferred inflows and outflows		<u>\$ (1,490,274)</u>
Volunteer Fire Retirement Plan Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 110,255
Changes in assumptions	21,599	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>3,247</u>
Total	<u>\$ 21,599</u>	<u>\$ 113,502</u>
Net amount of deferred inflows and outflows		<u>\$ (91,903)</u>
Elected Officials Retirement Plan Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 26,496
Changes in assumptions	<u>49,984</u>	<u>70,656</u>
Total	<u>\$ 49,984</u>	<u>\$ 97,152</u>
Net amount of deferred inflows and outflows		<u>\$ (47,168)</u>

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## D. Pension Plan (Continued)

## 13. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive in years for each of the following plans:

Plan	Years
Employees Retirement	2.93
Police Department Retirement	5.26
Fire Department Retirement	6.28
Volunteer Fire Retirement	6.35
Elected Officials Retirement	3.96

Actual investment earnings below (or above) projected earnings are amortized over the next 5 years.

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

June 30,	Employee Retirement Plan	Police Retirement Plan	Fire Retirement Plan	Volunteer Fire Retirement Plan	Elected Officials Retirement Plan
2019	\$ (150,455)	\$ (716,060)	\$ (167,714)	\$ (18,200)	\$ 9,596
2020	322,115	(767,383)	(209,568)	(18,198)	(39,492)
2021	(957,236)	(905,046)	(288,639)	(22,912)	(17,272)
2022	(235,410)	(515,424)	(363,093)	(18,657)	-
2023	-	(106,745)	(360,360)	(7,768)	-
Thereafter	-	-	(100,900)	(6,168)	-
Total	<u>\$ (1,020,986)</u>	<u>\$ (3,010,658)</u>	<u>\$ (1,490,274)</u>	<u>\$ (91,903)</u>	<u>\$ (47,168)</u>



## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**E. Connecticut State Teachers' Retirement System****1. Plan description**

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

**2. 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 the employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement: Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

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. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of average annual salary.

**3. Contributions**State of Connecticut

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

Employer (School Districts)

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

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**E. Connecticut State Teachers' Retirement System (Continued)****3. Contributions (continued)**Employees

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

Effective January 1, 2018, each teacher is required to contribute 7% of their salary for the pension benefit.

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

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>81,607,663</u>
Total	<u>\$ 81,607,663</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The Town has no proportionate share of the net pension liability.

For the fiscal year, the Town recognized pension expense and revenue of \$9,439,623 for on-behalf amounts for the benefits provided by the State.

**5. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25-6.50%, average, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## E. Connecticut State Teachers' Retirement System (Continued)

## 5. Actuarial assumptions (continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Core fixed income	7.0%	1.3%
High yield bonds	5.0%	3.9%
Emerging market bond	5.0%	3.7%
Inflation linked bond fund	3.0%	1.0%
Cash	6.0%	0.4%
Total	<u>100.0%</u>	

## 6. Discount rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## E. Connecticut State Teachers' Retirement System (Continued)

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

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

## 8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement System plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2017.

## F. Plan Statements

Combining Statement of Fiduciary Net Position  
Pension Trust Funds  
June 30, 2018

	Employees Retirement	Police Department Retirement	Fire Department Retirement	Volunteer Firefighters' Pension Plan	Elected Officials Pension Plan	Total
<u>Assets</u>						
Cash	\$ 933,867	\$ 72,341	\$ 27,746	\$ 29,511	\$ -	\$ 1,063,465
Investments:						
Mutual funds:						
Equity	17,340,414	9,941,177	10,577,738	538,232	-	38,397,561
Bond	-	-	-	382,985	-	382,985
Money market	-	36,136	-	31,974	-	68,110
Certificates of deposit	507,774	403,257	427,619	-	-	1,338,650
U.S. government obligations	530,684	251,305	846,609	-	-	1,628,598
U.S. government agency securities	472,367	222,895	-	-	-	695,262
Common stock	7,425,176	2,863,060	-	-	-	10,288,236
Exchange traded funds	9,341,273	4,316,318	-	-	-	13,657,591
Corporate bonds	1,570,754	717,943	4,793,360	-	-	7,082,057
Municipal bonds	-	-	600,256	-	-	600,256
Real estate funds	12,064,949	4,797,948	-	-	-	16,862,897
Private equity funds	8,403,897	3,949,666	-	-	-	12,353,563
Total investments	57,657,288	27,499,705	17,245,582	953,191	-	103,355,766
Accounts receivable						
Contributions	394,750	-	116,079	21,355	-	532,184
Interest	24,784	11,351	55,200	-	-	91,335
Total accounts receivable	419,534	11,351	171,279	21,355	-	623,519
Total assets	59,010,689	27,583,397	17,444,607	1,004,057	-	105,042,750
<u>Liabilities</u>						
Accounts payable	-	-	-	-	5,330	5,330
<u>Net Position</u>						
Restricted for pension benefits	\$59,010,689	\$ 27,583,397	\$17,444,607	\$ 1,004,057	\$ (5,330)	\$ 105,037,420

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## F. Plan Statements (Continued)

Combining Statement of Changes In Fiduciary Net Position  
Pension Trust Funds  
For the Year Ended June 30, 2018

	Employees Retirement	Police Department Retirement	Fire Department Retirement	Volunteer Firefighters' Pension Plan	Elected Officials Pension Plan	Total
Additions:						
Contributions:						
Employer	\$ 2,089,673	\$ 1,566,982	\$ 1,005,527	\$ 21,356	\$ 128,731	\$ 4,812,269
Plan members	86,136	-	-	-	-	86,136
Total contributions	2,175,809	1,566,982	1,005,527	21,356	128,731	4,898,405
Investment income (loss):						
Change in fair value of investments	5,360,418	2,631,412	1,023,224	50,910	(4,568)	9,061,396
Interest and dividends	17,037	2,462	393,941	18,004	-	431,444
Total investment income (loss)	5,377,455	2,633,874	1,417,165	68,914	(4,568)	9,492,840
Less investment expenses	502,673	210,020	26,320	-	-	739,013
Net investment income (loss)	4,874,782	2,423,854	1,390,845	68,914	(4,568)	8,753,827
Total additions	7,050,591	3,990,836	2,396,372	90,270	124,163	13,652,232
Deductions:						
Benefits	3,775,945	1,709,283	981,552	45,549	128,731	6,641,060
Administration	-	-	-	1,680	762	2,442
Total deductions	3,775,945	1,709,283	981,552	47,229	129,493	6,643,502
Change in net position	3,274,646	2,281,553	1,414,820	43,041	(5,330)	7,008,730
Net position - July 1, 2017	55,736,043	25,301,844	16,029,787	961,016	-	98,028,690
Net position - June 30, 2018	\$ 59,010,689	\$ 27,583,397	\$ 17,444,607	\$ 1,004,057	\$ (5,330)	\$ 105,037,420

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**G. Other Post-Employment Benefit Plan****1. Plan description**

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

**2. Benefit provisions and contributions****a. Benefit provisions**

The plan provides for medical and dental benefits for all eligible retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations.

**b. Contributions**

The Board of Finance has the authority to determine contributions to the plan. The Town is currently funding benefits on a pay as you go basis.

**c. Employee contributions**

There are no employee contributions to the plan.

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

**d. Employees Covered by Benefit Terms**

As of July 1, 2017 the following employees are covered by the benefit terms:

	<u>Town</u>
Retirees and beneficiaries receiving benefits	293
Active members	<u>644</u>
Total	<u><u>937</u></u>

**3. OPEB Liability**

The Town’s OPEB liability of \$67,792,858 was measured as of June 30, 2018, and was determined by an actuarial valuation as July 1, 2017.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## G. Other Post-Employment Benefit Plan (Continued)

## 4. Actuarial methods and assumptions

The total OPEB liability was determined based upon a July 1, 2017 actuarial valuation using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry age normal, level percent of pay
Discount Rate	3.58%
Salary Increases	4.00%
Healthcare cost trend rates:	
Initial medical trend rate	7.00%
Ultimate medical trend rate	4.50%
Mortality Rates	
Board of Education - Certified	RP-2014 White Collar Employer & Healthy Annuitant tables projected to 2020 using Scale BB
General Employees & Board of Education - Non- Certified	RP-2014 (adjusted back to 2006) Headcount-Weighted, projected generationally with Scale MP-2017
Police and Firefighters	RP-2014 (adjusted back to 2006) Headcount-Weighted Blue Collar Employee & Healthy Annuitant Tables projected generationally with Scale MP- 2017

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

The assumed rate of inflation is 2.70%.

**Benefit Changes**

Custodians pay 100% of pre-65 premiums; previously paid 0%.

Supervisors are eligible for \$20,000 face value life insurance; previously \$5,000.

**Changes in Assumptions**

The healthcare cost rates decreased to the initial rate of 7.00% and an ultimate rate of 4.50% for since the prior measurement date.

Per capita health costs were updated based on recent experience and adjusted for morbidity levels by age.

Enrollment assumptions were changed for each group to better reflect past experience and future expectations.

The discount rate increased from 2.85% to 3.58%.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**G. Other Post-Employment Benefit Plan (Continued)****5. Changes in the OPEB Liability**

Total OPEB liability - July 1, 2017	<u>\$ 90,230,101</u>
Service cost	3,876,953
Interest	2,652,447
Change in benefit terms	(96,123)
Differences between expected and actual experience	7,214,307
Changes of assumptions	(34,007,353)
Benefit payments	<u>(2,077,474)</u>
Net Change	<u>(22,437,243)</u>
Total OPEB liability - June 30, 2018	<u><u>\$ 67,792,858</u></u>

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

The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

<u>OPEB Liability</u>	<u>1% Decrease 2.58%</u>	<u>Discount Rate 3.58%</u>	<u>1% Increase 4.58%</u>
Town OPEB Plan	<u>\$ 78,812,764</u>	<u>\$ 67,792,858</u>	<u>\$ 58,906,647</u>

**7. Sensitivity of the OPEB liability to changes in the healthcare cost trend rate.**

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

<u>OPEB Liability</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Town OPEB Plan	<u>\$ 57,866,319</u>	<u>\$ 67,792,858</u>	<u>\$ 80,483,303</u>



## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## G. Other Post-Employment Benefit Plan (Continued)

## 8. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the fiscal year the Town recognized OPEB expense of \$3,075,752. The Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,310,259	\$ -
Changes in assumptions	-	29,745,780
Total	\$ 6,310,259	\$ 29,745,780
Net amount of deferred inflows and outflows		\$ (23,435,521)

Changes in assumptions and differences between expected and actual experience are amortized over 7.9 years.

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

Year Ending June 30,	
2019	\$ (3,357,525)
2020	(3,357,525)
2021	(3,357,525)
2022	(3,357,525)
2023	(3,357,525)
Thereafter	(6,647,896)
Total	\$ (23,435,521)

## H. OPEB – Connecticut State Teachers’ Retirement Plan

## 1. Plan Description

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

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## H. OPEB – Connecticut State Teachers’ Retirement Plan (continued)

## 2. Benefit Provisions

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

- **Normal Retirement:** Eligibility - 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:** Eligibility - 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.
- **Proratable Retirement:** Eligibility - Age 60 with 10 years of Credited Service.
- **Disability Retirement:** Eligibility - 5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.
- **Termination of Employment:** Eligibility - 10 or more years of Credited Service.

Retiree Health Care Coverage

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

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

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

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## H. OPEB – Connecticut State Teachers’ Retirement Plan (continued)

## 2. Benefit Provisions (continued)

Retiree Health Care Coverage (continued)

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below

• Medicare Supplement with Prescriptions	\$ 92
• Medicare Supplement with Prescriptions and Dental	136
• Medicare Supplement with Prescriptions, Dental, Vision & Hearing	141

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

**Survivor Health Care Coverage**

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

## 3. Contributions

State of Connecticut

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

Employer (School Districts)

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

Employees

Each member is required to contribute 1.25% of their annual salary. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

H. OPEB – Connecticut State Teachers’ Retirement Plan (continued)

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

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

Town’s proportionate share of the net OPEB liability	\$ -
State’s proportionate share of the net OPEB liability associated with the Town	<u>21,004,875</u>
Total	<u>\$21,004,875</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$973,472 for on-behalf amounts for the benefits provided by the State.

5. Actuarial Assumptions

Inflation	2.75%
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2018

Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale was used.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018

## H. OPEB – Connecticut State Teachers' Retirement Plan (continued)

## 5. Actuarial Assumptions (continued)

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

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.75%.

**Changes from Prior Valuation**

As a result of the experience study for the five-year period ending June 30, 2015:

- The payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase.
- The demographic assumptions of salary growth, payroll growth, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
- The discount rate has been increased from 3.01% to 3.56% based upon the increase in the municipal bond index.

Additionally, the assumed initial per capita health care costs, the assumed rates of healthcare inflation used to project the per capita costs, and the participation assumptions have been revised.

**Affordable Care Act (ACA)**

The impact of the Affordable Care Act (ACA) was addressed in this valuation. Review of the information currently available did not identify any specific provisions of the ACA that are anticipated to significantly impact results. While the impact of certain provisions such as the excise tax on high-value health insurance plans beginning in 2020 (if applicable), mandated benefits and participation changes due to the individual mandate should be recognized in the determination of liabilities, overall future plan costs and the resulting liabilities are driven by amounts employers and retirees can afford (i.e., trend). The trend assumption forecasts the anticipated increase to initial per capita costs, taking into account health care cost inflation, increases in benefit utilization, plan changes, government-mandated benefits, and technological advances.

## Town of North Haven, Connecticut

Notes to Financial Statements  
For the Year Ended June 30, 2018**H. OPEB – Connecticut State Teachers’ Retirement Plan (continued)****Affordable Care Act (ACA) (continued)**

Given the uncertainty regarding the ACA’s implementation (e.g., the impact of excise tax on high-value health insurance plans, changes in participation resulting from the implementation of state-based health insurance exchanges), continued monitoring of the ACA’s impact on the Plan’s liability will be required.

**6. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

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

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

**8. Plan Fiduciary Net Position**

Detailed information about the Connecticut State Teachers’ OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2017.

**I. Prior Period Adjustment**

The government-wide net position and fund balances were restated as follows for the implementation of GASB 75 and 84, and to record a capital lease:

	Governmental Activities	Business-Type Activities	General Fund	Other Governmental Funds	Water Pollution Control Authority	Custodial Funds
Net position as previously reported at June 30, 2017	\$ 35,592,400	\$ 11,643,592	\$ 14,426,266	\$ 7,911,646	\$ 11,643,592	\$ -
To present custodial funds in accordance with new reporting standard (GASB 84)	(269,058)	-	(269,058)	-	-	350,350
To adjust opening balance of capital assets and reclassify to Water Pollution Control Authority	(4,429,865)	1,824,795	-	-	1,824,795	-
To reclassify funds to special revenue based upon funding source in accordance with GASB 54	(391,277)	-	(251,914)	(139,363)	-	-
To record energy lease	(6,338,681)	-	-	-	-	-
To remove OPEB obligation previously recorded	29,510,510	-	-	-	-	-
To record beginning OPEB liability	(90,230,101)	-	-	-	-	-
Net position as restated at July 1, 2017	<u>\$ (36,556,072)</u>	<u>\$ 13,468,387</u>	<u>\$ 13,905,294</u>	<u>\$ 7,772,283</u>	<u>\$ 13,468,387</u>	<u>\$ 350,350</u>

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**Required  
Supplementary  
Information**

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## Town of North Haven, Connecticut

**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budget and Actual**  
**For the Year Ended June 30, 2018**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Current taxes	\$ 83,393,549	\$ -	\$ 83,393,549	\$ 83,382,200	\$ (11,349)
Arrears taxes	800,000	-	800,000	295,339	(504,661)
Interest and liens	500,000	-	500,000	514,070	14,070
Supplemental auto tax- current	650,000	-	650,000	896,178	246,178
Personal property audit taxes	100,000	-	100,000	206,940	106,940
In Lieu of taxes	540,000	-	540,000	444,591	(95,409)
Telephone access line	70,620	-	70,620	55,837	(14,783)
<b>Total property taxes</b>	<b>86,054,169</b>	<b>\$ -</b>	<b>86,054,169</b>	<b>85,795,155</b>	<b>(259,014)</b>
Intergovernmental:					
Education grants:					
Education grant- Equal cost sharing	861,329	-	861,329	861,329	-
Adult education	6,692	-	6,692	6,845	153
Special education	2,512,815	-	2,512,815	2,414,424	(98,391)
School building grants	184,643	-	184,643	184,643	-
School interest subsidy	3,693	-	3,693	3,693	-
<b>Total education grants</b>	<b>3,569,172</b>	<b>-</b>	<b>3,569,172</b>	<b>3,470,934</b>	<b>(98,238)</b>
Other government grants:					
Tax relief- elderly and disabled homeowner	211,800	-	211,800	-	(211,800)
Tax relief- totally disabled	3,378	-	3,378	3,452	74
PILOT	523,176	-	523,176	475,767	(47,409)
Tax relief- veterans	31,800	-	31,800	28,368	(3,432)
Mashantucket Pequot fund	149,723	-	149,723	149,723	-
Municipal stabilization	-	-	-	50,614	50,614
MRS additional sales tax fund	702,295	-	702,295	-	(702,295)
<b>Total government grants</b>	<b>1,622,172</b>	<b>-</b>	<b>1,622,172</b>	<b>707,924</b>	<b>(914,248)</b>
<b>Total intergovernmental</b>	<b>5,191,344</b>	<b>-</b>	<b>5,191,344</b>	<b>4,178,858</b>	<b>(1,012,486)</b>
Charges for services:					
Cemetery	50,000	-	50,000	54,796	4,796
Assessor's office	1,000	-	1,000	896	(104)
Town clerk fees	400,000	-	400,000	493,244	93,244
Registrar of vital statistics	15,000	-	15,000	23,135	8,135
Miscellaneous licenses and permits	9,000	-	9,000	10,154	1,154
Alarm use fee	14,000	-	14,000	11,950	(2,050)
Police photocopies	6,000	-	6,000	5,531	(469)
Dog licenses	8,000	-	8,000	9,191	1,191
Building fees	1,850,000	-	1,850,000	1,436,209	(413,791)
Fire fees	160,000	-	160,000	1,069,772	909,772
Paramedic fees	-	-	-	19,379	19,379
Engineering fees	1,000	-	1,000	1,033	33
Road permit fees	5,000	-	5,000	7,855	2,855
Public works fees	2,000	-	2,000	2,725	725
Sale of recyclables	500	-	500	616	116
Application inspection	3,000	-	3,000	330	(2,670)
Planning and zoning commission fees	12,000	-	12,000	11,388	(612)
Inland wetlands commission fees	2,000	-	2,000	1,766	(234)
Community service fees and local welfare	175,000	-	175,000	254,484	79,484
Zoning board of appeals	3,000	-	3,000	4,556	1,556
Rental of town property	85,000	-	85,000	96,991	11,991
Parking violations	3,000	-	3,000	875	(2,125)
Rental- Mill Road School	110,626	-	110,626	110,626	-
<b>Total charges for services</b>	<b>2,915,126</b>	<b>-</b>	<b>2,915,126</b>	<b>3,627,502</b>	<b>712,376</b>
Other	277,000	-	277,000	514,900	237,900
<b>Total revenues</b>	<b>94,437,639</b>	<b>-</b>	<b>94,437,639</b>	<b>94,116,415</b>	<b>(321,224)</b>
Other financing sources:					
Appropriation of fund balance	1,731,172	-	1,731,172	-	(1,731,172)
Transfers in	400,000	-	400,000	389,208	(10,792)
<b>Total other financing sources</b>	<b>2,131,172</b>	<b>-</b>	<b>2,131,172</b>	<b>389,208</b>	<b>(1,741,964)</b>
<b>Total revenues and other financing sources</b>	<b>\$ 96,568,811</b>	<b>\$ -</b>	<b>\$ 96,568,811</b>	<b>\$ 94,505,623</b>	<b>\$ (2,052,396)</b>



**Town of North Haven, Connecticut**  
**General Fund**  
**Schedule of Expenditures and Other Financing Uses**  
**Budget and Actual**  
**For the Year Ended June 30, 2018**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Selectmen	\$ 225,464	\$ 5,533	\$ 230,997	\$ 230,997	\$ -
Town clerk	184,275	(22,711)	161,564	161,564	-
Election	109,950	(14,998)	94,952	94,952	-
Legal	224,800	29,388	254,188	254,188	-
Probate court	25,700	-	25,700	25,700	-
Economic development	10,400	10,312	20,712	20,712	-
Land use administration	265,688	(1,441)	264,247	264,247	-
Planning and zoning	20,000	(2,602)	17,398	17,398	-
Inland Wetlands commission	11,250	(5,465)	5,785	5,785	-
Zoning board of appeals	7,050	(3,547)	3,503	3,503	-
Building inspection and permit	391,658	31,083	422,741	422,741	-
Public libraries	996,136	28,506	1,024,642	1,024,642	-
Cemetery commission	52,900	(2,922)	49,978	49,978	-
Treasurer/finance	631,148	(22,248)	608,900	608,900	-
Board of Finance	3,750	(714)	3,036	3,036	-
Contingency fund	300,000	(300,000)	-	-	-
Annual and special audit	70,000	625	70,625	70,625	-
Personnel policy	685,356	3,271	688,627	688,627	-
Central supply services	423,360	36,646	460,006	460,006	-
Central facilities	354,200	22,281	376,481	376,481	-
Information technology	398,412	(89,696)	308,716	308,716	-
Assessor	272,872	(14,556)	258,316	258,316	-
Board of assessment appeals	3,800	(3,142)	658	658	-
Tax collector	187,015	(20,470)	166,545	166,545	-
Insurance	970,678	(14)	970,664	910,126	60,538
<b>Total general government</b>	<b>6,825,862</b>	<b>(336,881)</b>	<b>6,488,981</b>	<b>6,428,443</b>	<b>60,538</b>
Public safety:					
Police	5,949,659	(49,278)	5,900,381	5,836,568	63,813
Animal control/ dog warden	132,427	7,460	139,887	139,887	-
Fire	4,138,946	376,445	4,515,391	4,515,391	-
<b>Total public safety</b>	<b>10,221,032</b>	<b>334,627</b>	<b>10,555,659</b>	<b>10,491,846</b>	<b>63,813</b>
Public works:					
Department of public works	214,057	(24,242)	189,815	189,815	-
Transfer station and recycling	413,490	17,817	431,307	411,370	19,937
Sanitation	1,538,419	(52,056)	1,486,363	1,389,179	97,184
Streets and roads	2,410,904	(16,025)	2,394,879	1,747,478	647,401
Maintenance	329,960	(46,285)	283,675	275,487	8,188
Parks	350,200	(4,692)	345,508	300,532	44,976
Engineering	174,631	(14,260)	160,371	130,258	30,113
<b>Total public works</b>	<b>5,431,661</b>	<b>(139,743)</b>	<b>5,291,918</b>	<b>4,444,119</b>	<b>847,799</b>
Public services:					
Regional health district	137,011	-	137,011	137,011	-
Regional visiting nurse association	40,846	(19,532)	21,314	21,314	-
Community services	542,772	16,246	559,018	559,018	-
Welfare	3,000	(1,488)	1,512	1,512	-
Senior center	302,888	(47,374)	255,514	255,514	-
<b>Total public services</b>	<b>1,026,517</b>	<b>(52,148)</b>	<b>974,369</b>	<b>974,369</b>	<b>-</b>

(Continued)

**Town of North Haven, Connecticut**  
**General Fund**  
**Schedule of Expenditures and Other Financing Uses**  
**Budget and Actual**  
**For the Year Ended June 30, 2018**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Recreation	\$ 569,193	\$ (2,988)	\$ 566,205	\$ 566,205	\$ -
Employee benefits:					
Pension and social security	6,259,082	135,066	6,394,148	6,193,383	200,765
Insurance employees	5,613,340	24,254	5,637,594	5,637,594	-
Total employee benefits	11,872,422	159,320	12,031,742	11,830,977	200,765
Education	51,648,899	-	51,648,899	51,637,570	11,329
Miscellaneous:					
Miscellaneous	358,735	(10,703)	348,032	348,032	-
Utilities	1,181,000	61,095	1,242,095	1,136,934	105,161
Total miscellaneous	1,539,735	50,392	1,590,127	1,484,966	105,161
Capital	537,495	(12,579)	524,916	524,916	-
Debt service	6,790,890	-	6,790,890	6,790,890	-
Total expenditures	96,463,706	-	96,463,706	95,174,301	1,289,405
Other financing uses:					
Transfers out	105,105	-	105,105	105,105	-
Total expenditures and other financing uses	<u>\$ 96,568,811</u>	<u>\$ -</u>	<u>\$ 96,568,811</u>	<u>\$ 95,279,406</u>	<u>\$ 1,289,405</u>

**Reconciliation to Exhibit D**

	Revenues	Expenditures
Budgetary Basis - RSI-1 and RSI-2	\$ 94,116,415	\$ 95,174,301
Prior year encumbrances liquidated in the current year	-	881,053
State Teachers' pension on behalf amount	9,439,623	9,439,623
State Teachers' OPEB on behalf amount	973,472	973,472
GAAP Basis - Exhibit D	<u>\$ 104,529,510</u>	<u>\$ 106,468,449</u>

(Concluded)

**Town of North Haven, Connecticut****Notes to Required Supplementary Information  
June 30, 2018****Budgets and Budgetary Accounting**

Town department heads, except for education, submit expenditure requests to the Board of Selectmen 90 days or more before the annual budget Town Meeting, which is held on the second Monday in May unless otherwise scheduled. Not less than 70 days before the annual meeting, the Board of Selectmen after review of these initial estimates, compile the revised estimates and submit them to the Board of Finance. The Education Department, not less than 70 days before the annual meeting, submits its requests directly to the Board of Finance.

Public hearings are held on the budget not less than 21 days before the annual meeting. The budget becomes effective when approved at the annual meeting. No appropriation can be made exceeding that which was originally recommended by the Board of Finance. An appropriation for less than was recommended can be instituted if approved by a majority of those present and voting.

Special budget appropriations must be approved by the Board of Finance and, if in excess of \$20,000, recommended to the Town Meeting for approval. The Board of Finance has the power to transfer any portion of the cash surplus not otherwise appropriated. During the year there were no special appropriations.

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

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

The Board of Finance is authorized to transfer budgeted amounts within departments. Additional appropriations must be approved by the Board of Finance and/or Town Meeting. There were no additional appropriations.

The Board of Education is authorized under state law to make any transfers required within their budget at their discretion. Additionally, as required by the Charter, these transfers must be reported to the Board of Selectmen. Any additional appropriations must have Board of Education and Board of Selectmen approval and, if over one-half of one percent of the annual budget, Town Meeting approval.

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the capital projects funds and those specifically reappropriated by the Board of Finance.

Only the General Fund has a legally adopted annual budget.

The Town uses a basis of budgeting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in the General Fund schedule of revenues, expenditures and other financing uses - budget and actual as expenditures in the current year

The differences between the budgetary and GAAP basis of accounting are as follows:

Encumbrances are recognized as valid and proper charges against budget appropriations 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 but are shown as an assigned fund balance on a GAAP basis.

State of Connecticut payments of on behalf amounts for pension and OPEB for the State Teachers' Retirement and Health Insurance plans are reported for GAAP purposes only.

Certain funds that are required to be reported as part of the general fund under the requirement of GASB 54.

## Town of North Haven, Connecticut

## General Employees Plan

Required Supplementary Information  
Last Five Years (1)

## Schedule of Changes in Net Pension Liability

	2018	2017	2016	2015	2014
Total pension liability:					
Service cost	\$ 942,978	\$ 942,978	\$ 1,362,570	\$ 1,298,632	\$ 1,475,199
Interest	4,607,608	4,657,527	4,430,293	4,272,359	4,108,111
Change of benefit terms	-	(1,515,475)	-	(930,472)	(3,129,022)
Transfer from Fire Department Plan	-	392,721	-	-	-
Differences between expected and actual experience	-	(1,478,574)	-	812,771	-
Benefit payments, including refunds of member contributions	(3,775,945)	(3,648,672)	(3,330,585)	(3,063,616)	(2,842,836)
Net change in total pension liability	1,774,641	(649,495)	2,462,278	2,389,674	(388,548)
Total pension liability - July 1	66,767,969	67,417,464	64,955,186	62,565,512	62,954,060
Total pension liability - June 30 (a)	\$ 68,542,610	\$ 66,767,969	\$ 67,417,464	\$ 64,955,186	\$ 62,565,512
Plan fiduciary net position:					
Contributions - employer	\$ 2,089,673	\$ 2,397,367	\$ 2,301,816	\$ 2,479,521	\$ 2,313,309
Contributions - member	86,136	90,425	92,689	79,485	97,713
Net investment income (loss)	4,874,782	7,031,573	(2,711,129)	1,259,124	7,721,782
Benefit payments, including refunds of member contributions	(3,775,945)	(3,648,672)	(3,330,585)	(3,063,616)	(2,842,836)
Transfers from Fire Department Plan	-	392,721	-	-	-
Administration	-	-	-	-	(289,700)
Net change in plan fiduciary net position	3,274,646	6,263,414	(3,647,209)	754,514	7,000,268
Plan fiduciary net position - July 1	55,736,043	49,472,629	53,119,838	52,365,324	45,365,056
Plan fiduciary net position - June 30 (b)	\$ 59,010,689	\$ 55,736,043	\$ 49,472,629	\$ 53,119,838	\$ 52,365,324
Net pension liability (asset) - June 30 (a)-(b)	\$ 9,531,921	\$ 11,031,926	\$ 17,944,835	\$ 11,835,348	\$ 10,200,188

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

## Town of North Haven, Connecticut

## Police Department Plan

Required Supplementary Information  
Last Five Years (1)

## Schedule of Changes in Net Pension Liability

	2018	2017	2016	2015	2014
Total pension liability:					
Service cost	\$ 568,487	\$ 544,748	\$ 701,881	\$ 701,881	\$ 685,828
Interest	2,540,426	2,448,030	2,299,968	2,082,903	2,077,159
Differences between expected and actual experience	37,709	-	(1,761,303)	(485,465)	-
Changes in assumptions	(2,197,269)	-	-	-	-
Change of benefit terms	22,402	-	2,011,545	(1,477,464)	(40,919)
Benefit payments, including refunds of member contributions	(1,709,283)	(1,683,859)	(1,679,478)	(1,557,764)	(1,464,875)
Net change in total pension liability	(737,528)	1,308,919	1,572,613	(735,909)	1,257,193
Total pension liability - July 1	36,577,961	35,269,042	33,696,429	34,432,338	33,175,145
Total pension liability - June 30 (a)	\$ 35,840,433	\$ 36,577,961	\$ 35,269,042	\$ 33,696,429	\$ 34,432,338
Plan fiduciary net position:					
Contributions - employer	\$ 1,566,982	\$ 1,349,295	\$ 1,344,518	\$ 1,313,710	\$ 1,319,369
Net investment income	2,423,854	3,230,134	(167,870)	1,119,448	3,115,520
Benefit payments, including refunds of member contributions	(1,709,283)	(1,683,859)	(1,679,478)	(1,557,764)	(1,464,875)
Administration	-	-	-	-	(21,513)
Net change in plan fiduciary net position	2,281,553	2,895,570	(502,830)	875,394	2,948,501
Plan fiduciary net position - July 1	25,301,844	22,406,274	22,909,104	22,033,710	19,085,209
Plan fiduciary net position - June 30 (b)	\$ 27,583,397	\$ 25,301,844	\$ 22,406,274	\$ 22,909,104	\$ 22,033,710
Net pension liability (asset) - June 30 (a)-(b)	\$ 8,257,036	\$ 11,276,117	\$ 12,862,768	\$ 10,787,325	\$ 12,398,628

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

## Town of North Haven, Connecticut

## Fire Department Plan

Required Supplementary Information  
Last Five Years (1)

## Schedule of Changes in Net Pension Liability

	2018	2017	2016	2015	2014
Total pension liability:					
Service cost	\$ 420,459	\$ 401,604	\$ 434,080	\$ 434,080	\$ 412,809
Interest	1,610,604	1,541,137	1,371,339	1,256,024	1,203,654
Transfer to General Employees Plan	-	-	(392,721)	-	-
Differences between expected and actual experience	(441,692)	-	295,843	472,257	-
Changes in assumptions	(1,821,368)	-	-	-	-
Change of benefit terms	7,685	-	1,266,054	(616,436)	(90,301)
Benefit payments, including refunds of member contributions	(981,552)	(956,880)	(944,118)	(909,224)	(871,895)
Net change in total pension liability	(1,205,864)	985,861	2,030,477	636,701	654,267
Total pension liability - July 1	23,078,950	22,093,089	20,062,612	19,425,911	18,771,644
Total pension liability - June 30 (a)	\$ 21,873,086	\$ 23,078,950	\$ 22,093,089	\$ 20,062,612	\$ 19,425,911
Plan fiduciary net position:					
Contributions - employer	\$ 1,005,527	\$ 845,601	\$ 827,868	\$ 742,505	\$ 772,232
Net investment income	1,390,845	1,619,109	610,055	683,541	1,918,286
Transfer to General Employees Plan	-	-	(392,721)	-	-
Benefit payments, including refunds of member contributions	(981,552)	(956,880)	(944,118)	(909,224)	(871,895)
Administration	-	-	-	-	(13,556)
Net change in plan fiduciary net position	1,414,820	1,507,830	101,084	516,822	1,805,067
Plan fiduciary net position - July 1	16,029,787	14,521,957	14,420,873	13,904,051	12,098,984
Plan fiduciary net position - June 30 (b)	\$ 17,444,607	\$ 16,029,787	\$ 14,521,957	\$ 14,420,873	\$ 13,904,051
Net pension liability (asset) - June 30 (a)-(b)	\$ 4,428,479	\$ 7,049,163	\$ 7,571,132	\$ 5,641,739	\$ 5,521,860

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

**Town of North Haven, Connecticut**  
**Volunteer Fire Department Plan**

**Required Supplementary Information**  
**Last Five Years (1)**

**Schedule of Changes in Net Pension Liability**

	2018	2017	2016	2015	2014
Total pension liability:					
Service cost	\$ 8,073	\$ 8,073	\$ 12,505	\$ 10,800	\$ 10,800
Interest	58,516	62,298	60,417	63,270	63,844
Differences between expected and actual experience	-	(106,597)	(50,756)	-	-
Change of benefit terms	-	27,699	29,444	-	-
Benefit payments, including refunds of member contributions	(45,549)	(49,446)	(55,900)	(66,974)	(78,237)
Net change in total pension liability	21,040	(57,973)	(4,290)	7,096	(3,593)
Total pension liability - July 1	881,611	939,584	943,874	936,778	940,371
Total pension liability - June 30 (a)	\$ 902,651	\$ 881,611	\$ 939,584	\$ 943,874	\$ 936,778
Plan fiduciary net position:					
Contributions - employer	\$ 21,356	\$ 21,356	\$ 35,038	\$ 35,038	\$ 51,800
Net investment income	68,914	81,577	35,982	41,593	117,118
Benefit payments, including refunds of member contributions	(45,549)	(49,446)	(55,900)	(66,974)	(78,237)
Administration	(1,680)	-	-	-	(931)
Net change in plan fiduciary net position	43,041	53,487	15,120	9,657	89,750
Plan fiduciary net position - July 1	961,016	907,529	892,409	882,752	793,002
Plan fiduciary net position - June 30 (b)	\$ 1,004,057	\$ 961,016	\$ 907,529	\$ 892,409	\$ 882,752
Net pension liability (asset) - June 30 (a)-(b)	\$ (101,406)	\$ (79,405)	\$ 32,055	\$ 51,465	\$ 54,026

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

**Town of North Haven, Connecticut**  
**Elected Officials Plan**

**Required Supplementary Information**  
**Last Five Years (1)**

**Schedule of Changes in Net Pension Liability**

	2018	2017	2016	2015	2014
Total pension liability:					
Service cost	\$ 110,868	\$ 124,949	\$ 108,159	\$ 94,029	\$ 86,955
Interest	80,986	65,886	74,048	76,774	83,581
Differences between expected and actual experience	-	(53,532)	-	112,972	-
Change of benefit terms	-	(35,156)	209,506	34,876	57,941
Changes in assumptions	(71,248)	-	-	-	-
Benefit payments, including refunds of member contributions	(128,731)	(146,656)	(160,301)	(158,961)	(155,292)
Net change in total pension liability	(8,125)	(44,509)	231,412	159,690	73,185
Total pension liability - July 1	<u>2,215,675</u>	<u>2,260,184</u>	<u>2,028,772</u>	<u>1,869,082</u>	<u>1,795,897</u>
Total pension liability - June 30 (a)	<u>\$ 2,207,550</u>	<u>\$ 2,215,675</u>	<u>\$ 2,260,184</u>	<u>\$ 2,028,772</u>	<u>\$ 1,869,082</u>
Plan fiduciary net position:					
Contributions - employer	\$ 128,731	\$ 146,656	\$ 160,301	\$ 158,961	\$ 155,292
Net investment income	(4,568)	-	-	-	-
Benefit payments, including refunds of member contributions	(128,731)	(146,656)	(160,301)	(158,961)	(155,292)
Administration	(762)	-	-	-	-
Net change in plan fiduciary net position	(5,330)	-	-	-	-
Plan fiduciary net position - July 1	-	-	-	-	-
Plan fiduciary net position - June 30 (b)	<u>\$ (5,330)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net pension liability (asset) - June 30 (a)-(b)	<u>\$ 2,212,880</u>	<u>\$ 2,215,675</u>	<u>\$ 2,260,184</u>	<u>\$ 2,028,772</u>	<u>\$ 1,869,082</u>

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



Town of North Haven, Connecticut

General Employees Plan

Required Supplementary Information  
Last Five Years (1)

	2018	2017	2016	2015	2014
<b><u>Schedule of Net Pension Liability</u></b>					
Total pension liability	\$ 68,542,610	\$ 66,767,969	\$ 67,417,464	\$ 64,955,186	\$ 62,565,512
Plan fiduciary net position	(59,010,689)	(55,736,043)	(49,472,629)	(53,119,838)	(52,365,324)
Net pension liability	\$ 9,531,921	\$ 11,031,926	\$ 17,944,835	\$ 11,835,348	\$ 10,200,188
Plan fiduciary net position as a percentage of the total pension liability	86.09%	83.48%	73.38%	81.78%	83.70%
Covered payroll	\$ 6,928,764	\$ 6,928,764	\$ 7,512,900	\$ 7,512,900	\$ 7,634,273
Net pension liability as a percentage of covered payroll	137.57%	159.22%	238.85%	157.53%	133.61%
<b><u>Schedule of Investment Returns</u></b>					
Annual money weighted rate of return, net of investment expense	9.14%	14.32%	- (5.15%)	N/A	N/A

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

N/A - Not available.

Town of North Haven, Connecticut  
Police Department Plan

Required Supplementary Information  
Last Five Years (1)

	2018	2017	2016	2015	2014
<b><u>Schedule of Net Pension Liability</u></b>					
Total pension liability	\$ 35,840,433	\$ 36,577,961	\$ 35,269,042	\$ 33,696,429	\$ 34,432,338
Plan fiduciary net position	<u>(27,583,397)</u>	<u>(25,301,844)</u>	<u>(22,406,274)</u>	<u>(22,909,104)</u>	<u>(22,033,710)</u>
Net pension liability	<u>\$ 8,257,036</u>	<u>\$ 11,276,117</u>	<u>\$ 12,862,768</u>	<u>\$ 10,787,325</u>	<u>\$ 12,398,628</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>76.96%</u>	<u>69.17%</u>	<u>63.53%</u>	<u>67.99%</u>	<u>63.99%</u>
Covered payroll	<u>\$ 2,910,255</u>	<u>\$ 3,044,642</u>	<u>\$ 2,927,540</u>	<u>\$ 3,419,688</u>	<u>\$ 3,533,608</u>
Net pension liability as a percentage of covered payroll	<u>283.72%</u>	<u>370.36%</u>	<u>439.37%</u>	<u>315.45%</u>	<u>350.88%</u>
<b><u>Schedule of Investment Returns</u></b>					
Annual money weighted rate of return, net of investment expense	<u>9.08%</u>	<u>14.52%</u>	<u>7.36%</u>	<u>11.15%</u>	<u>N/A</u>

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

N/A - Not available.

## Town of North Haven, Connecticut

## Fire Department Plan

Required Supplementary Information  
Last Five Years (1)

	2018	2017	2016	2015	2014
<b><u>Schedule of Net Pension Liability</u></b>					
Total pension liability	\$ 21,873,086	\$ 23,078,950	\$ 22,093,089	\$ 20,062,612	\$ 19,425,911
Plan fiduciary net position	(17,444,607)	(16,029,787)	(14,521,957)	(14,420,873)	(13,904,051)
Net pension liability	\$ 4,428,479	\$ 7,049,163	\$ 7,571,132	\$ 5,641,739	\$ 5,521,860
Plan fiduciary net position as a percentage of the total pension liability	79.75%	69.46%	65.73%	71.88%	71.57%
Covered payroll	\$ 2,320,579	\$ 2,273,343	\$ 2,185,907	\$ 2,182,842	\$ 2,175,961
Net pension liability as a percentage of covered payroll	190.84%	310.08%	346.36%	258.46%	253.77%
<b><u>Schedule of Investment Returns</u></b>					
Annual money weighted rate of return, net of investment expense	8.26%	11.19%	8.32%	11.02%	N/A

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

N/A - Not available.

Town of North Haven, Connecticut  
 Volunteer Fire Department Plan

Required Supplementary Information  
 Last Five Years (1)

	2018	2017	2016	2015	2014
<b><u>Schedule of Net Pension Liability</u></b>					
Total pension liability	\$ 902,651	\$ 881,611	\$ 939,584	\$ 943,874	\$ 936,778
Plan fiduciary net position	(1,004,057)	(961,016)	(907,529)	(892,409)	(882,752)
Net pension liability	\$ (101,406)	\$ (79,405)	\$ 32,055	\$ 51,465	\$ 54,026
Plan fiduciary net position as a percentage of the total pension liability	111.23%	109.01%	96.59%	94.55%	94.23%
Covered payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A
<b><u>Schedule of Investment Returns</u></b>					
Annual money weighted rate of return, net of investment expense	6.74%	9.13%	N/A	N/A	N/A

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

N/A - Not available.

## Town of North Haven, Connecticut

## Elected Officials Plan

Required Supplementary Information  
Last Five Years (1)

	2018	2017	2016	2015	2014
<b><u>Schedule of Net Pension Liability</u></b>					
Total pension liability	\$ 2,207,550	\$ 2,215,675	\$ 2,260,184	\$ 2,028,772	\$ 1,869,082
Plan fiduciary net position	5,330	-	-	-	-
Net pension liability	\$ 2,212,880	\$ 2,215,675	\$ 2,260,184	\$ 2,028,772	\$ 1,869,082
Plan fiduciary net position as a percentage of the total pension liability	- (0.24%)	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 194,195	\$ 194,195	\$ 189,941	\$ 189,941	\$ 178,222
Net pension liability as a percentage of covered payroll	1139.51%	1140.95%	1189.94%	1068.11%	1048.74%
<b><u>Schedule of Investment Returns</u></b>					
Annual money weighted rate of return, net of investment expense	N/A	N/A	N/A	N/A	N/A

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

N/A - Not available.

**Town of North Haven, Connecticut**  
**General Employees Plan**

**Required Supplementary Information**  
**Last Ten Years**

**Schedule of Contributions**

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2018	\$ 2,598,720	\$ 2,089,673	\$ (509,047)	\$ 6,928,764	30.16%
2017	2,523,029	2,397,367	(125,662)	6,928,764	34.60%
2016	2,521,308	2,301,816	(219,492)	7,512,900	30.64%
2015	2,447,872	2,479,521	31,649	7,512,900	33.00%
2014	2,313,309	2,313,309	-	7,634,000	30.30%
2013	2,132,607	2,132,607	-	7,634,000	27.94%
2012	1,913,252	1,913,252	-	8,172,000	23.41%
2011	1,838,125	1,838,125	-	8,172,000	22.49%
2010	1,442,647	1,442,647	-	8,171,000	17.66%
2009	1,408,390	1,373,180	(35,210)	8,171,000	16.81%

## Town of North Haven, Connecticut

## Employees Plan

**Notes to Required Supplementary Information  
Schedule of Contributions  
Last Five Years (1)**

Changes of Benefit Terms	None
Changes of Assumptions	None
Method and Assumptions Used in Calculations of Actuarially Determined Contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of July 1, 2017, one year prior to the end of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair value
Amortization Method	Level percent, closed
Remaining Amortization Period	14 years
Inflation	2.25%
Salary Increases	3.00-6.70%
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation.

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

**Town of North Haven, Connecticut**  
**Police Department Plan**

**Required Supplementary Information**  
**Last Ten Years**

**Schedule of Contributions**

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2018	\$ 1,532,110	\$ 1,566,982	\$ 34,872	\$ 2,910,255	53.84%
2017	1,528,888	1,349,295	(179,593)	2,044,642	65.99%
2016	1,470,085	1,344,518	(125,567)	2,927,540	45.93%
2015	1,388,051	1,313,710	(74,341)	3,419,688	38.42%
2014	1,319,369	1,319,369	-	3,553,608	37.13%
2013	1,181,302	1,181,302	-	3,397,000	34.77%
2012	1,143,362	1,143,362	-	3,397,000	33.66%
2011	809,049	809,049	-	3,087,400	26.20%
2010	808,780	808,780	-	3,087,400	26.20%
2009	976,484	976,484	-	2,975,422	32.82%



## Town of North Haven, Connecticut

## Police Department Plan

**Notes to Required Supplementary Information  
Schedule of Contributions  
Last Five Years (1)**

Changes of Benefit Terms	None
Changes of Assumptions	None
Method and Assumptions Used in Calculations of Actuarially Determined Contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of July 1, 2016, two years prior to the end of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair value
Amortization Method	Level percent, closed
Remaining Amortization Period	16 years
Inflation	2.60%
Salary Increases	4.00%
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation.

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

**Town of North Haven, Connecticut**  
**Fire Department Plan**

**Required Supplementary Information**  
**Last Ten Years**

**Schedule of Contributions**

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2018	\$ 1,031,219	\$ 1,005,527	\$ (25,692)	\$ 2,320,579	43.33%
2017	909,328	845,601	(63,727)	2,273,343	37.20%
2016	874,354	827,868	(46,486)	2,185,907	37.87%
2015	799,260	742,505	(56,755)	2,182,842	34.02%
2014	772,232	772,232	-	2,175,961	35.49%
2013	715,215	715,215	-	2,175,961	32.87%
2012	689,471	689,471	-	2,100,000	32.83%
2011	511,620	511,620	-	2,100,000	24.36%
2010	491,673	491,673	-	1,826,000	26.93%
2009	594,455	594,455	-	1,826,000	32.56%

Town of North Haven, Connecticut

Fire Department Plan

Notes to Required Supplementary Information  
 Schedule of Contributions  
 Last Five Years (1)

Changes of Benefit Terms	None
Changes of Assumptions	None
Method and Assumptions Used in Calculations of Actuarially Determined Contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of July 1, 2016, two years prior to the end of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair value
Amortization Method	Level percent, closed
Remaining Amortization Period	16 years
Inflation	3.00%
Salary Increases	4.00%
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation.

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

**Town of North Haven, Connecticut**  
**Volunteer Fire Department Plan**  
**Required Supplementary Information**  
**Last Ten Years**

**Schedule of Contributions**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 21,356	\$ 21,356	-	N/A	N/A
2017	21,356	21,356	-	N/A	N/A
2016	35,038	35,038	-	N/A	N/A
2015	35,038	35,038	-	N/A	N/A
2014	51,890	51,800	(90)	N/A	N/A
2013	51,890	51,890	-	N/A	N/A
2012	68,415	68,415	-	N/A	N/A
2011	68,415	68,415	-	N/A	N/A
2010	95,692	95,692	-	N/A	N/A
2009	95,692	95,692	-	N/A	N/A

Town of North Haven, Connecticut

Volunteer Fire Department Plan

Notes to Required Supplementary Information  
 Schedule of Contributions  
 Last Five Years (1)

Changes of Benefit Terms	None
Changes of Assumptions	None
Method and Assumptions Used in Calculations of Actuarially Determined Contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of July 1, 2017, one year prior to the end of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair value
Amortization Method	Level percent, closed
Remaining Amortization Period	4 years
Inflation	2.70%
Salary Increases	N/A
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation.

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

**Town of North Haven, Connecticut**  
**Elected Officials Plan**

**Required Supplementary Information**  
**Last Ten Years**

**Schedule of Contributions**

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2018	\$ 176,459	\$ 128,731	\$ (47,728)	\$ 194,195	66.29%
2017	188,991	146,656	(42,335)	194,195	75.52%
2016	180,734	160,301	(20,433)	189,941	84.40%
2015	171,507	158,961	(12,546)	189,941	83.69%
2014	166,512	164,855	(1,657)	178,000	92.62%
2013	157,756	153,970	(3,786)	178,000	86.50%
2012	153,161	150,098	(3,063)	174,000	86.26%
2011	191,527	147,476	(44,051)	174,000	84.76%
2010	185,948	147,457	(38,491)	174,000	84.75%
2009	152,129	143,306	(8,823)	174,000	82.36%

Town of North Haven, Connecticut

Elected Officials Plan

Notes to Required Supplementary Information

Schedule of Contributions

Last Five Years (1)

Changes of Benefit Terms	None
Changes of Assumptions	None
Method and Assumptions Used in Calculations of Actuarially Determined Contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of July 1, 2017, one year prior to the end of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent, open
Remaining Amortization Period	20 years
Asset Valuation Method	N/A
Inflation	2.25%
Salary Increases	3.00%
Investment Rate of Return	2.85%, net of pension plan investment expense, including inflation.

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

Town of North Haven, Connecticut

Connecticut State Teachers' Retirement System

Required Supplementary Information  
Last Four Years (3)

Schedule of Proportionate Share of the Net Pension Liability

	2018	2017	2016	2015
State's proportionate share of the net pension liability associated with Town	81,607,663	86,096,709	63,634,867	58,817,682
Total	\$ 81,607,663	\$ 86,096,709	\$ 63,634,867	\$ 58,817,682
Town's covered payroll	(2) N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%	61.51%

Schedule of Contributions

	2018	2017	2016	2015
Contractually required contribution	(1) \$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	(2) N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

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

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

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





**Town of North Haven, Connecticut**  
**Other Post-Employment Benefits Plan**  
**Required Supplementary Information**  
**Schedule of Changes in OPEB Liability**  
**For the Year Ended June 30, 2018 (1)**

OPEB liability:	
Service cost	\$ 3,876,953
Interest	2,652,447
Change in benefit terms	(96,123)
Difference between expected and actual experience	7,214,307
Changes in assumptions	(34,007,353)
Benefit payments	<u>(2,077,474)</u>
Net change in OPEB liability	(22,437,243)
OPEB liability - July 1	<u>90,230,101</u>
OPEB liability - June 30*	<u><u>\$ 67,792,858</u></u>

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

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

## Town of North Haven, Connecticut

## CT State Teachers' Retirement Board Retiree Health Insurance Plan

**Required Supplementary Information**  
**Schedule of Proportionate Share of the Net OPEB Liability**  
**June 30, 2018 (3)**

Town's proportionate share of the net OPEB liability	\$	-
State of Connecticut's proportionate share of the net OPEB liability associated with Town		<u>21,004,875</u>
Total		<u><u>\$ 21,004,875</u></u>
Town's covered payroll	(2)	<u>N/A</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll		<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability		<u>1.79%</u>

**Schedule of Contributions**

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

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

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

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



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## **Supplemental Schedules**

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## **General Fund**

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

## Town of North Haven, Connecticut

General Fund  
Combining Balance Sheet  
June 30, 2018

	General	Economic Development	Center Block Beautification	Elimination Entries	Total
<u>Assets</u>					
Cash	\$ 12,510,207	\$ -	\$ -	\$ -	\$ 12,510,207
Restricted cash	1,022,169	-	-	-	1,022,169
Investments	17,986,505	-	-	-	17,986,505
Receivables, net:					
Property taxes	2,845,242	-	-	-	2,845,242
Assessments	338,900	-	-	-	338,900
Other	5,047	-	-	-	5,047
Due from other funds	1,948,105	10,000	8,539	(18,539)	1,948,105
Other	43,573	-	-	-	43,573
<b>Total assets</b>	<b>\$ 36,699,748</b>	<b>\$ 10,000</b>	<b>\$ 8,539</b>	<b>\$ (18,539)</b>	<b>\$ 36,699,748</b>
<u>Liabilities</u>					
Liabilities:					
Accounts payable	\$ 3,531,009	\$ -	\$ -	\$ -	\$ 3,531,009
Accrued payroll	1,526,541	-	-	-	1,526,541
Due to other funds	15,096,074	-	-	(18,539)	15,077,535
Unearned revenue	32,250	-	-	-	32,250
Performance bonds	1,022,169	-	-	-	1,022,169
<b>Total liabilities</b>	<b>21,208,043</b>	<b>-</b>	<b>-</b>	<b>(18,539)</b>	<b>21,189,504</b>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	2,632,105	-	-	-	2,632,105
Advance property tax collections	288,781	-	-	-	288,781
Sewer assessments	338,900	-	-	-	338,900
<b>Total deferred inflows of resources</b>	<b>3,259,786</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,259,786</b>
<u>Fund Balances</u>					
Assigned	4,188,528	10,000	8,539	-	4,207,067
Unassigned	8,043,391	-	-	-	8,043,391
<b>Total fund balances</b>	<b>12,231,919</b>	<b>10,000</b>	<b>8,539</b>	<b>-</b>	<b>12,250,458</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 36,699,748</b>	<b>\$ 10,000</b>	<b>\$ 8,539</b>	<b>\$ (18,539)</b>	<b>\$ 36,699,748</b>

## Town of North Haven, Connecticut

**General Fund**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For The Year Ended June 30, 2018**

	General	Economic Development	Center Block Beautification	Elimination Entries	Total
Revenues:					
Property taxes	\$ 85,795,155	\$ -	\$ -	\$ -	\$ 85,795,155
Intergovernmental	14,591,953	-	-	-	14,591,953
Charges for services	3,627,502	-	-	-	3,627,502
Other	514,900	-	-	-	514,900
Total revenues	<u>104,529,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,529,510</u>
Expenditures:					
Current:					
General government	7,945,372	-	-	-	7,945,372
Public safety	10,510,097	-	-	-	10,510,097
Health and welfare	974,369	-	-	-	974,369
Public works	4,572,370	-	-	-	4,572,370
Culture and recreation	568,903	-	-	-	568,903
Employee benefits	11,830,977	-	-	-	11,830,977
Education	62,750,555	-	-	-	62,750,555
Debt service	6,790,890	-	-	-	6,790,890
Capital outlay	524,916	-	-	-	524,916
Total expenditures	<u>106,468,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,468,449</u>
Excess (deficiency) of revenues over expenditures	<u>(1,938,939)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,938,939)</u>
Other financing sources (uses):					
Transfers in	389,208	-	-	(105,105)	284,103
Transfers out	(105,105)	-	-	105,105	-
Net other financing sources (uses)	<u>284,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,103</u>
Net change in fund balances	<u>(1,654,836)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,654,836)</u>
Fund balances - July 1, 2017 (as restated)	<u>13,886,755</u>	<u>10,000</u>	<u>8,539</u>	<u>-</u>	<u>13,905,294</u>
Fund balances - June 30, 2018	<u>\$ 12,231,919</u>	<u>\$ 10,000</u>	<u>\$ 8,539</u>	<u>\$ -</u>	<u>\$ 12,250,458</u>



Town of North Haven, Connecticut  
 Report of Tax Collector  
 For The Year Ended June 30, 2018

Grand List Year	Lawful Corrections				Collections					
	Uncollected Taxes July 1, 2017	Current Year Levy	Additions	Deductions	Transfers to Suspend	Adjusted Amount Collectible	Net Taxes Collected	Interest Liens & Other Fees	Total	Uncollected Taxes June 30, 2018
2002	\$ 21,751	-	\$ -	-	\$ -	21,751	-	-	-	\$ 21,751
2003	23,089	-	-	-	-	23,089	-	-	-	23,089
2004	24,330	-	-	-	-	24,330	-	-	-	24,330
2005	24,895	-	-	-	-	24,895	-	-	-	24,895
2006	27,893	-	-	-	-	27,893	-	-	-	27,893
2007	31,040	-	-	-	-	31,040	-	-	-	31,040
2008	32,898	-	-	-	-	32,898	1,160	1,347	2,507	31,738
2009	50,762	-	-	-	-	50,762	7,090	8,618	15,708	43,672
2010	71,722	-	-	-	-	71,722	8,544	9,342	17,886	63,178
2011	170,727	-	-	232	36,856	133,639	19,209	17,767	36,976	114,430
2012	245,633	-	127	384	49,232	196,144	27,382	21,088	48,470	168,762
2013	332,004	-	699	379	113,729	218,595	35,907	24,802	60,709	182,688
2014	520,198	-	79,139	15,697	9,749	573,891	172,259	74,090	246,349	401,632
2015	1,029,929	-	98,610	339,877	3,149	785,513	192,228	109,173	301,401	593,285
Total Prior Years	2,606,871	-	178,575	356,569	212,715	2,216,162	463,779	266,227	730,006	1,752,383
2016	-	85,902,526	355,830	705,230	5,428	85,547,698	84,454,839	235,308	84,690,147	1,092,859
Total All Years	\$ 2,606,871	\$ 85,902,526	\$ 534,405	\$ 1,061,799	\$ 218,143	\$ 87,763,860	\$ 84,918,618	\$ 501,535	\$ 85,420,153	\$ 2,845,242

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# Other Governmental Funds

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## Special Revenue Funds

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

### General Government

To account for miscellaneous funds received for specific expenditures relating to the operations of the Town.

### Public Safety

To account for specially financed public safety programs under grants received from the Federal Government and the State of Connecticut.

### Health & Welfare

To account for specially financed health and welfare programs under grants received from the Federal Government and the State of Connecticut.

### Culture and Recreation

To account for specially financed recreation programs under grants received from the Federal Government and the State of Connecticut as well as community service related programs.

### School Cafeteria

To account for the Child Nutrition Program, including funds received from the Federal Government and the State of Connecticut for reimbursement of school cafeteria expenditures.

### Education Grants

To account for the educational grant funds received from the Federal Government and the State of Connecticut for reimbursement of education related expenditures.

### State/Federal Grants

To account for miscellaneous grants and contributions received by the Town.

# **Other Governmental Funds (Continued)**

## **Capital Projects Funds**

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

### **Capital Projects**

Capital project funds account for financial resources to be used for major construction or acquisition of facilities.

### **Capital Nonrecurring Funds**

Capital nonrecurring funds account for financial resources to be used for the purchase of capital equipment, improvements, minor construction or repair and maintenance of capital assets.

## **Permanent Funds**

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

### **Library**

Established for the support and benefit of the Town's library.

### **Cemetery**

Established for the perpetual care of the Town's cemeteries.

Town of North Haven, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2018

	Special Revenue Funds				
	General Government	Public Safety	Health and Welfare	Culture and Recreation	School Cafeteria
<u>Assets</u>					
Cash	\$ -	\$ 54,409	\$ 71,403	\$ 23,259	77,809
Investments	-	-	-	-	-
Receivables:					
Intergovernmental	-	-	11,004	-	51,795
Due from other funds	21,779	646,968	313,057	272,890	-
Other	-	-	600	34,607	14,257
Total assets	\$ 21,779	\$ 701,377	\$ 396,064	\$ 330,756	\$ 143,861
<u>Liabilities</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ 139,968	\$ 106,327
Accrued payroll	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	-	-	-	139,968	106,327
<u>Fund Balances</u>					
Restricted	21,779	254,997	396,064	37,411	37,534
Committed	-	435,264	-	-	-
Assigned	-	11,116	-	153,377	-
Unassigned	-	-	-	-	-
Total fund balances	21,779	701,377	396,064	190,788	37,534
Total liabilities and fund balances	\$ 21,779	\$ 701,377	\$ 396,064	\$ 330,756	\$ 143,861

(Continued)

Town of North Haven, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2018

	Special Revenue Funds			Capital Projects Funds		
	Education Grants	State/Federal Grants	Total Special Revenue Funds	Capital Projects	Capital Nonrecurring	Total Capital Projects Funds
<u>Assets</u>						
Cash	\$ -	\$ -	\$ 226,880	\$ -	\$ 1,697,697	1,697,697
Investments	-	-	-	140,283	-	140,283
Receivables:						
Intergovernmental	102,253	-	165,052	200,500	-	200,500
Due from other funds	837,622	30,285	2,122,601	-	2,233,576	2,233,576
Other	-	-	49,464	-	-	-
Total assets	\$ 939,875	\$ 30,285	\$ 2,563,997	\$ 340,783	\$ 3,931,273	\$ 4,272,056
<u>Liabilities</u>						
Accounts payable	\$ 349,267	\$ -	\$ 595,562	\$ 103,249	\$ 38,866	\$ 142,115
Accrued payroll	32,342	-	32,342	-	-	-
Due to other funds	-	-	-	779,347	-	779,347
Unearned revenue	2,280	4,970	7,250	-	42,005	42,005
Total liabilities	383,889	4,970	635,154	882,596	80,871	963,467
<u>Fund Balances</u>						
Restricted	555,986	25,315	1,329,086	140,024	2,815,245	2,955,269
Committed	-	-	435,264	382,038	1,832,388	2,214,426
Assigned	-	-	164,493	-	-	-
Unassigned	-	-	-	(1,063,875)	(797,231)	(1,861,106)
Total fund balances	555,986	25,315	1,928,843	(541,813)	3,850,402	3,308,589
Total liabilities and fund balances	\$ 939,875	\$ 30,285	\$ 2,563,997	\$ 340,783	\$ 3,931,273	\$ 4,272,056

(Continued)

Town of North Haven, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2018

	Permanent Funds			Total Other Governmental Funds
	Library	Cemetery	Total Permanent Funds	
<u>Assets</u>				
Cash	\$ -	\$ -	\$ -	\$ 1,924,577
Investments	117,645	249,216	366,861	507,144
Receivables:				
Intergovernmental	-	-	-	365,552
Due from other funds	-	-	-	4,356,177
Other	-	-	-	49,464
Total assets	<u>\$ 117,645</u>	<u>\$ 249,216</u>	<u>\$ 366,861</u>	<u>\$ 7,202,914</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ 737,677
Accrued payroll	-	-	-	32,342
Due to other funds	3,538	36,136	39,674	819,021
Unearned revenue	-	-	-	49,255
Total liabilities	<u>3,538</u>	<u>36,136</u>	<u>39,674</u>	<u>1,638,295</u>
<u>Fund Balances</u>				
Nonspendable	101,722	100,000	201,722	201,722
Restricted	12,385	113,080	125,465	4,409,820
Committed	-	-	-	2,649,690
Assigned	-	-	-	164,493
Unassigned	-	-	-	(1,861,106)
Total fund balances	<u>114,107</u>	<u>213,080</u>	<u>327,187</u>	<u>5,564,619</u>
Total liabilities and fund balances	<u>\$ 117,645</u>	<u>\$ 249,216</u>	<u>\$ 366,861</u>	<u>\$ 7,202,914</u>

(Concluded)

Town of North Haven, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds  
For The Year Ended June 30, 2018

	Special Revenue Funds				
	General Government	Public Safety	Health and Welfare	Culture and Recreation	School Cafeteria
Revenues:					
Intergovernmental	\$ -	\$ 74,901	\$ 324,793	\$ 36,195	\$ 358,326
Charges for services	10,000	985,326	66,152	310,737	742,513
Investment income	-	5	-	-	-
Contributions	-	1,265	10,945	-	-
Other	-	-	-	6,578	-
Total revenues	10,000	1,061,497	401,890	353,510	1,100,839
Expenditures:					
Current:					
General government	38,776	-	-	-	-
Public safety	-	965,121	-	-	-
Health and welfare	-	-	318,721	-	-
Culture and recreation	-	-	-	355,896	-
Education	-	-	-	-	1,046,739
Capital outlay	-	-	-	-	-
Total expenditures	38,776	965,121	318,721	355,896	1,046,739
Excess (deficiency) of revenues over expenditures	(28,776)	96,376	83,169	(2,386)	54,100
Other financing sources (uses):					
Capital lease	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(28,776)	96,376	83,169	(2,386)	54,100
Fund balances, July 1, 2017 (as restated)	50,555	605,001	312,895	193,174	(16,566)
Fund balances, June 30, 2018	\$ 21,779	\$ 701,377	\$ 396,064	\$ 190,788	\$ 37,534

(Continued)

Town of North Haven, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds  
For The Year Ended June 30, 2018

	Special Revenue Funds			Capital Projects Funds			Total Capital Projects Funds
	Education Grants	State/Federal Grants	Total Special Revenue Funds	Capital Projects	Capital Nonrecurring	Total Capital Projects Funds	Total Capital Projects Funds
Revenues:							
Intergovernmental	\$ 2,547,586	\$ 4,000	\$ 3,345,801	\$ 200,500	\$ 1,917,273	\$ 2,117,773	\$ 2,117,773
Charges for services	-	10,000	2,124,728	-	-	-	-
Investment income	-	-	5	1,963	-	1,963	1,963
Contributions	-	-	12,210	-	-	-	-
Other	-	-	6,578	1,605	-	1,605	1,605
Total revenues	2,547,586	14,000	5,489,322	204,068	1,917,273	2,121,341	2,121,341
Expenditures:							
Current:							
General government	-	873	39,649	-	-	-	-
Public safety	-	-	965,121	-	-	-	-
Health and welfare	-	-	318,721	-	-	-	-
Culture and recreation	-	-	355,896	-	-	-	-
Education	2,875,211	-	3,921,950	-	-	-	-
Capital outlay	-	-	-	2,448,477	2,665,752	5,114,229	5,114,229
Total expenditures	2,875,211	873	5,601,337	2,448,477	2,665,752	5,114,229	5,114,229
Excess (deficiency) of revenues over expenditures	(327,625)	13,127	(112,015)	(2,244,409)	(748,479)	(2,992,888)	(2,992,888)
Other financing sources (uses):							
Capital lease	-	-	-	-	1,209,060	1,209,060	1,209,060
Transfers out	-	-	-	(272,467)	(11,636)	(284,103)	(284,103)
Net other financing sources (uses)	-	-	-	(272,467)	1,197,424	924,957	924,957
Net change in fund balances	(327,625)	13,127	(112,015)	(2,516,876)	448,945	(2,067,931)	(2,067,931)
Fund balances, July 1, 2017 (as restated)	883,611	12,188	2,040,858	1,975,063	3,401,457	5,376,520	5,376,520
Fund balances, June 30, 2018	\$ 555,986	\$ 25,315	\$ 1,928,843	\$ (541,813)	\$ 3,850,402	\$ 3,308,589	\$ 3,308,589

(Continued)



Town of North Haven, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds  
For the Year Ended June 30, 2018

	Permanent Funds			Total Other Governmental Funds
	Library	Cemetery	Total Permanent Funds	
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 5,463,574
Charges for services	-	-	-	2,124,728
Investment income	1,181	2,502	3,683	5,651
Contributions	-	-	-	12,210
Other	-	-	-	8,183
Total revenues	<u>1,181</u>	<u>2,502</u>	<u>3,683</u>	<u>7,614,346</u>
Expenditures:				
Current:				
General government	-	28,736	28,736	68,385
Public safety	-	-	-	965,121
Health and welfare	-	-	-	318,721
Culture and recreation	2,665	-	2,665	358,561
Education	-	-	-	3,921,950
Capital outlay	-	-	-	5,114,229
Total expenditures	<u>2,665</u>	<u>28,736</u>	<u>31,401</u>	<u>10,746,967</u>
Excess (deficiency) of revenues over expenditures	<u>(1,484)</u>	<u>(26,234)</u>	<u>(27,718)</u>	<u>(3,132,621)</u>
Other financing sources (uses):				
Capital lease	-	-	-	1,209,060
Transfers out	-	-	-	(284,103)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>924,957</u>
Net change in fund balances	(1,484)	(26,234)	(27,718)	(2,207,664)
Fund balances, July 1, 2017 (as restated)	<u>115,591</u>	<u>239,314</u>	<u>354,905</u>	<u>7,772,283</u>
Fund balances, June 30, 2018	<u>\$ 114,107</u>	<u>\$ 213,080</u>	<u>\$ 327,187</u>	<u>\$ 5,564,619</u>

(Concluded)

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## Internal Service Funds

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Internal Service funds are used to account for the providing of goods or services provided by one department to other departments of the Town on a cost reimbursement basis or accounting for risk retention as allowed by GASB Statement No. 10.

### **Dental Self-Insurance**

To account for dental and other benefits for Town and Board of Education employees.

### **Medical Self-Insurance**

To account for medical claims of the Town and Board of Education employees.

### **Prescription Self-Insurance**

To account for self-insured pharmacy claims of the Town and Board of Education.

### **Workers' Compensation**

To account for workers' compensation claims of the Town and Board of Education employees.

### **Health Reimbursement**

To account for health reimbursement claims for Town employees.

Town of North Haven, Connecticut  
Internal Service Funds  
Combining Statement of Fund Net Position  
June 30, 2018

	Town				Board of Education				Total		
	Dental Self-Insurance	Medical Self-Insurance	Prescription Self-Insurance	Workers' Compensation	Health Reimbursement	Dental Self-Insurance	Medical Self-Insurance	Prescription Self-Insurance		Workers' Compensation	Interfund Eliminations
<b>Assets</b>											
Cash	\$ 445,783	\$ 1,013,988	\$ 484,616	\$ 1,178,246	\$ 3,569	\$ 78,666	\$ 149,311	\$ 168,271	\$ 554,112	\$ -	\$ 4,076,562
Due from other funds	-	-	-	-	-	35,234	253,932	5,958	-	(60)	295,064
<b>Total assets</b>	<b>445,783</b>	<b>1,013,988</b>	<b>484,616</b>	<b>1,178,246</b>	<b>3,569</b>	<b>113,900</b>	<b>403,243</b>	<b>174,229</b>	<b>554,112</b>	<b>(60)</b>	<b>4,371,626</b>
<b>Liability</b>											
Current liabilities:											
Accounts payable	22,470	-	6,072	-	-	21,571	-	6,657	-	-	56,770
Claims payable	12,458	308,453	13,259	228,936	-	15,440	503,388	1,931	66,895	-	1,150,760
Due to other funds	15,722	991,961	-	91,527	-	-	-	-	60	(60)	1,099,210
Noncurrent liabilities:											
Claims Payable	-	-	-	797,540	-	-	-	-	284,809	-	1,082,349
<b>Total liabilities</b>	<b>50,650</b>	<b>1,300,414</b>	<b>19,331</b>	<b>1,118,003</b>	<b>-</b>	<b>37,011</b>	<b>503,388</b>	<b>8,588</b>	<b>351,764</b>	<b>(60)</b>	<b>3,389,089</b>
<b>Net Position</b>											
Unrestricted	\$ 395,133	\$ (286,426)	\$ 465,285	\$ 60,243	\$ 3,569	\$ 76,889	\$ (100,145)	\$ 165,641	\$ 202,348	\$ -	\$ 982,537

Town of North Haven, Connecticut

Internal Service Funds  
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
 For The Year Ended June 30, 2018

	Town				Board of Education				Total	
	Dental Self-Insurance	Medical Self-Insurance	Prescription Self-Insurance	Workers' Compensation	Health Reimbursement	Dental Self-Insurance	Medical Self-Insurance	Prescription Self-Insurance		Workers' Compensation
Operating revenues:										
Charges for services	\$ 305,422	\$ 5,130,302	\$ 296,371	\$ 520,300	\$ 3,375	\$ 280,455	\$ 6,646,815	\$ 29,126	\$ 173,040	\$ 13,385,206
Operating expenses:										
Claims Incurred	190,412	5,399,424	250,682	875,787	-	213,311	5,906,774	30,485	224,283	13,091,158
Administration	-	17,304	-	26,425	-	142	840,186	-	6,174	890,231
Total operating expenses	190,412	5,416,728	250,682	902,212	-	213,453	6,746,960	30,485	230,457	13,981,389
Change in net position	115,010	(286,426)	45,689	(381,912)	3,375	67,002	(100,145)	(1,359)	(57,417)	(596,183)
Total net position - July 1, 2017	280,123	-	419,596	442,155	194	9,887	-	167,000	259,765	1,578,720
Total net position - June 30, 2018	\$ 395,133	\$ (286,426)	\$ 465,285	\$ 60,243	\$ 3,569	\$ 76,889	\$ (100,145)	\$ 165,641	\$ 202,348	\$ 982,537

Town of North Haven, Connecticut  
Internal Service Funds  
Combining Statement of Cash Flows  
For The Year Ended June 30, 2018

	Town					Board of Education					Total	
	Dental Self-Insurance	Medical Self-Insurance	Prescription Self-Insurance	Workers' Compensation	Health Reimbursement	Dental Self-Insurance	Medical Self-Insurance	Prescription Self-Insurance	Workers' Compensation			
Cash flows from operating activities:												
Receipts from charges for services	\$ 305,422	\$ 5,130,302	\$ 296,371	\$ 520,300	\$ 3,375	\$ 280,455	\$ 6,646,815	\$ 29,126	\$ 173,040	\$ 13,385,206		
Receipts (payments) on due to/from balances	16,606	991,961	-	91,527	-	(31,342)	(253,932)	(685)	6,174	820,309		
Claims paid	(186,855)	(5,108,275)	(258,190)	(282,821)	-	(210,342)	(6,243,572)	(71,018)	(67,444)	(12,428,517)		
Net cash provided by (used in) operating activities	135,173	1,013,988	38,181	329,006	3,375	38,771	149,311	(42,577)	111,770	1,776,998		
Cash - July 1, 2017	310,610	-	446,435	849,240	194	39,895	-	210,848	442,342	2,299,564		
Cash - June 30, 2018	\$ 445,783	\$ 1,013,988	\$ 484,616	\$ 1,178,246	\$ 3,569	\$ 78,666	\$ 149,311	\$ 168,271	\$ 554,112	\$ 4,076,562		
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:												
Operating income (loss)	\$ 115,010	\$ (286,426)	\$ 45,689	\$ (381,912)	\$ 3,375	\$ 67,002	\$ (100,145)	\$ (1,359)	\$ (57,417)	\$ (596,183)		
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:												
Increase (decrease) in:												
Interfunds	16,606	991,961	-	91,527	-	(31,342)	(253,932)	(685)	6,174	820,309		
Claims payable	3,557	308,453	(7,508)	619,391	-	3,111	503,388	(40,533)	163,013	1,552,872		
Net cash provided by (used in) operating activities:	\$ 135,173	\$ 1,013,988	\$ 38,181	\$ 329,006	\$ 3,375	\$ 38,771	\$ 149,311	\$ (42,577)	\$ 111,770	\$ 1,776,998		

# Statistical Section

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

## **CONTENTS**

### **FINANCIAL TRENDS (TABLES 1 - 4)**

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

### **REVENUE CAPACITY (TABLES 5 - 7)**

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

### **DEBT CAPACITY (TABLES 8 - 11)**

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

### **DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 12 - 14)**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

### **OPERATING INFORMATION (TABLES 15 - 16)**

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

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

## Town of North Haven, Connecticut

Net Position by Component  
Last Ten Years  
(Unaudited)

	Fiscal Year Ended									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 62,724,007	\$ 80,422,921	\$ 70,887,052	\$ 59,953,136	\$ 55,955,494	\$ 57,590,807	\$ 58,308,056	\$ 53,680,889	\$ 50,307,262	\$ 51,184,225
Restricted	4,611,542	1,042,387	1,049,383	1,021,732	1,151,699	1,132,436	1,314,327	1,528,064	227,635	227,635
Unrestricted	(100,193,538)	(45,872,908)	(43,030,573)	(37,783,998)	(2,020,942)	(2,413,759)	757,965	8,365,834	11,670,199	13,370,513
Total governmental activities net position	(32,857,989)	35,592,400	28,905,862	23,190,870	55,086,251	56,309,484	60,380,348	63,574,787	62,205,096	64,782,373
<b>Business-type activities:</b>										
Net investment in capital assets	8,181,757	6,837,570	7,293,934	7,759,939	8,293,763	8,793,844	9,454,411	10,059,919	10,735,590	12,744,564
Unrestricted	5,472,143	4,806,022	3,974,529	3,678,458	3,386,509	2,949,490	2,511,839	1,903,217	992,447	432,604
Total business-type activities net position	13,653,900	11,643,592	11,268,463	11,438,397	11,680,272	11,743,334	11,966,250	11,963,136	11,728,037	13,177,168
<b>Net position:</b>										
Net investment in capital assets	70,905,764	87,260,491	78,180,986	67,713,075	64,249,257	66,384,651	67,762,467	63,740,808	61,042,852	63,928,789
Restricted	4,611,542	1,042,387	1,049,383	1,021,732	1,151,699	1,132,436	1,314,327	1,528,064	227,635	227,635
Unrestricted	(94,721,395)	(41,066,886)	(39,056,044)	(34,105,540)	(1,365,567)	(535,731)	3,269,804	10,269,051	12,662,646	13,803,117
Total net position	\$ (19,204,089)	\$ 47,235,992	\$ 40,174,325	\$ 34,629,267	\$ 66,766,523	\$ 68,052,818	\$ 72,346,598	\$ 75,537,923	\$ 73,933,133	\$ 77,959,541

Town of North Haven, Connecticut  
Changes in Net Position  
Last Ten Years  
(Unaudited)

	Fiscal Year Ended									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 10,104,404	\$ 10,091,241	\$ 13,028,666	\$ 10,306,762	\$ 10,416,099	\$ 10,334,307	\$ 9,423,818	\$ 9,384,068	\$ 9,236,513	\$ 9,037,911
Public safety	18,464,330	19,103,364	17,993,060	17,525,716	16,939,381	16,590,227	15,142,891	15,017,493	13,907,039	13,436,844
Health and welfare	1,465,360	8,214,880	8,405,745	9,076,573	7,877,641	8,495,769	9,942,568	7,988,896	7,563,157	8,563,617
Public works	8,291,323	1,468,361	1,486,413	1,517,480	1,384,680	1,409,459	1,571,353	1,526,970	1,681,907	1,394,590
Culture and recreation	1,727,254	1,720,609	1,701,695	1,891,391	1,693,208	1,829,332	1,305,279	1,353,346	1,283,582	1,314,152
Education	69,927,584	69,076,068	63,676,099	62,269,843	62,060,540	59,728,731	58,489,059	55,905,612	54,134,369	53,626,915
Interest expense	612,057	1,426,036	1,939,897	1,571,000	1,521,128	1,919,771	1,942,277	2,020,903	3,123,637	2,731,227
<b>Total governmental activities expenses</b>	<b>110,592,312</b>	<b>111,100,559</b>	<b>108,231,575</b>	<b>104,158,765</b>	<b>101,892,677</b>	<b>100,307,596</b>	<b>97,817,245</b>	<b>93,197,288</b>	<b>90,930,204</b>	<b>90,105,256</b>
Business-type activities:										
Water Pollution Control Authority	2,933,332	2,727,404	3,360,814	3,623,489	3,555,806	2,976,378	3,245,270	2,752,190	2,921,684	2,871,604
<b>Total expenses</b>	<b>113,525,644</b>	<b>113,827,963</b>	<b>111,592,389</b>	<b>107,782,254</b>	<b>105,448,483</b>	<b>103,283,974</b>	<b>101,062,515</b>	<b>95,949,478</b>	<b>93,851,888</b>	<b>92,976,860</b>
<b>Program revenues:</b>										
Governmental activities:										
Charges for services:										
General government	913,560	857,426	845,318	982,341	623,523	720,794	547,044	528,711	592,311	432,740
Public safety	2,073,454	1,136,687	1,265,196	992,195	879,725	914,812	621,852	660,888	448,051	578,624
Health and welfare	472,423	668,404	1,092,702	912,893	1,019,366	615,410	778,912	305,169	255,098	646,200
Public works	1,448,438	81,387	84,163	87,638	81,163	87,877	95,032	99,532	94,927	102,367
Culture and recreation	310,737	291,951	338,227	339,659	345,099	366,926	332,773	354,734	345,572	417,581
Education	853,139	1,335,271	1,270,352	1,442,168	1,316,792	1,252,737	1,394,008	1,421,853	1,445,742	1,490,603
Operating grants and contributions	17,257,656	18,362,433	15,386,944	15,310,986	14,934,140	13,514,889	12,855,923	11,699,711	11,427,537	9,847,702
Capital grants and contributions	3,170,662	6,199,420	10,066,866	26,571	134,075	132,974	51,582	157,901	839,675	379,113
<b>Total governmental activities program revenue</b>	<b>26,500,069</b>	<b>28,932,979</b>	<b>30,349,788</b>	<b>20,094,451</b>	<b>19,333,883</b>	<b>17,606,419</b>	<b>16,677,126</b>	<b>15,228,499</b>	<b>15,448,913</b>	<b>13,894,930</b>
Business-type activities:										
Charges for services:										
Water Pollution Control Authority	3,118,845	3,102,533	3,190,880	3,381,614	3,492,744	2,753,462	3,248,384	2,987,289	2,909,703	2,419,323
<b>Total program revenues</b>	<b>29,618,914</b>	<b>32,035,512</b>	<b>33,540,668</b>	<b>23,476,065</b>	<b>22,826,627</b>	<b>20,359,881</b>	<b>19,925,510</b>	<b>18,215,788</b>	<b>18,358,616</b>	<b>16,314,253</b>
<b>Net (expense) revenue:</b>										
Governmental activities	(84,092,243)	(82,167,580)	(77,881,787)	(84,064,314)	(82,558,794)	(82,701,177)	(81,140,119)	(77,968,789)	(75,481,291)	(76,210,326)
Business-type activities	185,513	375,129	(169,934)	(241,875)	(63,062)	(222,916)	3,114	235,099	(11,981)	(452,281)
<b>Total net (expense) revenue</b>	<b>(83,906,730)</b>	<b>(81,792,451)</b>	<b>(78,051,721)</b>	<b>(84,306,189)</b>	<b>(82,621,856)</b>	<b>(82,924,099)</b>	<b>(81,137,005)</b>	<b>(77,733,690)</b>	<b>(75,493,272)</b>	<b>(76,662,607)</b>

(Continued)



Town of North Haven, Connecticut  
Changes in Net Position  
Last Ten Years  
(Unaudited)

	Fiscal Year Ended									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	\$ 85,077,427	\$ 84,905,013	\$ 81,252,571	\$ 79,136,203	\$ 79,384,196	\$ 75,438,673	\$ 74,843,243	\$ 73,999,013	\$ 67,316,651	\$ 67,237,887
Grants and contributions not restricted to specific programs	2,150,202	1,512,850	1,128,903	1,252,080	1,131,131	2,224,566	2,291,888	1,942,138	2,153,040	2,142,670
Investment income	5,651	114,594	68,080	51,148	72,708	44,915	44,669	110,356	163,639	446,301
Other	537,667	2,321,661	1,147,225	1,045,747	747,526	922,159	765,880	3,286,973	1,833,534	5,573,538
Total general revenues	87,770,947	88,854,118	83,596,779	81,485,178	81,335,561	78,630,313	77,945,680	79,338,480	71,466,864	75,400,396
Change in net position:										
Governmental activities	3,678,704	6,686,538	5,714,992	(2,579,136)	(1,223,233)	(4,070,864)	(3,194,439)	1,369,691	(4,014,427)	(809,930)
Business-type activities	185,513	375,129	(169,934)	(241,875)	(63,062)	(222,916)	3,114	235,099	(11,981)	(452,281)
Total change in net position	\$ 3,864,217	\$ 7,061,667	\$ 5,545,058	\$ (2,821,011)	\$ (1,286,295)	\$ (4,293,780)	\$ (3,191,325)	\$ 1,604,790	\$ (4,026,408)	\$ (1,262,211)

(Concluded)

**Town of North Haven, Connecticut**  
**Fund Balances - Governmental Funds**  
**Last Ten Years**  
**(Modified Accrual Basis Accounting)**  
**(Unaudited)**

	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General fund:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	66,246	78,957	35,887	54,055	51,454	28,729	46,092	1,025,989	182,710
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	4,207,067	6,960,298	4,673,420	4,957,365	5,309,386	5,423,401	6,028,404	5,756,926	-	-
Unassigned	8,043,391	7,399,722	7,748,336	7,519,929	8,062,822	8,018,349	7,478,295	8,619,912	-	-
Unreserved	-	-	-	-	-	-	-	-	11,312,901	13,516,919
<b>Total general fund</b>	<b>12,250,458</b>	<b>14,426,266</b>	<b>12,500,713</b>	<b>12,513,181</b>	<b>13,426,263</b>	<b>13,493,204</b>	<b>13,535,428</b>	<b>14,422,930</b>	<b>12,338,890</b>	<b>13,699,629</b>
<b>All other governmental funds:</b>										
Nonspendable	201,722	472,806	530,510	544,036	545,774	539,901	535,779	542,507	-	-
Restricted	4,409,820	4,061,343	6,592,191	4,201,213	3,566,937	2,673,195	2,498,152	4,268,397	-	-
Committed	3,005,190	4,095,182	3,085,717	2,571,399	5,981,004	4,452,268	1,831,130	369,379	-	-
Assigned	164,493	-	-	-	-	317,536	-	-	-	-
Unassigned	(6,436,062)	9,870,506	(524,680)	(2,701,579)	(361,101)	(1,845,707)	(499,208)	(109,562)	-	-
Reserved	-	-	-	-	-	-	-	-	251,469	240,440
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	2,141,170	2,852,665
Capital Project Funds	-	-	-	-	-	-	-	-	3,753,351	3,983,951
Permanent Funds	-	-	-	-	-	-	-	-	41,274	40,594
<b>Total all other governmental funds</b>	<b>1,345,163</b>	<b>18,499,837</b>	<b>9,683,738</b>	<b>4,615,069</b>	<b>9,732,614</b>	<b>6,137,183</b>	<b>4,365,853</b>	<b>5,070,721</b>	<b>6,187,264</b>	<b>7,117,650</b>
<b>Grand total</b>	<b>\$ 13,595,621</b>	<b>\$ 32,926,103</b>	<b>\$ 22,184,451</b>	<b>\$ 17,128,250</b>	<b>\$ 23,158,877</b>	<b>\$ 19,630,387</b>	<b>\$ 17,901,281</b>	<b>\$ 19,493,651</b>	<b>\$ 18,526,154</b>	<b>\$ 20,817,279</b>

Notes:

- (1) General fund changes in fund balance from the prior year are due to result of operations and changes in encumbrances.
- (2) Other governmental funds changes in fund balance from the prior year are due to the timing of spending and permanent financing for capital project funds.

**Town of North Haven, Connecticut**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Years**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues:</b>										
Property taxes	\$ 85,795,155	\$ 84,624,119	\$ 81,149,464	\$ 79,591,102	\$ 79,605,043	\$ 75,763,749	\$ 74,561,137	\$ 73,908,177	\$ 68,165,768	\$ 68,084,739
Intergovernmental	22,754,646	28,331,293	24,864,698	16,543,110	16,046,272	15,476,169	15,077,371	13,631,126	14,215,050	12,622,667
Charges for services	5,752,230	4,371,156	4,679,586	4,756,894	4,274,370	3,956,202	3,734,620	3,374,925	3,181,701	3,668,115
Investment income	5,651	136,051	68,080	51,148	72,708	44,915	44,669	110,356	152,304	445,855
Other	549,877	2,497,965	1,200,701	1,076,763	1,091,168	1,511,949	1,082,420	3,655,589	3,252,270	6,969,583
<b>Total revenues</b>	<b>114,857,559</b>	<b>119,960,584</b>	<b>111,962,529</b>	<b>102,019,017</b>	<b>101,089,561</b>	<b>96,752,984</b>	<b>94,500,217</b>	<b>94,680,173</b>	<b>88,967,093</b>	<b>91,790,959</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	8,013,757	6,184,997	6,392,499	6,101,528	6,060,468	5,972,043	5,234,056	5,480,490	5,676,959	5,941,039
Public safety	11,475,218	10,944,268	10,104,814	9,959,649	9,572,423	9,448,228	8,308,012	8,816,940	8,566,141	8,316,868
Public works	4,572,370	5,400,656	5,365,270	6,132,740	4,534,961	5,368,999	6,615,223	5,186,068	5,581,946	5,515,392
Health and welfare	1,293,090	1,019,956	1,053,221	1,094,424	975,231	1,007,596	1,274,707	1,233,261	1,436,869	1,159,387
Employee benefits	11,830,977	11,967,710	11,497,111	11,167,962	10,947,083	10,175,566	9,809,288	9,711,564	8,085,522	7,774,337
Education	66,672,505	63,729,133	58,631,502	58,119,799	57,450,277	54,387,823	53,896,444	51,906,706	50,090,166	49,488,631
Library	-	1,503,614	1,582,152	1,487,548	1,487,040	1,413,462	1,448,891	1,452,466	1,392,234	1,207,761
Culture and recreation	927,464	1,107,840	1,109,392	1,312,648	1,133,779	1,277,416	910,688	962,668	957,844	1,000,952
Debt service-Principal	5,151,004	4,945,093	4,439,189	4,393,327	4,122,440	3,706,606	4,641,821	4,646,099	4,575,307	4,964,540
Debt service-Interest	1,639,886	1,704,928	1,875,876	2,042,999	2,021,889	2,014,940	2,168,513	2,325,270	2,624,867	2,774,638
Capital outlay	18,703,079	30,960,643	31,046,500	6,590,148	9,366,878	6,711,199	1,843,637	1,991,044	2,842,200	2,802,523
<b>Total expenditures</b>	<b>130,279,350</b>	<b>139,468,838</b>	<b>133,097,526</b>	<b>108,402,772</b>	<b>107,672,475</b>	<b>101,483,878</b>	<b>96,151,280</b>	<b>93,712,676</b>	<b>91,830,055</b>	<b>90,946,068</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(15,421,791)</b>	<b>(19,508,254)</b>	<b>(21,134,997)</b>	<b>(6,383,755)</b>	<b>(6,582,914)</b>	<b>(4,730,894)</b>	<b>(1,651,063)</b>	<b>967,497</b>	<b>(2,862,962)</b>	<b>844,891</b>
<b>Other financing sources (uses):</b>										
Issuance of debt	15,000,000	10,000,000	25,000,000	-	-	6,460,000	-	-	-	-
Issuance of capital lease	1,209,060	80,192	271,160	353,128	-	-	-	-	-	-
Bond/BAN premium	283,596	428,702	920,038	-	-	-	-	-	-	-
Transfers in	284,103	1,027,180	1,793,922	368,204	238,906	276,848	339,200	499,304	-	-
Transfers out	(284,103)	(1,027,180)	(1,793,922)	(358,204)	(238,906)	(276,848)	(339,200)	(499,304)	-	-
<b>Net other financing sources (uses)</b>	<b>16,492,656</b>	<b>508,894</b>	<b>1,191,198</b>	<b>363,128</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 1,070,865</b>	<b>\$ (18,999,360)</b>	<b>\$ (19,943,799)</b>	<b>\$ (6,020,627)</b>	<b>\$ (6,582,914)</b>	<b>\$ (4,730,894)</b>	<b>\$ (1,651,063)</b>	<b>\$ 967,497</b>	<b>\$ (2,862,962)</b>	<b>\$ 844,891</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>6.04%</b>	<b>6.50%</b>	<b>6.60%</b>	<b>6.30%</b>	<b>6.10%</b>	<b>6.40%</b>	<b>7.20%</b>	<b>7.50%</b>	<b>8.10%</b>	<b>8.80%</b>

**Town of North Haven, Connecticut**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Years**  
**(Unaudited)**

Year Ended June 30	Real Estate				Personal Property			Totals			Percentage Of Total Assessed Value to Total Estimated Actual Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Motor Vehicles	Other	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Estimated Actual Value					
2009	\$ 1,971,946,093	\$ 561,236,627	\$ 201,720,557	\$ 245,092,193	\$ 92,111,518	\$ 2,887,863,952	\$ 4,257,136,386	70.00%	28.70			
2010	1,924,538,674	621,759,361	187,185,428	245,564,092	91,798,027	2,887,249,528	4,255,782,222	70.00%	25.44			
2011	1,812,359,923	682,850,758	184,261,165	263,256,690	107,260,352	2,835,468,184	4,203,897,909	70.00%	23.50			
2012	1,811,728,635	681,094,625	195,541,450	264,236,458	125,476,286	2,827,124,882	4,218,001,669	70.00%	22.48			
2013	1,813,741,095	662,335,710	210,323,266	270,340,885	125,136,771	2,831,604,185	4,223,915,652	70.00%	26.18			
2014	1,817,709,352	637,293,683	209,808,992	268,049,040	118,471,610	2,814,389,457	4,189,801,254	70.00%	26.54			
2015	1,824,391,729	636,791,604	216,448,873	266,997,059	133,670,336	2,810,958,929	4,206,613,267	70.00%	28.10			
2016	1,755,841,998	626,650,688	214,119,913	276,119,913	126,806,170	2,745,926,342	4,109,417,699	70.00%	29.42			
2017	1,760,192,436	641,556,230	222,071,360	283,530,270	119,959,731	2,787,390,565	4,153,357,565	70.00%	30.53			
2018	1,773,451,379	639,751,585	219,842,359	290,662,940	114,453,893	2,809,254,370	4,176,726,090	70.00%	30.53			

(1) Assessed values taken from the Board of Assessment Appeals corrected abstracts for the respective year.

(2) Ratios are predicated on the State of Connecticut Office of Policy and Management sales/assessment ratio.

(3) Personal property value based on a 70% assessment ratio.

(4) Revaluation completed for fiscal years 2009 and 2014.

Table 6

**Town of North Haven, Connecticut**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

Name	2018			2009		
	Assessed Value	Rank	Percentage Net Taxable Grand List (1)	Assessed Value	Rank	Percentage Net Taxable Grand List (1)
Covidien	\$ 132,309,890	1	4.71%	\$ 121,391,620	1	4.20%
United Illuminating CO	43,597,390	2	1.55%	7,705,130	13	0.27%
Stag North Haven LLC	24,404,520	3	0.87%	-	-	0.00%
Price REIT	24,387,440	4	0.87%	21,680,190	4	0.75%
August America	21,408,940	5	0.76%	-	-	0.00%
North Haven Holdings	16,464,420	6	0.59%	17,777,480	6	0.62%
Ardenwood Apartments LLC	16,068,820	7	0.57%	-	-	0.00%
Cinemark USA Inc	15,081,180	8	0.54%	-	-	0.00%
OF Mossberg & Sons	12,870,910	9	0.46%	-	-	0.00%
Connecticut Container Corp	12,044,570	10	0.43%	-	-	0.00%
Anthem Health Plans	-	-	0.00%	39,967,080	2	1.38%
PREI	-	-	0.00%	22,163,120	3	0.77%
Quebecor/ Northeast Graphics	-	-	0.00%	21,249,670	5	0.74%
Avalon Communities	-	-	0.00%	11,798,750	7	0.41%
415 Washington Ave Partners	-	-	0.00%	11,034,760	8	0.38%
Galileo CMBS	-	-	0.00%	10,844,400	9	0.38%
Target Corporation	-	-	0.00%	10,235,610	11	0.35%
Drazen Properties	-	-	0.00%	10,272,570	10	0.36%
325 Lafayette Street Associates LLC	-	-	0.00%	6,710,340	14	0.23%
Rosewood LLC	-	-	0.00%	9,350,600	12	0.32%
Total	\$ 318,638,080		11.35%	\$ 322,181,320		10.25%
(1) - Based on October 1, 2016 and 2007 net taxable grand list of	\$ 2,809,254,370			\$ 2,887,883,952		

Source: Town assessor department.

**Town of North Haven, Connecticut**  
**Property Tax Rates, Levies and Cash Collections**  
**Last Ten Years**  
**(Unaudited)**

Year Ended June 30	(1) Mill Rate	Total Adjusted Tax Levy	Net Current Levy Tax Collections	Percentage Of Current Taxes Collected	Collections In Subsequent Years	Total Collections	Percent Of Levy Collected	Current Delinquent Balance
2009	28.70	\$ 67,749,436	\$ 66,453,146	98.10%	\$ 1,120,255	\$ 67,573,401	99.74%	\$ 31,040
2010	25.44	67,643,247	66,776,879	98.73%	485,301	67,262,180	99.44%	31,738
2011	23.50	73,974,689	72,552,212	98.09%	276,784	72,828,996	98.45%	43,672
2012	22.48	74,878,914	73,406,669	98.04%	255,890	73,662,559	98.38%	63,178
2013	26.18	75,207,636	73,830,387	98.17%	151,028	73,981,415	98.37%	114,430
2014	26.54	79,396,003	78,447,387	98.81%	347,782	78,795,169	99.24%	168,762
2015	28.10	79,450,992	78,825,314	99.21%	485,516	79,310,830	99.82%	182,688
2016	29.42	81,352,955	80,850,771	98.85%	175,758	81,026,529	98.85%	401,632
2017	30.53	85,201,313	83,850,584	99.02%	463,779	83,850,584	99.02%	593,285
2018	30.53	85,547,698	84,454,839	98.72%	-	84,454,839	98.72%	1,092,859

Source: Town audit reports.

(1) This represents the Town's mill rate per \$1,000 of taxable property. There are no overlapping tax rates.

**Town of North Haven, Connecticut**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Years**  
**(Unaudited)**

Year Ended June 30	Governmental Activities							Debt Per Capita
	General Obligation Bonds/BANS	Premium	Clean Water Notes	Capital Lease Payable	Total	Percentage of Personal Income		
2009	\$ 57,426,487	\$ 2,014,317	\$ 3,510,045	\$ 187,194	\$ 63,138,043	N/A	\$ 2,741	
2010	54,083,177	1,897,361	2,559,738	548,644	59,088,920	N/A	2,471	
2011	50,434,867	1,780,409	1,608,640	374,641	54,198,557	N/A	2,262	
2012	46,791,557	1,663,457	660,165	325,965	49,441,144	N/A	2,063	
2013	49,633,247	1,546,505	615,105	274,860	52,069,717	N/A	2,160	
2014	54,925,000	1,429,553	572,635	1,108,000	58,035,188	N/A	2,415	
2015	50,575,000	1,312,603	529,306	208,000	52,624,909	N/A	2,141	
2016	71,180,000	2,081,187	485,106	754,031	74,500,324	0.19%	2,256	
2017	76,280,000	2,330,732	440,010	473,379	79,524,121	0.18%	2,134	
2018	78,675,000	2,415,782	394,006	7,299,803	88,784,591	0.10%	3,713	

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

N/A - information not available.

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

Year Ended June 30	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Debt Per Capita
	General Obligation Bonds/BANS	Premium	Clean Water Notes Total		
2009	\$ 57,426,487	\$ 2,014,317	\$ 3,510,045	1.40%	\$ 2,580
2010	54,083,177	1,897,361	2,559,738	1.32%	2,341
2011	50,434,867	1,780,409	1,608,640	1.24%	2,179
2012	46,791,557	1,663,457	660,165	1.15%	2,022
2013	49,633,247	1,546,505	615,105	1.21%	2,123
2014	54,925,000	1,429,553	572,635	1.35%	2,345
2015	50,575,000	1,312,603	529,306	1.23%	2,111
2016	71,180,000	2,081,187	485,106	1.78%	3,053
2017	76,280,000	2,330,732	440,010	1.89%	3,288
2018	78,675,000	2,415,782	394,006	1.94%	3,395

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



**Town of North Haven, Connecticut**  
**Schedule of Debt Limitation**  
**Connecticut Statutes, Section 7-374(b)**  
**(Unaudited)**

Tax base:					
Total prior year tax collections (including interest and lien fees)				<u>\$ 84,645,140</u>	
	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$ 190,451,565	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	380,903,130	-	-	-
3 3/4 times base	-	-	317,419,275	-	-
3 1/4 times base	-	-	-	275,096,705	-
3 times base	-	-	-	-	253,935,420
Total limitations	<u>190,451,565</u>	<u>380,903,130</u>	<u>317,419,275</u>	<u>275,096,705</u>	<u>253,935,420</u>
Indebtedness:					
Bonds	23,787,233	54,887,767	-	-	-
Notes payable	-	-	394,006	-	-
Bond anticipation notes - long term	-	7,500,000	-	-	-
Bond anticipation notes - short term	<u>15,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>38,787,233</u>	<u>62,387,767</u>	<u>394,006</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u>\$ 151,664,332</u>	<u>\$ 318,515,363</u>	<u>\$ 317,025,269</u>	<u>\$ 275,096,705</u>	<u>\$ 253,935,420</u>
The total net indebtedness above amounts to:					<u>\$ 101,569,006</u>
In no event shall total indebtedness exceed seven time the base for debt limitation computation:					<u>\$ 592,515,980</u>
There is no overlapping debt for the Town of North Haven.					

## Town of North Haven, Connecticut

**Legal Debt Margin Information  
Last Ten Years  
(Unaudited)**

Year Ended June 30	Debt Limit	Net Debt Applicable To Limit	Legal Debt Margin	Total Net Debt Applicable
2009	\$ 476,908,397	\$ 80,744,617	\$ 396,163,780	16.93%
2010	480,324,628	76,601,788	403,722,840	15.95%
2011	517,490,582	72,152,182	445,338,400	13.94%
2012	525,124,306	77,256,396	447,867,910	14.71%
2013	531,842,318	80,199,866	451,642,452	15.08%
2014	558,736,584	76,267,963	482,468,621	13.65%
2015	556,640,616	141,728,677	414,911,939	25.46%
2016	570,823,596	130,239,516	440,584,080	22.82%
2017	593,860,302	127,572,179	466,288,123	21.48%
2018	592,515,980	101,569,006	490,946,974	17.14%

Source: Town audit reports.

## Town of North Haven, Connecticut

Demographic and Economic Statistics  
Last Ten Years  
(Unaudited)

Year Ended June 30	(1) Population	(5) Personal Income	(2) Per Capita Income	(2) Median Age	Education Level of Schooling			(3) School Enrollment	(4) Unemployment Percentage
					High School Graduate or Higher	Bachelor's Degree or Higher			
2009	23,035	N/A	N/A	N/A	N/A	N/A	N/A	3,932	7.10%
2010	23,916	N/A	N/A	N/A	N/A	N/A	N/A	3,822	7.8%
2011	23,961	N/A	N/A	N/A	N/A	N/A	N/A	3,693	8.2%
2012	23,961	N/A	N/A	N/A	N/A	N/A	N/A	3,548	7.8%
2013	24,106	N/A	N/A	N/A	N/A	N/A	N/A	3,635	7.0%
2014	24,033	N/A	N/A	N/A	N/A	N/A	N/A	3,518	5.6%
2015	24,579	N/A	N/A	N/A	N/A	N/A	N/A	3,291	5.2%
2016	23,997	\$ 84,078	\$ 167,269	46.0	37.0%	40.0%	40.0%	3,176	4.9%
2017	23,909	86,340	167,269	45.0	37.0%	40.0%	40.0%	3,125	5.0%
2018	23,888	93,696	165,818	45.0	36.0%	42.0%	42.0%	3,130	4.0%

(1) Source: State of Connecticut, Department of Health

(2) Per capita income median age - CERC Town Profile

(3) School enrollment - North Haven Board of Education.

(4) Connecticut Labor Department - research and statistics.

(5) U.S. Bureau of Census.

N/A - information not available.

Table 13

Town of North Haven, Connecticut

Principal Employers  
Current and Nine Years Ago  
(Unaudited)

Employer	2018			2009		
	Employees	Rank	Percentage Of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Medtronic/Covidien	1,834	1	10.17%	2,562	1	19.41%
Town of North Haven	817	2	4.54%	852	3	6.46%
Quinnipiac University	437	3	2.43%	-	-	0.00%
Area Cooperative Education Services	392	4	2.18%	360	4	2.73%
Brescome Barton	350	5	1.94%	-	-	0.00%
Mossberg, OF & Sons	207	6	1.15%	139	8	1.05%
XPO	178	7	0.99%	-	-	0.00%
HB Communications	175	8	0.97%	189	6	1.43%
United Aluminum	175	9	0.97%	-	-	0.00%
Cowles Inc.	160	10	0.89%	-	-	0.00%
Connecticut Container Corporation	-	-	0.00%	146	7	1.11%
Anthem Health Plans	-	-	0.00%	1,550	2	11.75%
Marlin Firearms	-	-	0.00%	297	5	2.25%
Pennant Foods	-	-	0.00%	135	9	1.02%
Total	<u>4,725</u>		<u>26.23%</u>	<u>6,230</u>		<u>46.19%</u>

Source: State Department of Labor.

**Town of North Haven, Connecticut**  
**Full-Time Equivalent Employees by Function/Program**  
**Last Ten Years**  
**(Unaudited)**

Function/Program	Full-Time Equivalent Employees as of June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government:										
Public safety	25	24	24	23	21	20	20	21	23	23
Public services and recreation	92	96	93	93	93	91	92	93	91	89
Public works	43	42	42	42	41	41	41	34	32	33
Part-time	45	44	44	44	43	43	43	43	49	48
	123	143	143	150	152	150	156	160	152	147
Education:										
Teachers	312	320	315	301	298	304	303	309	315	315
Administration	18	17	17	17	17	17	17	17	17	17
Custodial maintenance	22	21	21	27	23	23	23	23	23	23
Other	117	112	114	100	99	86	83	88	83	86
Part-time	20	44	26	26	26	50	49	69	71	71
	489	514	493	471	463	480	475	506	509	512
Total education										
	817	863	839	823	813	825	827	857	856	852
Total										

Source: Town and Board of Education's payroll departments.

Town of North Haven, Connecticut

Operating Indicators by Function/Program  
Last Ten Years  
(Unaudited)

Function/Program	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental Activities</b>										
<b>Police:</b>										
Calls for service	21,860	22,492	21,900	23,538	25,071	24,650	24,273	25,382	24,501	23,403
Adult arrest	396	503	391	404	566	419	529	700	677	652
Juvenile arrest	-	-	-	6	9	-	-	-	-	-
Citations	1,595	2,014	1,897	1,462	1,988	1,853	2,184	1,964	1,763	2,088
<b>Fire:</b>										
Total fire runs	4,539	4,440	4,216	4,040	4,040	4,058	4,119	4,590	4,617	4,271
Total rescue runs	3,314	3,014	2,750	2,789	2,652	2,783	2,780	3,059	3,225	2,978
Property loss	\$ 1,923,800	\$ 1,009,800	\$ 833,200	\$ 1,201,975	\$ 1,201,975	\$ 408,625	\$ 649,070	\$ 846,200	\$ 815,400	\$ 532,800
<b>Building Safety:</b>										
Total building permits	904	837	1,036	604	685	2,041	1,760	485	2,149	427
Total value all permits	\$ 128,994,401	\$ 34,697,012	\$ 92,111,984	\$ 48,609,495	\$ 66,516,277	\$ 42,839,743	\$ 42,839,743	\$ 25,636,659	\$ 29,643,079	\$ 17,110,653
Total mechanical permits	1,394	1,441	1,554	345	1,298	325	294	719	1,268	846
Total value all permits	\$ 44,674,197	\$ 14,111,243	\$ 35,387,987	\$ 9,764,683	\$ 35,640,829	\$ 12,432,646	\$ 9,073,461	\$ 29,919,892	\$ 8,974,312	\$ 5,310,484
<b>Library:</b>										
Volumes in collection	107,566	112,049	113,472	115,811	111,041	103,036	109,700	112,049	106,789	111,908
<b>Public Service:</b>										
Garbage collected (ton)	8,500	N/A	10,900	N/A	N/A	8,990	8,959	N/A	N/A	20,800
Recycle collected (ton)	2,000	N/A	2,100	N/A	N/A	1,300	N/A	N/A	N/A	N/A
<b>Parks and Recreation:</b>										
Street trees maintained- miles	147	147	147	147	147	147	147	147	147	147

Source: Various Town departments.

N/A - information not available.

**Town of North Haven, Connecticut**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Years**  
**(Unaudited)**

Function/Program	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b><u>Governmental Activities</u></b>										
<b>General government:</b>										
<b>Parks and recreation:</b>										
Acreage	210	210	210	210	210	210	210	210	210	210
Park facilities	11	18	18	18	18	18	18	18	18	18
Baseball/softball diamonds	13	13	13	12	12	12	12	12	12	12
Basketball courts	2	2	2	2	7	7	7	7	7	7
Tennis courts	2	2	2	2	10	10	14	14	14	14
Swimming pools	1	1	1	1	1	1	1	1	1	1
Parks with playground equipment	3	3	3	3	5	5	5	5	5	5
Picnic shelters	-	1	1	1	8	8	8	8	8	8
Community centers	1	1	1	1	1	1	1	1	1	1
<b>Public safety:</b>										
Fire stations- full time	1	1	1	1	1	1	1	1	1	1
Fire stations- volunteer	3	3	12	3	3	3	3	3	3	3
Police stations	1	1	1	1	1	1	1	1	1	1
<b>Public works:</b>										
Collection trucks	4	4	4	4	4	4	4	4	4	4
Streets (miles)	146.5	146.5	146.5	146.5	146.5	146.5	146.5	146.5	146.5	146.5
<b>Library:</b>										
Facilities	1	1	1	1	1	1	1	1	1	1
Volumes	107,566	109,700	103,036	111,041	115,811	113,472	112,049	106,789	112,558	111,908
<b>Education:</b>										
Number of high schools	1	1	1	1	1	1	1	1	1	1
Number of middle schools	1	1	1	1	1	1	1	1	1	1
Number of elementary schools	4	4	4	4	4	4	4	4	4	4
<b><u>Business-Type Activities</u></b>										
<b>Sewer:</b>										
Miles of sewers	120	120	120	120	120	110	110	N/A	N/A	N/A

Source: Town capital asset records and various Town departments.

N/A - information not available.